Company Registration No. 13289422 (England and Wales)

RC365 HOLDING PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2022

COMPANY INFORMATION

Directors	Chi Ki Law, Executive Director and CEO Hon Keung Cheung, Executive Director and CFO (resigned 30 August 2022) Timothy Wai Yiu Tang, Executive Director and CFO (appointed 30 August 2022) Kwai Wah Sunny Ng, Chairman and Non Executive Director Ajay Rajpal, Non Executive Director Robert Cairns, Non Executive Director
Company Number	13289422
Company Secretary	Hon Keung Cheung (resigned 30 August 2022) Timothy Wai Yiu Tang (appointed 30 August 2022)
Registered address	Cannon Place 78 Cannon Street London United Kingdom EC4N 6AF
Auditors	Jeffreys Henry LLP Finsgate 5-7 Cranwood Street London EC1V 9EE
Company Solicitors (UK)	Chan Neill Solicitors 36 Upper Brook Street London W1K 7QJ
Financial Adviser	Guild Financial Advisory Limited 382 Russell Court London WC1H 0NH
Registrars	Share Registrars Limited 3 The Millennium Centre Crosby Way Surrey GU9 7XX
Company Website	https://www.rc365plc.com/

CONTENTS

CHAIRMAN'S STATEMENT

I have great pleasure in presenting our maiden Annual Report as a public company. RC365 Holding plc ("RC365" or the "Group") was incorporated on 24 March 2021 as RC365 Holding Limited and re-registered as a public limited company on 22 September 2021. On 23 March 2022, the Company raised GBP2.1 million before expenses in an initial public offering on the Main Market of the London Stock Exchange (the "IPO").

The Group delivered revenues during the year of HK$8,069k. The Group continued to support its clients by providing competitive fintech solutions, helping them to adapt and to stay ahead of competition. A key focus for the Group continues to be to develop innovative products and services to attract new customers. Loss before tax was HK$3,897k and cash at 31 March 2022 was HK$23.4m.

"Catch AR", the Group's proprietary, internally developed mobile application for Android and iOS, which is aimed at providing clients in businesses, such as catering and entertainment, a platform to promote their services and branding through the Group's innovative AR (augmented reality) and VR (visual reality) system, is expected to officially launch in October 2022. The product soft launched in 2021 and the current users have expressed a strong intention that they will join the fee payment program as the trial period comes to an end. Once it has been fully developed, the Group plans to expand Catch AR to clients in China and Singapore.

The "Maid-Maid Matching" platform that allow prospective maids searching for jobs to find an employer online without having to pay a high commission to a local employment service company is also set to officially launch in October 2022.

These exciting developments taking place next month puts RC365 ahead of the market and the Company is well positioned to expand its products and services in other jurisdictions.

Strategy

RC365's strategy is to grow its share of its existing markets, develop new capabilities and expand into new geographies within the fast growing and attractive markets in which it operates. We will remain alert to opportunities and this Annual Report will explain the developments we have made over the course of the year and post year end. The Board believes these advances have positioned the firm well for FY23 and continued future growth.

Management team

In order to successfully execute on its strategy, RC365 has strengthened the management team by appointing two experienced individuals from the Fintech Industry; Yee Leong Wong and Wai Siang Ang. RC365 will continue to build up and enhance the team to enable the Group to meet its objectives.

Post year end

The Company announced the acquisition of RCPAY Limited (a private limited company incorporated in Hong Kong), Regal Crown Technology (Singapore) Pte Limited (a private limited company incorporated in Singapore) and, subject to FCA approval, RCPAY Limited (a private limited company incorporated in UK). The consideration payable was £1 per acquisition. These acquisitions will provide growth opportunities for the Group to expand and consolidate in the Hong Kong, Singapore, UK and other ASEAN markets and providing cross border payment solutions around the world. The UK and Hong Kong companies will also provide money remittance and exchange services and have obtained the relevant licenses from the regulatory authorities in UK and Hong Kong.

On 30 August 2022, the Company announced the appointment of Mr. Tang as Chief Financial Officer and Company Secretary, replacing Mr. Cheung who has resigned due to personal health concerns. Mr. Tang joined the group in October 2020 as an executive manager and over the years he has built a strong understanding of the fintech solutions industry.

Outlook

Hong Kong continues to be one of the principal markets for the Group and as the City begins to relax its quarantine requirements, we expect this to stimulate cross-border activity, enabling RC365 to carry out its strategy.

With a strong balance sheet and our recent acquisitions, the Board is looking to the future with optimism. Moving forward the Company will continue to seek at opportunities in and around the fintech solutions sector.

Finally, we would like to take this opportunity to thank our shareholders for their continued support and look forward to reporting on our progress as we deliver on our growth strategy.

Kwai Wah Sunny NG

Non Executive Chairman

30 September 2022

STRATEGIC REPORT

The Directors present the Strategic Report of the Company for the period ended 31 March 2022.

Review of business and future developments

The Company was incorporated and registered in England and Wales on 24 March 2021 as RC365 Holding Limited and re-registered as RC365 Holding Plc on 22 September 2021 and was admitted to the Standard Listing segment of the Official List of the UK Listing Authority and to trading on the London Stock Exchange, having raised about GBP2.1 million (before expenses) from the issue of 32,534,590 ordinary shares at a placing price of 6.67p.

The Company was formed to undertake an acquisition of a controlling interest in a company or business. Given their experience, the Board focused on the provision of IT support and Security Services and Payment Gateway solutions (online and offline basis) to China and Hong Kong customers and looking to expand the payment gateway services into Europe and the UK.

Key Performance Indicators

During the reporting period, the Company was focused on the evaluation of various opportunities in the Fintech and Payment Gateway sector. The Directors track the following as the Company's KPIs:

	2022 **HK$**	**2021** **HK$**
Revenue	8,069,000	7,363,061
Cash and cash equivalents	23,416,761	4,305,203

- Revenue

  Reflects the element of billings generated and recognised during the period from all revenue streams and measures the Group's overall performance at a sales level.

- Cash and cash equivalents

  The Company's cash balance provides a measure of the Group's financial strength and self-sufficiency to support operations while revenue streams continue to be developed.

Principal risks and uncertainties

The principal risks and uncertainties currently faced by the Company are set out further in the Risk Management Report on page 14.

Corporate Social Responsibility

The Group aims to conduct its business with honesty, integrity and openness, respecting human rights and the interests of shareholders and employees. The Group aims to provide timely, regular and reliable information on the business to all its shareholders and conduct its operations to the highest standards.

The Group strives to create a safe and healthy working environment for the wellbeing of its staff and to create a trusting and respectful environment, where all members of staff are encouraged to feel responsible for the reputation and performance of the Group.

The Group aims to establish a diverse and dynamic workforce with team players who have the experience and knowledge of the business operations and markets in which we operate. Through maintaining good communications, members of staff are encouraged to realize the objectives of the Group and their own potential.

Corporate environmental responsibility

The Board contains personnel with a good history of running businesses that have been compliant with all relevant laws and regulations.

Section 172(1)

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:

1. Consider the likely consequences of any decision in the long term;
2. Act fairly between the members of the Group;
3. Maintain a reputation for high standards of business conduct;
4. Consider the interest of the Group's employees;
5. Foster the Group's relationships with suppliers, customers and others; and
6. Consider the Impact of the Group's operations and the community and the environment.

The Directors remain committed to engaging with the Group's stakeholders and considering their interests when making key strategic decisions. The Board considers its key stakeholders to be its shareholders, its employees, its clients, its suppliers and the communities in which the Group operates.

In the following section we identify our key stakeholders, how we engage with them and key activities we have undertaken during the period in question.

Our Strategic Partners

The Company works closely with its major service provider, a technology limited located in Hong Kong, who is an important strategic partner with the Group. We kept working with this service provider despite during the COVID-19 pandemic, and have developed an open and transparent relationship with this partner, which promotes the long-term success for the Group.

We also continue to build our reputations and strengthen our relationships with our clients based in Hong Kong and China by providing outstanding services. Furthermore, we are expanding to clients located in Singapore and the UK having seen the recovery of economy from COVID-19 of these countries in the second half of year 2022.

Our Shareholders

The Company has been well-supported by its shareholders, who have subscribed for our shares in the IPO. The Company endeavours to keep shareholders updated on regulatory matters, and is committed to provide transparent information to them, both through the annual report and ad-hoc communications.

Our Customers

The Company strives to maintain strong relationships with its customers, which will promote long term growth. The relationships with customers who advertise with the Company are maintained through regular contact and relationship management.

Our Employees

The Company believes that good staff morale engenders increased efficiency and loyalty, and hence promotes staff welfare and well-being. Staff needs are constantly monitored and improved on an ongoing basis.

Kwai Wah Sunny NG

Non Executive Chairman

30 September 2022

BOARD OF DIRECTORS

Chi Kit Law, Executive Chairman and CEO (appointed 24 Mar 2021)

Mr. Law (Chinese name: 羅志杰), age 41, has almost 20 years' of payment solution and banking leadership experience, having previously held roles as Head of Banking Systems at MoneySwap plc and Assistant Vice President of Group Technology and Operations at DBS Bank where he was awarded the Chairman's Reward for each year he was there. Mr. Law was also awarded the JP Morgan Services Star Award. Mr. Law has managed multi-national banking projects when he was at Standard Chartered Bank, HSBC, JP Morgan Chase and DBS Bank. Mr. Law holds a Masters in Advanced Management from the University of Liege and a Bachelor of Information Technology (Honours) from West Coast Institute of Management & Technology, Perth, Western Australia.

Timothy Wai Yiu Tang, Executive Director and CFO and Company Secretary (appointed on 30 August 2022)

Mr. Tang (Chinese name: 鄧煒堯), aged 53, has held the role of Vice President, Finance of Regal Crown Hong Kong since October 2020 and was promoted on 30 August 2022. Mr. Tang has about 20 years of audit and accountancy experience, having previously been a Partner at William Lee, Paul Tang & Co. and a former senior Auditor at Ernst and Young. Mr. Tang holds a Bachelor of Commerce in Accounting from the University of New South Wales. Mr. Tang is an associate member of CPA Australia and a member of the Hong Kong Institute of Certified Public Accountants.

Hon Keung Cheung, Executive Director and CFO (appointed on 14 September 2021 and resigned on 30 August 2022)

Mr. Cheung (Chinese name: 張漢強), age 46, has 20 over years' of operational and financial leadership experience in banking and payment solutions, having previously been Chief Consultant of Mondo Consulting Company providing cross-border taxation and business advisory services to SME clients located in Hong Kong, China and Korea, from 2016 to 2018, and various accounting and audit roles, from 1997 to 2016. Mr. Cheung holds a Masters in Business Administration from Deakin University, Australia and a Bachelor of Accountancy (Honours) from City University of Hong Kong. Mr. CHEUNG is a member of The Association of Chartered Certified Accountants and the Hong Kong Institute of Taxation.

Kwai Wah Sunny Ng, Non Executive Director (appointed on 9 March 2022)

Mr. Kwai Wah Sunny Ng (Chinese name: 吳季驊), age 42, has over 20 years' experience in corporate restructuring, mergers and acquisitions, project financing, lending and investment management. He is the founder and managing director of Davidsons Group, a business and private equity consultancy service organization based in Hong Kong. He is an Executive Director of Times Universal Group Holdings Limited, a company listed in the Hong Kong stock exchange. Mr. Ng graduated with a Bachelor of Commerce degree in actual studies and accounting from the University of New South Wales. He is a member of both the Certified Practising Accountants in Australia and the Hong Kong Institute of Certified Public Accountants.

Robert Cairns, Non Executive Director (appointed on 9 March 2022)

Mr. Robert Cairns, age 50, has over 25 years' experience in accounting and finance control and served in senior positions at various private companies in the United Kingdom throughout his career. Robert is currently the Finance Director and a member of the Board of Directors & Executive Committee of Les Ambassadeurs Club. Robert graduated from Lancaster University with a Bachelor of Science Honours degree in Geography and is a member of the Chartered Association of Management Accountants in the United Kingdom.

Ajay Rajpal, Non Executive Director (appointed on 9 Mar 2022)

Mr. Ajay Rajpal, age 52 is a Chartered Accountant and member of the Institute of Chartered Accountants in England & Wales (ICAEW). During his career, he has gained broad-ranging commercial experience developed in the US, Europe, Middle East and Far East, with a particular focus on M&A, financial management and insolvency/restructuring. Post qualification, Mr. Rajpal held a number of finance-related roles which involved working for periods in the US, Europe, Middle East and Far East. Since 2011, Mr. Rajpal has run his own consultancy business, NAS Corporate Services Ltd, providing companies with various corporate services, such as assistance with their pre-IPO funding, the IPO process and post IPO management. Mr. Rajpal assisted Grand Vision Media Holdings Plc, a special purpose acquisition company listed on the standard segment of the London Stock Exchange, which successfully completed a reverse takeover of an outdoor media business in Hong Kong/China. Mr. Rajpal is currently non-executive director of Grand Vision (which continues to be listed on the standard segment). Mr. Rajpal has also project managed the initial public offering process and assisted with the associated funding of two businesses on AIM, namely New Trend Lifestyle Group Plc, which provides Feng Shui products and services across Asia, and Zibao Metals Recycling Group Plc, a Hong Kong and China based metals recycling company. He currently acts as a non-executive director for Phimedix Plc (formerly named Zibao Metals Recycling Group Plc), and Dozens Savings Plc.

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DIRECTORS' REPORT

The Directors present their annual report together with the financial statements and the Auditor's Report for the period ended 31 March 2022.

Principal activities

The principal activity of the Company is to act as a holding company for a group of subsidiaries that are involved in the IT software development sector.

The Group is a fintech solutions service provider in Hong Kong and China provided payment gateway services, IT support and security services. The Group are looking to expand the payment gateway services into the UK and Singapore.

Results and dividends

The results of the Group for the period ended 31 March 2022 are set out in the financial statements.

The Directors do not propose to recommend a dividend for the period ended 31 March 2022. Given the losses incurred to date, it is unlikely that the Board will recommend a dividend in the near-term.

Business review and future developments

Details of the business activities and developments made during the period can be found in the Strategic Report.

Directors

The Directors of the Company who have served during the period and at the date of this report are:

Director	Role	Date of appointment
Chi Kit LAW	Executive Director and CEO	24/03/2021
Hon Keung CHEUNG*	Executive Director and CFO	22/09/2021
Timothy Wai Yiu TANG	Executive Director and CFO	30/08/2022
Kwai Wah Sunny NG	Chairman and Non Executive Director	09/03/2022
Robert CAIRNS	Non Executive Director	09/03/2022
Ajay RAJPAL	Non Executive Director	09/03/2022

**Resigned 30 August 2022*

Directors' interest in shares

The direct and beneficial shareholdings of the Board in the Company as at 31 March 2022 were as follows:

	Number of Ordinary Shares			Percentage of Issued
	Direct	Beneficial	Total	Share Capital
Chi Kit LAW *	-	75,000,000	75,000,000	69.75%

Chi Kit Law holds his shares through LYS Limited.

Substantial shareholders

As at the date of the Report, the total number of issued Ordinary Shares with voting rights in the Group was 107,534,590. The Group has been notified of the following interests of 3 per cent or more in its issues share capital as at the date of this report:

	Number of ordinary shares	Percent of Issued share capital
LYS Limited	75,000,000	69.75%
MacKay Preston Glen Kimpton	4,839,057	4.5%
Tunkamack Limited	4,839,057	4.5%
Central Worldwide (Hong Kong) Limited	4,839,057	4.5%
S.E.M. Distribution Limited	3,763,711	3.5%

Going Concern

The Group's assets are comprised almost entirely of cash. The Directors have outlined their strategy for the Group in the Chairman's Statement on page 4. As part of their assessment of going concern, the Directors have prepared cash forecasts that show that the Group has sufficient cash resources in order to complete the acquisition executed after the period end and execute the Group’s strategy. It is proved that the Group has ability to raise debt finance and equity finance for its operation and expansion. The Group has not been significantly affected by the Covid-19 outbreak, nevertheless the business of the Group is still facing uncertainty subject to Covid-19.

Based on their enquiries and the information available to them and taking into account the other risks and uncertainties set out herein, the Directors have a reasonable expectation that the Company and the Group has adequate resources to continue operating for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing this financial information.

Events after the reporting period

In June 2022, we announced the acquisition of subsidiaries RCPAY Limited (a private limited company incorporated in UK and subject to FCA final approval), RCPAY Limited (a private limited company incorporated in Hong Kong) and Regal Crown Technology (Singapore) Pte Limited (a private limited company incorporated in Singapore). These acquisitions will provide growth opportunities for RC365 by enabling expansion into the UK, Hong Kong and Singapore and other ASEAN countries and providing cross border payment solutions around the world. The UK and Hong Kong companies will also provide money remittance and exchange services and have obtained the relevant licenses from the regulatory authorities in UK and Hong Kong.

On 30 August 2022, the Company announced the appointment of Mr. Tang as Chief Financial Officer and Company Secretary, replacing Mr. Cheung who has resigned due to personal health concerns.

Corporate Governance

The Group has set out is full Corporate Governance Statement on page 17. The Corporate Governance Statement forms part of this Directors' report and is incorporated into it by cross reference.

Statement of directors' responsibilities

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

Company law requires the directors to prepare Group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards. 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 group and company and of the group's profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance UK adopted International Accounting Standards
- 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 group and company. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

Emissions

The Group is not an intensive user of fossil fuels or electricity. As a result, it is not practical to determine carbon emission with any degree of accuracy.

Supplier payment policy

It is the Group's payment policy to pay suppliers in line with industry norms. These payables are paid on a timely basis within contractual terms which is generally 30 to 60 days from date of receipt of invoice.

Branches outside the UK

The Group’s head office is in Hong Kong and the subsidiaries are located in Hong Kong and Singapore.

The Directors’ have chosen to produce a Strategic Report that discloses a fair review of the Group’s business, the key performances metrics that the Directors review along with a review of the key risks to the business.

Financial instruments and risk management

The Company is exposed to a variety of financial risks and the impact on the Company's financial instruments are summarized in the Risk Management Report. Details of the Company's financial instruments are disclosed in note 21 to the financial statements.

Disclosures of Information to Auditors

The Directors confirm that

- So far as each Director is aware, there is no relevant audit information of which the Group’s auditor is unaware; and
- The Directors have taken all steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

Independent auditors

A resolution proposing the re-appointment of Jeffreys Henry LLP as auditor will be put to the shareholders at the Annual General Meeting.

The Directors’ Report has been approved by the Board and signed on its behalf by:

Kwai Wah Sunny NG

Non Executive Chairman

30 September 2022

RISK MANAGEMENT REPORT

The Group has undertaken an evaluation of the risks it is exposed to which are summarised as follows:

If the Group cannot keep pace with rapid developments and change in its industry and provide new services to its clients, the use of its services could decline, reducing its revenue and profitability

The Group faces competitive pressure from new or existing competitors which may have more significant financial resources, consumer awareness and scale and may introduce new products and services.

The Group's ability to remain competitive depends in part on its ability to offer competitive pricing

Certain of the Group's competitors may have greater financial, technological and marketing resources than it does or, in the case of certain markets (in particular any potential new markets), greater local knowledge and presence, greater customer bases, volume, scale and market share.

Negative publicity could impact negatively on the Group's business and reputation

The diminution in the perceived quality associated with the Group's products or services as a result of reputational damage or otherwise could harm the Group's business, which can adversely affect its ability to attract and retain customers. The Group's reputation could be damaged by any number of issues, including operational or user experience failures, data breaches, or negative press or social media reports.

The Group may fail to successfully execute its strategy, including expanding its share of its existing markets, developing new capabilities and expanding into new geographies

The Group's future growth and profitability depend upon the growth of the markets in which it currently operates, the future expansion of those markets, its ability to develop new products and services (such as CatchAR) that are commercially successful and its ability to increase its penetration and service offerings within these markets, as well as its ability to penetrate new markets, particularly in Europe.

Dependence on key personnel

The Group is managed by a number of key personnel, including the Key Executive Directors, some of whom have significant experience within the payments sector and who may be difficult to replace. The loss of the Key Executive Directors and/or key senior personnel could have a material adverse effect on the Group.

Demand for the Group's products and services may be affected by global and regional changes, including economic, social and political changes

The Group may be affected by a number of macroeconomic factors, events and conditions, including political and social conditions (such as any policy which might affect the ability of Regal Crown HK to do business with Chinese customers), payment habits and trends including the number of transactions involving the Hong Kong dollar, economic growth rates, and government outlook, spending and regulation, such as protectionist policies and legislation.

Inability to manage growth

The Group intends to grow the business. The Group's future growth may place increasing and significant demands on its management, operational and financial systems, infrastructure and other resources and will therefore depend on its ability to expand and improve operational, financial and management information and control systems in line with its growth. Failure to do so could have an adverse effect on the Group's business and its operating results. Further, any acquisitions will carry an element of risk, including the difficulty of integrating the operations and personnel of the acquired business and the inability to obtain the anticipated return from such investment.

A decline in the use of credit and debit cards as a payments mechanism or adverse developments with respect to the digital payments industry in general could have a material adverse effect on the Group's business, financial condition and results of operations

If customers do not continue to use credit or debit cards as a payments mechanism for their transactions or if there is a change in the mix of payments between cash, alternative currencies, credit and debit cards or new payments systems which is adverse to the Group, it could have a materially adverse effect on its business, financial condition and results of operations. A potential tightening of credit underwriting criteria by financial institutions may make it more difficult or expensive for customers to gain access to credit facilities such as credit cards. Moreover, if there is an adverse development in the digital payments industry in general, such as new legislation or regulation that makes it more difficult for the Group's clients to do business or which results in financial institutions seeking to charge their customers additional fees for card usage, cardholders may reduce their reliance on cards, which could have a material adverse effect on the Group's business, financial condition and results of operations.

The Group is at risk of fraud

Combating fraud is a challenge because transactions are conducted between parties who are not physically present, which in turn creates opportunities for misrepresentation and abuse. Online businesses are especially vulnerable because of the convenience, immediacy and anonymity of transferring funds from one account to another and subsequently withdrawing them.

The Group do not currently involve the supply of any regulated services which would require a licence or authorisation (such as the processing of transactions) or the direct handling of client money and as such it would not normally expect to be primarily responsible should any fraudulent activity impact a particular transaction. However, it cannot however be excluded that the Group could be party in any litigation or investigation in the future in relation to fraudulent transactions, even where the Group is not directly involved. Examples of fraud could include organised criminal activity or when a person knowingly uses a stolen or counterfeit credit or debit card, card number, or other credentials to record a false sale or credit transaction, or intentionally fails to deliver the merchandise or services sold in an otherwise valid transaction. Criminals are using increasingly sophisticated methods to engage in illegal activities such as counterfeiting credit and debit cards and fraud. There is also a risk the Group's employees could engage in or facilitate fraudulent activity on their own behalf or on behalf of others. Moreover, is possible that incidents of fraud could increase in the future.

The Group nonetheless takes measures to detect and reduce the risk of fraud, by carrying out checks on the Dow Jones database before the transaction can proceed. Separate checks are also carried out by other parties involved in the value chain. These measures may however not be effective against new and continually evolving forms of fraud or in connection with new product offerings. If these measures do not succeed, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

COVID-19

The Group is committed to ensuring the safety and wellbeing of all employees, contractors and stakeholders and accordingly will regularly assess developments and the ability to recommence operations in a safe and appropriate manner.

Further escalation of the COVID-19 pandemic, and the implementation of any additional government-regulated restrictions which delays the Group in carrying out its business activities ultimately delays the Group's ability to reach production and start to generate cash and so could have a material adverse impact on the Group's operations and financial results. ·

This Risk Management Report has been approved by the Board and signed on its behalf by

Kwai Wah Sunny NG

Non Executive Chairman

30 September 2022

CORPORATE GOVERNANCE STATEMENT

The Board of the Company is committed to high standards of corporate governance, which it considers are critical to business integrity and to maintaining investors' trust in the Company. For the year ended 31 March 2022, and up to the date of this report, the Company has applied the main principles of the Quoted Companies Alliance (QCA) Code and complied with its detailed provisions throughout the period under review.

Full details of our approach to governance are set out below and, as a Board, we continue to be committed to good standards in governance practices and will continue to review the governance structures in place, to ensure that the current practices are appropriate for our current shareholder base and that, where necessary, changes are made.

Composition and independence of the board

The Board is comprised of two Executive Directors and three Independent Non-Executive Directors, including the Independent Non-Executive Chairman. Each of the non-executive Directors is "independent" for the purposes of the QCA Governance Code. The Board is of the opinion that its composition continues to represent an appropriate balance between executive and non-executive directors, given the Group's size and operations.

Kwai Wah Sunny Ng has extensive experience in corporate restructuring, merges and acquisitions, project financing, loan and investment management and as an executive and non-executive in other organisations. He is considered independent as he is not involved in the day-to-day running of the business and does not earn any performance-related remuneration.

Robert Cairns and Ajay Rajpal both have diverse experience holding senior positions in private and listed companies in the United Kingdom. They are both considered independent as they are not involved in the day-to-day running of the business and do not earn any performance-related remuneration.

The Company has a Board it believes is well suited for the purposes of implementing its business strategy. Members have relevant consulting and industry experience. We intend to carry out periodic reviews of the composition of the Board to ensure that its skillset and experience are appropriate for the effective leadership and long-term success of the business as it develops.

Division of responsibilities

The Directors are responsible for carrying out the Group's objectives, implementing its business strategy and conducting its overall supervision.

The Board meet regularly to review performance. The roles of Chairman and Chief Executive Officer are separate and clearly defined, in line with the recommendations of the QCA Corporate Governance Code. Responsibility for overseeing the Board is the responsibility of the Chairman and the Chief Executive Officer is responsible for overseeing the implementation of the Company's strategy and its operational performance.

The Executive Directors are encouraged to use their independent judgement and strong knowledge of the Group in the discharging of their duties. They are responsible for the day-to-day management of the business, including its financial and operational performance and the Group's legal undertakings. Issues and progress made are reported to the Board by the Chief Executive Officer.

The Board considers the non-Executive Directors to be sufficiently competent and to function effectively as a unit and in their respective Committees. They provide objectivity and substantial input to the activities of the Board, from their various areas of expertise.

The Board meets regularly throughout the year (either in person or by video conference call). Additionally, special meetings will take place or other arrangements will be made when Board decisions are required in advance of regular meetings. During the period ended 31 March 2022, one board meeting was held. All Directors were in attendance at the meeting, either in person or by video conference call.

Meeting shareholders' needs and expectations

The Board seek to build on a mutual understanding of objectives between the Company and its shareholders by offering meetings to discuss long-term issues and receive feedback and issuing updates to the market as appropriate. The Board also seeks to use the Annual General Meeting to communicate with its shareholders and encourage questions from shareholders at the Annual General Meetings (AGMs).

Risk management and internal control

Mitigating the risks that a Company faces as it seeks to create long-term value for its shareholders is the positive by-product of applying good corporate governance. At RC365, all employees are responsible for identifying and monitoring risks across their areas. However, the Board sets the overall risk strategy for the business and is ultimately accountable.

Performance evaluation

The Chairman considers the operation of the Board and performance of the Directors on an ongoing basis as part of his duties and will bring any areas of improvement he considers are needed to the attention of the Board. The effectiveness of the Board, its Committees and Directors will be reviewed on an annual basis.

Kwai Wah Sunny NG

Non Executive Chairman

30 September 2022

AUDIT COMMITTEE REPORT

As Chair of the Audit and Risk Committee (“the Committee”), I am pleased to present our Audit Committee Report for the year ended 31 March 2022.

The Board has established an audit committee and a remuneration committee and delegated various responsibilities to these committees, to assist the Board in discharging its duties and overseeing its duties and aspects of the Company and its subsidiaries’ activities.

The Audit Committee comprises two Non-Executive Directors: Robert Cairns (Chair) and Ajay Rajpal. The Audit Committee receives, and reviews reports from the Group’s management and external auditors relating to the interim and annual accounts and the accounting and internal control systems in use throughout the Group.

The key responsibilities of the Committee are to:

• Review the significant issues and judgements of management, and the methodology and assumptions used in relation to the Group’s financial statements and formal announcements on the Group’s financial performance;

• Review the Group’s going concern assumptions;

• Assess the effectiveness of the Group’s system of internal controls, including financial reporting and financial controls;

• Consider and make recommendations to the Board on the appointment, reappointment, dismissal or resignation and remuneration of the external auditor; and

• Assess the independence and objectivity of the external auditor and approve and monitor the application of the external auditor business standard.

External auditor

The Company’s external auditor is Jeffreys Henry Audit Limited, who were appointed with effect from the year ended 31 March 2022. Having reviewed the auditor’s independence and performance to date, the Committee recommended to the Board to put them forward at the AGM to stand as auditors for the next financial period.

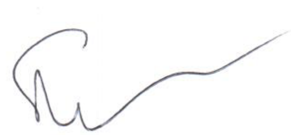
Internal audit

The Board considers the internal control system to be adequate for the Company. The Audit Committee reviews the scope and scale of the non-audit services undertaken by the auditors in order to ensure that their independence and objectivity is safeguarded. The Directors recognise the business will increase in complexity as it grows, and they will review the internal control system to ensure it responds to any change.

Risk management and internal controls

The principal risks facing the Group are summarised on page 14 of this Report. The internal controls of the Group are set out in the Financial Reporting Procedures Manual which was reviewed and reported on by the Reporting Accountants in connection with the IPO. The Committee carries out an annual risk assessment and review of mitigating controls.

This report was approved by the board on 30 September 2022



Kwai Wah Sunny NG

Non Executive Chairman

REMUNERATION COMMITTEE REPORT

The items included in this report are unaudited unless otherwise stated.

The remuneration committee consists of Kwai Wah Sunny Ng (Chair) and Ajay Rajpal. This committee's primary function is to review the performance of executive directors and senior employees and set their remuneration and other terms of employment.

The Company has 2 executive director and 3 non executive director.

The remuneration policy

It is the aim of the committee to remunerate executive directors competitively and to reward performance. The remuneration committee determines the Group's policy for the remuneration of executive directors, having regard to the QCA Corporate Governance Code and its provisions on directors' remuneration.

Although there is no formal Director or senior employee shareholding policy in place, the Board believe that share ownership by Directors and senior employees strengthen the link between the personal interest and those of shareholders.

No views were expressed by shareholders during the period on the remuneration policy of the Group.

Service agreements and terms of appointment

The non executive directors have service contracts with the Group.

Directors' interests

The directors' interests in the share capital of the Company are set out in the Directors' report.

Directors' emoluments (audited)

	Group		**RC365 Holding Plc**	
	2022	**2021**	**2022**	**2021**
	HK$	**HK$**	**HK$**	**HK$**
Chi Kit Law	951,633	2,596,502	-	-
Hon Keung Cheung	375,500	285,000	-	-
Timothy Wai Yiu Tang	240,000	144,000	-	-
Kwai Wah Sunny Ng	-	-	-	-
Robert Cairns	-	-	-	-
Ajay Rajpal	15,914	-	15,914	-
Total	**1,583,047**	**3,025,502**	**15,914**	**-**

The highest paid Director of the Company in the period was Mr. Chi Kit Law, who was paid a total of HKD951,633 (HKD2,596,503 for 2021).

Considerations of shareholder views

The Committee considers shareholder feedback received. This feedback, plus any additional feedback received from the time to time, as part of the Group’s annual policy for remuneration.

Policy for salary reviews

The Committee may from time to time seek to review salary levels of Directors, taking into account performance, time spent in the role and market data for the relevant role. It is intended that there will be a salary review during the next fiscal year.

Policy for new appointment

It is not intended that there will be any new appointments to the Board in the near term. It is intended that a full review of the Board will take place on an annual basis.

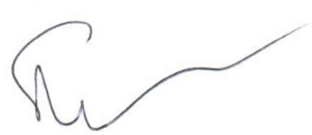
Other Matters

The Group does not currently have any annual or long term incentive schemes in place for any of the Directors and senior employees.

Approval by shareholders

At the next annual general meeting of the Group a resolution approving this report is to be proposed as an ordinary resolution.

This report was approved by the board on 30 September 2022



Kwai Wah Sunny NG

Non Executive Chairman

Independent auditor's report to the members of RC365 Holdings Plc for the year ended 31 March 2022

Opinion

We have audited the financial statements of RC365 Holdings Plc (the 'group') for the year ended 31 March 2022 which comprise the consolidated statement of income and other comprehensive income, the consolidated and company statement of financial position, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows and notes to the financial statements including a summary of significant accounting policies and the financial reporting framework that has been applied in the preparation of the group financial statements and applicable law.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;

- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards

- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards and as applied in accordance with the provisions of the Companies Act 2006; and

- the financial statements 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 as applied to listed entities, 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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which explains that the Group has incurred significant operating losses and negative cash flows from operations, which may affect the future prospects and trading activities of the group.

The Group forecasts include additional funding requirements upon which the Group is dependant. The directors are satisfied that these funding requirements will be met. The cause of this is largely to do with the growth in revenues and ongoing impact of Covid-19 within the main operational regions. These events or conditions, along with other matters as set out in note 2.3 indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Management performed an assessment in relation to group's ability to continue as a going concern and the overall assessment includes key assumptions considered by management that required significant judgement in relation to the estimation of future revenue generated by franchisees.

We assessed the significant judgements made by the management and performed the reverse stress test to ensure that these are adequately considered and in line with current events and trading performance.

We performed the following audit procedures to assess the management's judgements, key assumptions and entity's ability to continue as a going concern:

- Obtaining and understanding of how management prepare their base case and sensitised forecasts for the period to 30th September 2023;

- Assessing the accuracy of management's forecasting by comparing the reliability of past forecasts to management's actual results, and considering whether management's historic forecasting accuracy impacts upon the reliance we can place upon the forecasts provided;

- Obtaining and understanding of the key trading, balance sheet and cash flow assumptions and testing those key assumptions to underlying historical financial data, post period end trading information and market analysis data;

- Assessing the terms of the covenants attached to external debt held challenging management's assessment of a breach of covenants during the going concern period;

- Assessing the plausibility of the mitigating actions available to management to continue as a going concern if downside sensitivities were to crystalise;

- Considered forecasts prepare in respect of the most likely impact of Covid-19 and whether these will give rise to a material uncertainty;

- Evaluating and performing reverse stress test of the most likely outcome and worse-case forecasts;

- Performing arithmetical and consistency checks on management's going concern base case model; and

- Assessing the adequacy of related disclosures within the annual report

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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. This is not a complete list of all risks identified by our audit.

- Carrying value of investments in subsidiaries and recoverability of intercompany loans

These are explained in more detail below.

Key audit matter	How our audit addressed the key audit matter
Carrying value of investments in subsidiaries and recoverability of intercompany loans – parent company financial statements only.	
The Company had investments of HKD 8,096,239 at the year ended 31 March 2022. The Directors have confirmed all investments, including additions were correctly calculated and being held at cost. The amounts due from subsidiaries amounts to HKD 13,675,597.	We have reviewed the consolidated financials of the subsidiary and having reviewed the performance to date the subsidiary is profit making and is continuing to grow; We reviewed the latest management accounts post year end for the subsidiary;
We identified a risk that the investment held within the parent company financial statements in its subsidiaries and amounts receivable, may be impaired.	We have reviewed the long term cashflow forecasts prepared and understood and assessed the methodology used by the directors in this analysis and determined it to be reasonable;
Management's assessment of the recoverable amount of investments in subsidiaries requires estimation and judgement around assumptions used, including the cash flows to be generated from continuing operations. Changes to assumptions could lead to material changes in the estimated recoverable amount, impacting the value of investment in the subsidiary and impairment charges.	We tested the assumptions made by management through performing sensitivity analysis through changing the assumptions used and re- running the cash flow forecast.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Company financial statement
Overall materiality	HKD 203,000	HKD 202,000
How we determined it	5% of net losses	2.5% of gross assets
Rationale for benchmark applied	We believe that net losses is a primary measure used by shareholders in assessing the performance of the Group.	We believe that gross assets is a primary measure used by shareholders in assessing the performance of the Group.

For each component in the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The materiality allocated across components was HKD 202,000.

We agreed with the Audit and Risk Committee that we would report to them misstatements identified during our audit above HKD 17,100 (Group audit) as well as misstatements below those amounts that, in our view, warranted reporting for qualitative reasons.

Our approach to the audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which they operate.

The Group financial statements are a consolidation of 2 reporting units, comprising the Group's operating business and holding company.

We performed audits of the complete financial information of RC365 Holdings Plc (the parent). The subsidiary, Regal Crown Technology Limited, was also individually financially significant and was audited by local component auditors. The sum of these significant entities accounted for 100% of the Group's revenue and 100% of the Group's absolute loss before tax (i.e. the sum of the numerical values without regard to whether they were profits or losses for the relevant reporting units). We also performed specified audit procedures over account balances and transaction classes that we regarded as material to the Group at all reporting units.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006. In our opinion, based on the work undertaken in the course of our audit :

• the information given in the strategic report and the Directors' report for the financial period 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 group and parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or

• the parent company financial statements [and the part of the directors' remuneration report to be audited] 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 Directors' responsibilities statement set out on page 12, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor’s responsibilities for the audit of the financial statements

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

The extent to which 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 and on the Financial Reporting Council’s website, to detect material misstatements in respect of irregularities, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the senior statutory auditor ensured the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the Fintech solutions and IT services sector.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental, health and safety legislation and anti-money laundering regulations.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.
- We assessed the susceptibility of the company’s financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:
- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in Note 3 of the Group financial statements were indicative of potential bias;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- reviewing correspondence with HMRC and the company's legal advisor.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

Other matters which we are required to address

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit. Our audit opinion is consistent with the additional report to the audit committee.

Use of this 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.

Sanjay Parmar (Senior Statutory Auditor)

For and on behalf of Jeffreys Henry LLP (Statutory Auditors)
Finsgate
5-7 Cranwood Street
London EC1V 9EE
30 September 2022

Consolidated statement of comprehensive income for the year ended 31 March 2022

	Notes	**31 March 2022**	31 March 2021
		HK$	HK$
Revenue	4	**8,069,000**	7,363,061
Other income	5	**11,288**	376,080
Subcontracting fee paid		**(2,646,000)**	(896,000)
Staff costs	8	**(2,492,068)**	(3,315,962)
Depreciation on property, plant and equipment and right-of-use assets	7	**(781,933)**	(868,738)
Listing expense		**(4,826,285)**	
Loss on disposal of a subsidiary		**-**	(39,060)
Other operating expenses		**(1,101,915)**	(1,112,250)
Finance charges	6	**(129,503)**	(23,306)
(Loss)/Profit before income tax	7	**(3,897,416)**	1,483,825
Income tax expense	9	**-**	-
(Loss)/Profit for the year		**(3,897,416)**	1,483,825
(Loss)/Profit per share – basic and diluted (HK$)	10	**(5.15 cents)**	582.64 cents

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.

Consolidated statement of comprehensive income for the year ended 31 March 2022

	Notes	**31 March 2022**	31 March 2021
		HK$	HK$
(Loss)/Profit for the year		**(3,897,416)**	1,483,825
Other comprehensive (expense)/income, net of tax			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translation of financial statements of foreign operations		**(536,236)**	-
Reclassification of exchange differences upon disposal of a subsidiary		**-**	24,845
Total comprehensive (loss)/income for the year		**(4,433,652)**	1,508,670

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.

Consolidated statement of financial position as at 31 March 2022

	Notes	2022 HK$	2021 HK$
ASSETS			
Non-current assets			
Property, plant and equipment	11	**141,720**	266,254
Right-of-use assets	12	**507,754**	1,269,387
		649,474	1,535,641
Current assets			
Deposit and prepayments	13	**152,875**	74,290
Trade and other receivables	13	**1,044,492**	3,039,098
Loan receivables	14	**700,000**	-
Cash and cash equivalents	15	**23,416,761**	4,305,203
		25,314,128	7,418,591
Current liabilities			
Trade and other payables	16	**643,138**	2,771,345
Borrowings	17	**5,800,000**	-
Lease liabilities	18	**515,158**	756,832
		6,958,296	3,528,177
Net current assets		**18,355,832**	3,890,414
Non-current liabilities			
Lease liabilities	18	**-**	515,159
Net assets		**19,005,306**	4,910,896
EQUITY			
Share capital	19	**11,500,995**	10,300,001
Share premium		**16,576,592**	-
Group reorganisation reserve		**750,476**	-
Translation reserve		**(536,236)**	-
Profit or loss reserve		**(9,286,521)**	(5,389,105)
Total equity		**19,005,306**	4,910,896

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.

Approved by the Board and authorised for issue on 30 September 2022

Law Chi Kit

Director

Company Registration number: 13289422

Consolidated statement of changes in equity for the year ended

31 March 2022

	Share capital HK$	Share premium HK$	Translation reserves HK$	Group reorganisation reserve HK$	Accumulated losses HK$	Total HK$
At 31 March 2020 and	**1**		**(24,845)**	**-**	**(6,872,930)**	**(6,897,774)**
Share allotment	10,300,000	-	-	-	-	10,300,000
Profit for the year	-	-	-	-	1,483,825	1,483,825
Reclassification of exchange differences	-		24,845	-	-	24,845
Total comprehensive income	-	-	24,845	-	1,483,825	1,508,670
At 31 March 2021 and at 1 April 2021	**10,300,001**		**-**	**-**	**(5,389,105)**	**4,910,896**
Loss for the year	-	-	-	-	(3,897,416)	(3,897,416)
Exchange difference on consolidation	-	-	(536,236)	-	-	(536,236)
Total comprehensive income	-	-	(536,236)	-	(3,897,416)	(4,433,652)
Group reorganisation – Share exchange	(2,203,751)	-	-	750,476	-	(1,453,275)
Issue of share capital	3,404,745	18,645,000	-	-	-	22,049,745
Share issue costs	-	(2,068,408)	-	-	-	(2,068,408)
At 31 March 2022	**11,500,995**	**16,576,592**	**(536,236)**	**750,476**	**(9,286,521)**	**19,005,306**

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.

Consolidated statement of cash flows for the year ended 31 March 2022

	31 March 2022 HK$	31 March 2021 HK$
Cash flows from operating activities		
(Loss)/Profit before income tax	**(3,897,416)**	1,483,825
Adjustments for:		
Depreciation of property, plant and equipment	**761,633**	60,236
Depreciation of right-of-use-assets	**20,300**	808,502
Gain on termination of lease agreement	**-**	(8,087)
Interest income	**-**	(41)
Written-off of property, plant and equipment	**176,234**	-
Listing expense	**4,826,285**	-
Exchange differences	**(536,236)**	
Loss on disposal of a subsidiary	**-**	39,060
Finance charges	**129,503**	23,306
Operating cashflow before working capital changes	**1,480,303**	2,406,801
Decrease/(Increase) in trade and other receivable	**541,332**	(2,652,724)
(Increase)/Decrease in trade deposits and prepayments	**(78,586)**	143,553
(increase) in loan receivables	**(700,000)**	-
(Decrease) in trade and other payables	**(2,128,207)**	(840,334)
Decrease in contract liabilities	**-**	(1,630,000)
Net cash (used in) operating activities	**(885,158)**	(2,572,704)
Cash flow from investing activities		
Acquisition of property, plant and equipment	**(72,000)**	(64,000)
Proceeds from sale of a subsidiary, net of cash disposed of	**-**	(543,749)
Interest received	**-**	41
Net cash (used in) investing activities	**(72,000)**	(607,708)
Cashflow from financing Activities		
Interest paid	**(106,336)**	-
Inception of bank borrowings	**5,800,000**	-
Proceeds from listing	**22,049,745**	-
Payment for listing costs	**(6,894,693)**	-
Rental paid for lease liabilities	**(780,000)**	(828,000)
Net cash from (used in) financing activities	**20,068,716**	(828,000)
Net increase/(decrease) in cash and cash equivalents	**19,111,558**	(4,008,412)
Effect of exchange rate changes	-	-
Cash and cash equivalents at beginning of the year	4,305,203	8,313,615
Cash and cash equivalents at the end of the year	**23,416,761**	4,305,203

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.

Notes to the consolidated financial statements For the year ended 31 March 2022

1. GENERAL INFORMATION

RC365 Holding Plc (the "Company") was incorporated as a private limited company on 24 March 2021 in the United Kingdom ("UK") under the Companies Act 2006. The Company acted as a holding company and converted to a public limited company on 22 September 2021. The address of the registered office is Cannon Place, 78 Cannon Street, London, United Kingdom, EC4N 6AF. The Company was listed on the Standard List of the London Stock Exchange ("LSE") on 23 March 2022.

The wholly owned subsidiary of the Company, Regal Crown Technology Limited (together with the Company, the "Group") is a private limited company incorporated in Hong Kong. The address of the registered office and principal place of business is 19/F, IFC Tower 2, 8 Finance Street, Central, Hong Kong.

The principal activity of Regal Crown Technology Limited is provision of IT software development and office administration. There were no significant changes in the nature of the Group's principal activities during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

On 31 December 2020, International Financial Reporting Standards ("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 subject to endorsement by the UK Endorsement Board. RC365 Holding Plc adopted the UK-adopted International Accounting Standards in its Group and Parent Company financial statements on 1 April 2021.

These Group and Parent Company financial statements were prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The financial statements of the Group and Parent Company have been prepared on accrual basis and under historical cost convention. The financial statements are presented in Hong Kong Dollars ("HK$"), which is the Group's functional and presentational currency, and rounded to the nearest dollar.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.2 New Standards and Interpretations

No new standards, amendments or interpretations, effective for the first time for the period beginning on or after 1 April 2021 have had a material impact on the Group and the Parent Company.

Standards, amendments and interpretations that are not yet effective and have not been early adopted are as follows:

Standard	Impact on initial application	Effective date
IAS 1	Classification of liabilities as current or non-current	Not earlier than 1 January 2024
IAS 1	Disclosure of accounting policies	1 January 2023
IAS 8	Accounting estimates	1 January 2023
IAS 12	Deferred tax related to assets and liabilities arising from a single transaction	1 January 2023
IFRS 17	Insurance contracts	1 January 2023

2.3 Going Concern

The Group meets its day to day working capital requirement through use of cash reserves and bank borrowings. The Directors have considered the applicable of the going concern basis in the preparation of the financial statements. This included review of forecasts which show that the Group should be able to sustain its operation within the level of its current debt and equity funding arrangements. The Directors have reasonable expectation that the Group has adequate resources to continue operation for the foreseeable future for the reason they have adopted to going concern basis in the preparation of financial statement.

The Group incurred a loss of HK$3,897,416 for the year ended 31 March 2022. This condition indicates the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realise its assets. The financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

The COVID-19 pandemic has not constituted significant effect on the Group's results for the year ended 31 March 2022, however listing expenses of HK$4,826,285 resulted the Group in a loss position during the year.

After careful consideration of the matters set out above, the Directors are of the opinion that the group will be able to undertake its planned activities for the period to 30 September 2023 from debt and/or equity fundings and have prepared the consolidated financial statement on a going concern basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation

The Company acquired its 100% interest in Regal Crown Technology Limited ("RCT") on 31 August 2021 by way of a share for share exchange. This is a business combination involving entities under common control and the consolidated financial statements are issued in the name of the Group but they are a continuance of those of RCT. Therefore the assets and liabilities of RCT have been recognised and measured in these consolidated financial statements at their pre combination carrying values. The retained earnings and other equity balances recognised in these consolidated financial statements are the retained earnings and other equity balances of the Company and RCT. The equity structure appearing in these consolidated financial statements (the number and the type of equity instruments issued) reflect the equity structure of the Company including equity instruments issued by the Company to effect the consolidation. The difference between consideration given and net assets of RCT at the date of acquisition is included in a group reorganisation reserve.

The prior year financial information presented in these consolidated financial statements relates to that of Regal Crown Technology Limited.

In the consolidated financial statements, the results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Profits and losses resulting from the inter-group transactions that are recognised in assets are also eliminated. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Foreign currency translation

In the individual financial statements of the consolidated entities, foreign currency transactions are translated into the functional currency of the individual entity using the exchange rates prevailing at the dates of the transactions. At the reporting date, monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at that date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the reporting date retranslation of monetary assets and liabilities are recognised in profit or loss.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

In the consolidated financial statements, all individual financial statements of foreign operations, originally presented in a currency different from the Group's presentation currency, have been converted into Hong Kong dollars. Assets and liabilities have been translated into Hong Kong dollars at the closing rates at the reporting date. Income and expenses have been converted into the Hong Kong dollars at the exchange rates ruling at the transaction dates, or at the average rates over the reporting period provided that the exchange rates do not fluctuate significantly. Any differences arising from this procedure have been recognised in other comprehensive income and accumulated separately in the translation reserve in equity.

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint venture that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Exchange rates used in these accounts:

Average rate during year ended 31 March 2022:	GBP/HKD	10.565
Closing rate as at 31 March 2022:	GBP/HKD	10.365

2.6 Property, plant and equipment

Property, plant and equipment (other than cost of right-of-use assets as described in 2.9) are stated at acquisition cost less accumulated depreciation and impairment losses. The acquisition cost of an asset comprises of its purchase price and any direct attributable costs of bringing the assets to the working condition and location for its intended use. Depreciation of assets commences when the assets are ready for intended use.

Depreciation on property, plant and equipment, is provided to write off the cost over their estimated useful life, using the straight-line method, at the following rates per annum:

Furniture & Fixtures	20% per annum
Leasehold Improvements	4% per annum
Office Equipment	20% per annum

The assets' depreciation methods and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

In the case of right-of-use assets, expected useful lives are determined by reference to comparable owned assets or the lease term, if shorter. Material residual value estimates and estimates of useful life are updated as required, but at least annually.

The gain or loss arising on the retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to profit or loss during the financial period in which they are incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments

IFRS 9 requires an entity to address the classification, measurement and recognition of financial assets and liabilities.

i) Classification

The Company classifies its financial assets in the following measurement categories:

• those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company classifies financial assets as at amortised cost only if both of the following criteria are met:

• the asset is held within a business model whose objective is to collect contractual cash flows; and

• the contractual terms give rise to cash flows that are solely payment of principal and interest

ii) Recognition

Purchases and sales of financial assets are recognised on trade date (that is, the date on which the Company commits to purchase or sell the asset). Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

iii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt Instruments

Amortised cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains/(losses) together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the statement of profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Financial instruments (CONTINUED)

(iv) Impairment

The Company assesses, on a forward looking basis, the expected credit losses associated with any debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables, the Company applies the simplified approach permitted by IFRS 9, which requires lifetime expected credit losses ("ECL") to be recognised from initial recognition of the receivables.

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of default occurring since initial recognition.

Financial liabilities

The Group's financial liabilities include lease liabilities, trade and other payables.

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortised cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognised in profit or loss (other than derivative financial instruments that are designated and effective as hedging instruments).

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Cash and cash equivalents

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

2.9 Lease

Definition of a lease and the Group as a lessee

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contracts contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;
- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and
- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assess whether it has the right to direct "how and for what purpose" the asset is used throughout the period of use.

For contracts that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their relative stand-alone prices.

<u>Measurement and recognition of leases as a lessee</u>

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Lease (CONTINUED)

Measurement and recognition of leases as a lessee (Continued)

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments. The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 month or less.

On the consolidated statement of financial position, right-of-use assets and lease liabilities have been presented separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Equity

- "Share capital" represents the nominal value of equity shares.
- "Share premium" represents the amount paid for equity shares over the nominal value.
- "Translation reserve" comprises foreign currency translation differences arising from the translation of financial statements of the Group's foreign entities to HK$.
- "Group reorganisation reserve" arose on 31 August 2021 on the group reorganisation.
- "Accumulated losses" include all current period results as disclosed in the income statements.

No dividends are proposed for the year.

2.11 Revenue recognition

Revenue arises mainly from contracts for IT software development and office administration.

To determine whether to recognise revenue, the Group follows a 5-step process:

Step 1: Identifying the contract with a customer

Step 2: Identifying the performance obligations

Step 3: Determining the transaction price

Step 4: Allocating the transaction price to the performance obligations

Step 5: Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Where the contract contains a financing component which provides a significant financing benefit to the customer for more than 12 months, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction with the customer, and interest income is accrued separately under the effective interest method. Where the contract contains a financing component which provides a significant financing benefit to the Group, revenue recognised under that contract includes the interest expense accreted on the contract liability under the effective interest method.

2.11 Revenue recognition (CONTINUED)

Further details of the Group's revenue and other income recognition policies are as follows:

Services income

Revenue from IT software development and office administration are recognised over time as the Group's performance creates and enhances an asset that the customer controls. The progress towards complete satisfaction of a performance obligation is measured based on input method, i.e. the costs incurred up to date compared with the total budgeted costs, which depict the Group's performance towards satisfying the performance obligation.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.12 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in profit or loss over the period necessary to match them with the costs that the grants are intended to compensate. Government grants relating to income is presented in gross under other income in the consolidated statement of profit or loss and other comprehensive income.

2.13 Impairment of non-financial assets

Property, plant and equipment (including right-of-use assets) and the Company's interests in subsidiaries are subject to impairment testing.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

2.13 Impairment of non-financial assets (CONTINUED)

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a cash-generating unit). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill in particular is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the Group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment loss is charged pro rata to the other assets in the cash generating unit, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value in use, if determinable.

Impairment loss is reversed if there has been a favourable change in the estimates used to determine the assets' recoverable amount and only to the extent that the assets' carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.14 Employee benefits

For the year ended 31 March 2022, the Group's only employees due benefits were within its subsidiary, Regal Crown Technology Limited.

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans.

The Group operates a defined contribution Mandatory Provident Fund retirement benefit plan (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance of Hong Kong, for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries.

Contributions are recognised as an expense in profit or loss as employees render services during the year. The Group's obligations under the MPF Scheme are limited to the fixed percentage contributions payable.

Short-term employee benefits

Liability for wages and salaries, including non-monetary benefits, annual leave, long service leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Company if:

(a) the party is a person or a close member of that person's family and if that person:

(i) has control or joint control over the Group;
(ii) has significant influence over the Group; or
(iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:
(i) the entity and the Group are members of the same group.
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
(iii) the entity and the Group are joint ventures of the same third party.
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
(vi) the entity is controlled or jointly controlled by a person identified in (a).
(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close family members of an individual are those family members who may expected to influence, or be influenced by, that individual in their dealings with the entity.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Accounting for income taxes

Taxation comprises current tax and deferred tax.

Current tax is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the income statement because it excludes items of income and expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The asset or liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial information and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset realised. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Earnings per Ordinary Share

The Company presents basic and diluted earnings per share data for its Ordinary Shares.

Basic earnings per Ordinary Share is calculated by dividing the profit or loss attributable to Shareholders by the weighted average number of Ordinary Shares outstanding during the period.

Diluted earnings per Ordinary Share is calculated by adjusting the earnings and number of Ordinary Shares for the effects of dilutive potential Ordinary Shares.

2.18 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the executive Board of Directors.

All operations and information are reviewed together so that at present there is only one reportable operating segment

In the opinion of the Directors, during the year the Group operated in the single business segment of IT software development and office administration.

3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the process of applying the Group's accounting policies which are described in note 2, Directors have made the following judgement that might have significant effect on the amounts recognised in the financial statements. The key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that might have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are also discussed below.

<u>Depreciation</u>

The Group depreciates the plant and equipment on a straight-line basis at the rate 4 to 20% per annum commencing from the date the property, plant and equipment are placed into productive use. The estimated useful lives that the Group places the property, plant and equipment into use reflect the director's estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment.

<u>Discount rate of lease liabilities and right-of-use assets determination</u>

In determining the discount rate, the Group is required to exercise considerable judgement in relation to determining the discount rate taking into account the nature of the underlying assets, the terms and conditions of the leases, at the commencement date and the effective date of the modification. The Group's rate is referenced to the related party bank borrowing in Hong Kong.

4. REVENUE

The Company is engaged in provision of IT software development and office administration. Revenue recognised during the year is as follows:

	2022 HK$	2021 HK$
IT software and office administration contract	**8,069,000**	7,363,061

5. OTHER INCOME

	2022 HK$	2021 HK$
Government subsidy (note)	**-**	336,976
Exchange gain	**-**	7,976
Gain on termination of lease agreement	**-**	8,087
Sundry income	**11,288**	23,000
Interest income	**-**	41
	11,288	376,080

Note: During the year ended 31 March 2021, the Group received funding support amount HK$298,500 from the Employment Support Scheme under the Anti-epidemic Fund, set up by the Government of the Hong Kong Special Administrative Region. The purpose of the funding is to provide financial support to enterprises to retain their employees who would otherwise be made redundant. Under the terms of the grant, the Group is required not to make redundancies during the subsidy period and to spend all the funding on paying wages to the employees.

6. FINANCE CHARGES

	2022 HK$	2021 HK$
Finance charges on lease liabilities	**23,167**	23,306
Interest on bank loan	**106,336**	-
	129,503	23,306

7. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after charging:

	2022 HK$	2021 HK$
Subcontractors' fee	**2,646,000**	896,000
Loss on disposal of a subsidiary	**-**	39,060
Depreciation		
- Property, plant and equipment	**20,300**	60,236
- Right-of-use assets	**761,633**	808,502

7. LOSS BEFORE INCOME TAX (CONTINUED)

During the year the Group obtained following services from its auditor:

	2022 HK$	2021 HK$
Audit Services:		
Statutory audit – Group and Company	**120,000**	230,000

8. STAFF COSTS AND DIRECTOR'S EMOLUMENTS

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

	2022 HK$	2021 HK$
Wages and salaries	**2,374,868**	3,162,682
Contributions to defined contribution plans	**117,200**	153,280
Housing allowances (represented as depreciation – Right-of-use assets)	**761,633**	808,502

The average number of persons employed by the Group (including Directors) was 11 during the year (2021: *7*).

The Directors' remuneration for the year was as follows:

	2022 HK$	2021 HK$
Remuneration	**821,414**	2,217,000
Housing allowances (represented as depreciation – Right-of-use assets)	**761,633**	808,502

9. INCOME TAX EXPENSE

	2022 HK$	2021 HK$
Tax expense for the year	**-**	-

No provision for UK corporation tax has been made as the Company has no assessable profits for taxation purpose during the year (2021: Nil).

No provision for Hong Kong Profits Tax has been made as the Regal Crown Technology Limited has available tax losses brought forward from prior years to offset the assessable profits generated during the year (2021: Nil). At 31 March 2022, Regal Crown Technology Limited had estimated unused tax losses arising in Hong Kong of approximately HK$4,266,779 (2020: HK$5,419,815), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the Company. Deferred tax assets have not been recognised in respect of these losses due to the unpredictability of future taxable profits streams of Regal Crown Technology Limited.

9. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between tax expense and accounting profit at applicable tax rates:

	2022	2021
	HK$	HK$
(Loss)/Profit before taxation	**(3,897,416)**	1,483,825
Tax at applicable income tax rate of UK and Hong Kong	**(763,731)**	244,831
Tax effect of non-deductible expense	**991,772**	16,384
Tax effect of non-taxable income	**-**	(50,575)
Tax effect on temporary differences	**(37,790)**	(12,388)
Utilisation of tax losses not recognised	**(190,251)**	(198,252)
		-
Income tax expense	**-**	-

10. EARNINGS PER SHARE

	2022	2021
	HK$	HK$
(Loss)/Profit attributable to equity shareholders	**(3,897,416)**	1,483,285
Weighted average number of ordinary share	**75,715,046**	254,671
(Loss)/Profit per share in HK$:		
Basic	**(5.15 cents)**	582.64 cents
Diluted	**(5.15 cents)**	582.64 cents

There were no potential dilutive ordinary shares in existence during the years ended 31 December 2022 and 2021, and hence diluted earnings per share is the same as the basic earnings per share.

11. PROPERTY, PLANT AND EQUIPMENT

	Office	**Leasehold**	**Furniture &**	**Total**
	HK$	**HK$**	**HK$**	**HK$**
Cost				
At 31 March 2021 and 1 April 2021	300,053	240,400	80,134	620,587
Addition	72,000	-	-	72,000
Write-offs	-	(240,400)	(80,134)	(320,534)
At 31 March 2022	372,053	-	-	372,053
Accumulated Depreciation				
At 31 March 2021 and 1 April 2021	220,962	55,260	78,111	354,333
Charged for the year	9,371	9,616	1,313	20,300
Eliminated on write-offs	-	(64,876)	(79,424)	(144,300)
At 31 March 2022	230,333	-	-	230,333
Net Book Value				
At 31 March 2022	**141,720**	**-**	**-**	**141,720**
At 31 March 2021	79,091	185,140	2,023	266,254

12. RIGHT-OF-USE ASSETS

Staff Quarter	HK$
Cost	
At 31 March 2021 and **31 March 2022**	**1,523,265**
Accumulated Depreciation	
At 31 March 2021 and 1 April 2021	253,878
Charge for the year	761,633
At 31 March 2022	**1,015,511**
Net Book Value	
At 30 March 2022	**507,754**
At 31 March 2021	**1,269,387**

13. TRADE AND OTHER RECEIVABLES AND DEPOSIT AND PREPAYMENT

	2022	2021
	HK$	HK$
Trade receivables *(note)*	**680,000**	1,330,000
Other receivables	**364,492**	346,118
Due from related companies	**-**	1,362,980
Deposit and prepayment	**152,875**	74,290
	1,197,367	3,113,388

Note:

The Group allows an average credit period of 14 days to its trade customers. Before accepting any new customer, the Group assesses the potential customer's credit quality and defines its credit limits. Credit sales are made to customers with a satisfactory trustworthy credit history.

Age of trade receivables that are past due but not impaired are as follows:

	2022	2021
	HK$	HK$
Overdue by:		
0 – 30 days	**680,000**	1,330,000

Trade receivables that were past due but not impaired relate to a number of customers that have a good track record with the Group. Based on past experience, Directors believe that no impairment allowance is necessary in respect of these balances as there has not been a significant change in credit quality and the balances are still considered fully recoverable.

As at 31 March 2022 and 2021, no ECL has been provided for trade and other receivables and deposit and prepayment. The Group does not hold any collateral over these balances.

13. TRADE AND OTHER RECEIVABLES AND DEPOSIT AND PREPAYMENT (CONTINUED)

The Directors consider that the fair values of trade and other receivables and deposit and prepayment are not materially different from their carrying amounts because these balances have short maturity periods on their inception.

14. LOAN RECEIVABLES

	2022 HK$	2021 HK$
Receivables within one year	**700,000**	-

The loans to independent third parties are unsecured, bearing interest at 0.1% per annum and repayable in February 2023. The Directors consider that the fair values of loan receivables are not materially different from their carrying amounts.

15. CASH AND CASH EQUIVALENTS

	2022 HK$	2021 HK$
Cash and bank balance	**23,416,761**	4,305,203

16. TRADE AND OTHER PAYABLES

	2022 HK$	2021 HK$
Trade payables	**408,000**	906,494
Accrued charges and other payables	**151,567**	1,834,596
Receipt in advance	**19,000**	-
Amount due to a director	**64,571**	30,255
	643,138	2,771,345

The amount due to a director is unsecured, interest free and have no fixed term of repayment.

All amounts are short-term and hence the carrying values of trade and other payables are considered not to have material differences from their fair value.

17. BORROWINGS

	2022 HK$	2021 HK$
Bank loans - secured	**5,800,000**	-
Presented by:		
- Carrying amount repayable on demand or within one year	**505,588**	-
- Carrying amount repayable after one year with repayment on demand clause	**5,294,412**	-
	5,800,000	-
Less: Amount shown under current liabilities	**(5,800,000)**	-
Non-current liabilities	**-**	-

Bank borrowings are variable interest bearing borrowings which carry interest at 2.5% below Prime Rate per annum. At 31 March 2022, the banking facilities were secured by the guarantees given by Mr. Law Chi Kit, the ultimate controlling party of the Company.

18. LEASES LIABILITIES

The following table illustrates the remaining contractual maturities of the lease liabilities:

	2022 HK$	2021 HK$
Total minimum leases payments:		
Due within one year	**520,000**	**780,000**
Due in the second to fifth years	**-**	**520,000**
	520,000	**1,300,000**
Future finance charges on lease liabilities	**(4,842)**	**(28,009)**
Present value of lease liabilities	**515,158**	**1,271,991**
Present value of liabilities:		
Due within one year	**515,158**	**756,832**
Due in the second to fifth years	**-**	**515,159**
	515,158	**1,271,991**
Less: Portion due within one year included under current	**(515,158)**	**(756,832)**
Portion due after one year included under non-current	**-**	**515,159**

The Group entered into a lease arrangement for staff quarter with contract period of two years. The Group makes fixed payments during the contract period. At the end of the lease term, the Group does not have the option to purchase the property and the lease does not include contingent rentals.

19. SHARE CAPITAL

	2022 HK$	2021 HK$
Issued and fully paid:		
At the beginning balance	**10,300,001**	1
Issue of shares	**3,404,745**	10,300,000
Group reorganisation – share exchange	**(2,203,751)**	-
At the closing balance	**11,500,995**	10,300,001

In the prior year the share capital relates to that of Regal Crown Technology Limited.

On 31 August 2021, in addition to the 100 ordinary shares of £0.01 issued in RC365 Holding Plc, 74,999,900 ordinary shares of £0.01 each were allotted and issued as consideration for the entire issued share capital of Regal Crown Technology Limited via a share-for-share exchange. Such exercise resulted in a transfer of share capital of HK$2,203,751 to the group reorganisation reserve.

On admission to the Standard List of the LSE on 23 March 2022, 32,534,590 shares with nominal value of £0.01 were issued.

20. RELATED PARTIES TRANSACTIONS

During the year, the Group entered into the following transaction with its related parties:

Name of related parties	Nature of transactions	2022 HK$	2021 HK$
RCGH Cruise Services Limited	Office Administration service income	-	90,036
Gallant Horse Limited (Note)	Rental expense	-	50,000

Note: Choi Yiu Keung, a former director of the Regal Crown Technology Limited, was the director of these related companies as at 31 March 2021.

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS

The Group is exposed to financial risks through its use of financial instruments in its ordinary course of operations and in its investment activities. The financial risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

21.1 Categories of financial assets and liabilities

The carrying amounts presented in the consolidated statement of financial position relate to the following categories of financial assets and financial liabilities:

	2022 HK$	2021 HK$
Financial assets		
Financial assets at amortised costs		
- Trade receivables (note)	**680,000**	1,330,000
- Other receivables	**364,492**	346,118
- Due from related companies	**-**	1,362,980
- Deposit and prepayment	**152,875**	74,290
- Loan receivables	**700,000**	-
- Cash and cash equivalents	**23,416,761**	4,305,203
	25,314,128	7,418,591
Financial liabilities		
Financial liabilities at amortised cost		
- Trade payables	**408,000**	906,494
- Accrued charges and other payables	**151,567**	1,834,596
- Receipt in advance	**19,000**	-
- Amount due to a director	**64,571**	30,255
- Leases liabilities	**515,158**	1,271,991
- Bank Loan	**5,800,000**	-
	6,958,296	4,043,336

21.2 Foreign currency risk

Foreign currency risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has no significant exposure to foreign currency risk as substantially all of the Group's transactions are denominated in Hong Kong dollars and the exchange rate between Hong Kong dollars and British pounds remains stable.

21.3 Interest rate risk

The Group has no significant interest-bearing assets. Cash at bank earns interest at floating rates based on daily bank deposits rates.

The Group is exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating rate of interest to minimize the fair value interest rate risk. The Group currently does not have hedging policy. However, the Directors monitor interest rate exposure and will consider necessary action when significant interest rate exposure is anticipated.

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

21.3 Interest rate risk (Continued)

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for variable-rate borrowings. The analysis is prepared assuming the borrowings outstanding at the end of the reporting period were outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to Directors and represents Directors' assessment of the reasonably possible change in interest rates. If interest rates had been 100 basis point higher/lower and all other variables were held constant, the Group's post-tax profit for the year would decrease/increase by HK$48,000 (2020: Nil). This is mainly attributable to the Group's exposure to interest rates on its variable-rate bank borrowings.

21.4 Credit risk

The Group's exposure to credit risk mainly arises from granting credit to customers and other counterparties in the ordinary course of its operations. The Group's maximum exposure to credit risk for the components of the consolidated statement of financial position at 31 March 2022 refers to the carrying amount of financial assets as disclosed in note 21.1.

The exposures to credit risk are monitored by the Directors such that any outstanding debtors are reviewed and followed up on an ongoing basis. The Group's policy is to deal only with creditworthy counterparties. Payment record of customers is closely monitored. Normally, the Group does not obtain collateral from debtors.

Trade receivables

The Group has applied the simplified approach to assess the ECL as prescribed by HKFRS 9. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due days. In calculating the ECL rates, the Group considers historical elements and forward looking elements. Lifetime ECL rate of trade receivables is assessed minimal for all ageing bands as there was no recent history of default and continuous payments were received. The Group determined that the ECL allowance in respect of trade receivables for the years ended 31 March 2022 and 2021 is minimal as there has not been a significant change in credit quality of the customers.

Other financial assets at amortised cost

Other financial assets at amortised cost include deposits, other receivables, amounts due from related companies, loan receivables and cash and cash equivalents.

The Directors are of opinion that there is no significant increase in credit risk on deposits, other receivables, amounts due from related companies, loan receivables and cash and cash equivalents since initial recognition as the risk of default is low after considering the factors as following:

21.4 Credit risk (Continued)

- any changes in business, financial or economic conditions that affects the debtor's ability to meet its debt obligations;
- any changes in the operating results of the debtor;
- any changes in the regulatory, economic, or technological environment of the debtor that affects the debtor's ability to meet its debt obligations.

The Group has assessed that the ECL for deposits, other receivables and loan receivables are minimal under the 12-months ECL method as there is no significant increase in credit risk since initial recognition. The credit risk with related parties is limited because the counterparties are fellow subsidiaries. The Directors have assessed the financial position of these related parties and there is no indication of default.

The credit risk for cash and cash equivalents are considered negligible as the counterparties are reputable banks with high quality external credit ratings.

21.5 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's prudent policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and cash equivalents to meet its liquidity requirements in the short term and longer term.

Analysed below are the Group's remaining contractual maturities for its non-derivative financial liabilities as at the reporting date. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group is required to pay. Where settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

	Carrying amount HK$	**Within 1 year or on demand HK$**	**Over 1 year but within 5 years HK$**	**Over 5 years HK$**	**Total contractual undiscounted cash flow HK$**
2022					
- Trade and other payables	**559,567**	**559,567**	**-**		**559,567**
- Amount due to a director	**64,571**	**64,571**	**-**		**64,571**
- Leases liabilities	**515,158**	**520,000**	**-**		**520,000**
- Bank borrowings	**5,800,000**	**661,048**	**3,647,280**	**2,127,616**	**6,435,944**
	6,939,296	**1,805,186**	**3,647,280**	**2,127,616**	**7,580,082**
2021					
- Trade and other payables	2,741,090	2,741,090	-		2,741,090
- Amount due to a director	30,255	30,255	-		30,255
- Lease liabilities	1,271,991	780,000	520,000		1,300,000
- Bank borrowings	-	-	-		-
	4,043,336	3,551,345	520,000		4,071,345

21. FINANCIAL RISK MANAGEMENT AND FAIR VALUE MEASUREMENTS (CONTINUED)

21.6 Fair values

The fair values of the Group's financial assets and financial liabilities are not materially different from their carrying amounts because of the immediate or short term maturity of these financial instruments.

22. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return for shareholders by pricing services commensurately with the level of risks.

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or raises new debt financing.

23. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 2022.

24. CONTINGENT LIABILITIES

There were no contingent liabilities at 31 March 2022

25. ULTIMATE CONTROLLING PARTY

The Directors are of the opinion that the ultimate controlling party was Mr. Law Chi Kit as at 31 March 2022.

26. EVENTS AFTER THE REPORTING DATE

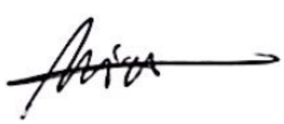
On 30 August 2022, Mr. Hon Keung CHEUNG resigned as the CFO and Executive Director of the Company and Mr. Timothy Wai Yiu TANG appointed as the CFO and Executive Director of the Company.

On 28 June 2022, RC365 has completed the acquisition of the entire issued share capital of RCPAY Limited (UK) (subject to FCA approval), RCPAY Limited (Hong Kong) and Regal Crown Technology (Singapore) Pte Limited. The Consideration payable was £1 per acquisition.

Company statement of financial position as at 31 March 2022

	Notes	2022 HK$	2021 HK$
ASSETS			
Non-current assets			
Investment in a subsidiary	30	**8,096,239**	-
		8,096,239	-
Current assets			
Amount due from a subsidiary	31	**13,675,597**	-
Other receivables		**10**	10
		13,675,607	10
Current liabilities			
Amount due to a related company	31	**-**	1,453,275
		-	1,453,275
Net current assets/(liabilities)		**13,675,607**	(1,453,265)
Net assets/(liabilities)		**21,771,846**	(1,453,265)
EQUITY			
Share capital	19	**11,500,995**	10
Share premium		**16,576,592**	-
Profit or loss reserve		**(6,305,741)**	(1,453,275)
Total equity/(capital deficiency)		**21,771,846**	(1,453,265)

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.



Approved by the Board and authorised for issue on 30 September 2022

Law Chi Kit
Director
Company Registration number: 13289422

Company statement of changes in equity for the year ended 31 March 2022

	Share capital HK$	Share premium HK$	Accumulated losses HK$	Total HK$
At at 1 April 2020	**-**		**-**	**-**
Share allotment upon	10	-	-	10
Loss for the year	-	-	(1,453,275)	(1,453,275)
At 31 March 2021 and at 1 April 2021	**10**	**-**	**(1,453,275)**	**(1,453,265)**
Loss for the year	-	-	(4,852,466)	(4,852,466)
Total comprehensive expenses	-	-	(4,852,466)	(4,852,466)
Share allotment	8,096,240	-	-	8,096,240
Issue of share capital	3,404,745	18,645,000	-	22,049,745
Share issue costs	-	(2,068,408)	-	(2,068,408)
At 31 March 2022	**11,500,995**	**16,576,592**	**(6,305,741)**	**21,771,846**

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.

Company statement of cash flows for the year ended 31 March 2022

	31 March 2022 HK$	For the period from 24 March 2021 to 31 March 2021 HK$
Cash flows from operating activities		
(Loss) before income tax	**(4,852,466)**	(1,453,275)
Adjustments for:		
Listing expense	**4,826,285**	
Exchange differences	**(26,181)**	
Operating cashflow before working capital changes	**-**	(1,453,275)
Increase in amount due to a related company	**-**	1,453,275
Net cash (used in) operating activities	**-**	-
Cashflow from financing Activities		
Proceeds from listing	**6,920,874**	-
Payment for listing costs	**(6,894,693)**	-
Net cash from financing activities	**26,181**	-
Net change in cash and cash equivalents	**-**	-
Effect of exchange rate changes	**-**	-
Cash and cash equivalents at beginning of the year	**-**	-
Cash and cash equivalents at the end of the year	**-**	-

The accompanying notes to the consolidated financial statements on pages 35 to 65 form an integral part of these consolidated financial statements.

27. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation:

The separate financial statements of the Company are presented as required by the Companies Act 2006. As permitted by that Act, the separate financial statements have been prepared in accordance with UK-adopted International Accounting Standards.

The financial statements have been prepared on the historical cost basis. The principal accounting policies adopted are the same as those set out in note 2 to the Consolidated Financial Statements. In addition, Investments in subsidiaries are stated at cost less, where appropriate, provision for impairment.

28. LOSS ATTRIBUTABLE TO SHAREHOLDERS

Under section 408 of the Companies Act 2006, the Company is exempt from the requirement to present its own income statement. The loss attributable to the Company for the period ended 31 March 2022 was HK$4,852,466 (For the period from 24 March 2021 to 31 March 2021: loss of HK$1,453,275)

29. STAFF COSTS

During the year ended 31 March 2022 and period from 24 March 2021 to 31 March 2021, all Directors and staff are employed by Regal Crown Technology Limited, a wholly owned subsidiary of the Company, and therefore there were no Directors' remuneration and staff costs.

30. INVESTMENT IN A SUBSIDIARY

Particulars of the Company's subsidiary as at 31 March 2022 are as follows:

Name of subsidiary	Place / country of incorporation and operations	Particulars of issued and paid-up share / registered capital	Percentage of interest held by the Company directly	Principal activities
Regal Crown Technology Limited	Hong Kong	10,300,001	100%	IT software development

31. AMOUNT DUE FROM A SUBSIDIARY/DUE TO A RELATED PARTY

These amounts refer to the amounts due from/to Regal Crown Technology Limited, which are unsecured, interest-free and repayable on demand.

32. FINANCIAL INSTRUMENTS

32.1 Credit risk

The main credit risk relates to the amount due from a subsidiary. The Directors have assessed the financial position of the subsidiary and there is no indication of default.

32.2 Capital risk management

The Company's capital management objectives are to ensure its ability to continue as a going concern and to provide an adequate return for shareholders.

The Company actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or raises new debt financing.