

DEV CLEVER HOLDINGS PLC

Annual Report and Accounts for the
year ended 31 October 2019

Company number: 11589976

Company Information

Directors	CM Jeffries NAR Ydlibi CB Forrest DR Ivy
Secretary	NAR Ydlibi
Company number	11589976
Registered office	Ventura House Ventura Park Road Tamworth Staffordshire B78 3HL
Auditor	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
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Joint Brokers	Pello Capital 7th Floor 10 Lower Thames Street London EC3R 6AF Novum Securities Limited 8 - 10 Grosvenor Gardens London SW1W 0DH

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Chairman and Chief Executive Officer's Statement

I am pleased to present the annual report and financial statements of Dev Clever Holdings plc ("Dev Clever" the "Group" or the "Company") for the year ended 31 October 2019.

Overview of the year

2019 was an important year for Dev Clever: the Company was admitted to the Official List, by way of a standard listing, and started trading on the London Stock Exchange's main market for listed securities. In addition to this key development, Dev Clever has continued to make significant internal investment into the development and productisation of its proprietary cloud-based platforms. These went live in the year and will enable the Company to rapidly scale across different global markets, in line with its growth ambitions. The completion of this foundational stage in the Company's strategy, combined with securing key strategic partnerships and collaborations with a global technology manufacturer, provides a direct sales route to a global market for the Company's SaaS based products and positions Dev Clever for a transformational year of growth as it scales products and service offerings internationally from 2020.

Alongside the Listing, the Board of two Executive Directors were joined by Chantal Forrest and David Ivy, two highly experienced Non-Executive Directors. The management team has been further strengthened through the appointment of Tim Heaton, Chief Operating Officer and Chief Sales Officer, who has a wealth of SaaS experience in driving sales and expansion in growth environments.

In 2019, the Company successfully delivered on the operational milestones that were set out at the time of its IPO in January 2019, when it raised £0.7m. These milestones included the first release of the Company's fully immersive careers engine, Launchyourcareer.com and VICTAR VR, and the establishment of sales teams across all three core sales channels (Educate, Engage and Experience) by the end of February 2019.

The Board is confident that the Company's financial performance will start to reflect the significant operational progress made in 2019 of productising software and establishing commercial agreements.

The Group incurred a pre-tax loss of £1,065k in the year ended 31 October 2019 (2018: loss £540k). The losses reflect on-going investment in the productisation of the Group's software platforms and the development of commercial relationships. The loss is stated after share-based payment expenses of £110k (2018: £nil), costs arising from the placing of £114k (2018: £136k) and the impairment of previously capitalised software development costs of £174k (2018: £nil).

The Company raised an additional £0.4m through a secondary placing in August 2019.

Review of the business.

Dev Clever is a software development company that looks to apply imagination intelligently through technology. It seeks to provide interactive, digital, student and consumer experiences and activations through the clever application of innovative technology which engages with users to provide an immersive and motivational experience.

Educate

The Company believes that 2020 is going to be a transformational year in the adoption of VR technology across the global education sector with major manufacturers positioning themselves and their affordable standalone VR equipment to take advantage of the mass adoption of this new technology wave across the world.

The Group's virtual reality careers guidance platforms, Launchyourcareer.com and VICTAR VR, are designed to connect young people, their influencers, schools, FE/HE institutions, employers and training providers together. Since release, the platform is being successfully used by a number of early-adopting schools, academies and colleges in the UK as well as being utilised by World Skills UK to engage with school children attending the UK's largest careers event, World Skills Show Live.

The Company believes that Launchyourcareer.com and VICTAR VR, is the pivotal application in the adoption of VR technology within the education sector. It only requires a school to purchase a single VR headset while at the same time providing every young person with a meaningful and unparalleled careers guidance experience that addresses a global issue of skills gaps and the disconnect of career-based skills learning.

The Company's Educate proposition is well placed to benefit from recent legislation including the UK Government's mandatory requirement for schools to improve the level of personal engagement in careers advice and the US Federal Government's focus on career-based skills learning. Dev Clever has developed VICTAR VR and Launchyourcareer.com with the objective of enabling educational establishments to comply with and support these requirements. By securing a collaboration with the world's largest technology manufacturer and provider of technology to the education sector in line with its own strategy to rollout VR across the world, Dev Clever is positioned for transformational growth in 2020.

In November 2019, Dev Clever's careers guidance platform became fully operational in the UK, a market which the Company estimates to be in excess of £100 million per annum. To support this, the Company secured collaborations and strategic partnerships with WorldSkills Organisation, CDI (Careers Development Institute), Icould and a global hardware manufacturer. As announced previously, working in collaboration with the global hardware manufacturer, the Company intends to localise its Educate solution for other territories, commencing with North America in April 2020, a market which the Company estimates as six times larger than the UK, and therefore believes the opportunity deriving from its collaboration with the global hardware manufacturer is significant.

The adoption and take-up of Dev Clever's careers guidance platform is contingent on the effective supply of hardware. The Company's collaboration with the global hardware manufacturer and its focus on the launch in North America has diverted hardware from the UK market in preparation for the April 2020 launch. Accordingly, the Company has been focused on ensuring that it is well prepared for the US launch.

Engage

The Group has successfully launched its ENGAGE cloud-based gamification platform which enables brands and retailers to utilise digital incentive promotions to drive higher levels of consumer engagement whilst fully controlling spend. Since its launch, the Company has successfully delivered several consumer incentive campaigns for blue-chip brands and national retailers including Bosch, Pepsi Max, J20, Tango, Paul, Jewsons and Whitbread. The Company's strategy has been to grow its partner network of resellers, EPOS and digital voucher providers across the world. Since the launch

of the platform in March 2019, the Company has secured commercial partnerships with Eagle Eye, Yoyo Wallet, Valassis, Toshiba and TOTUM and is in the process of integrating the solution into Oracle's EPOS platforms.

Revenues through Engage have taken longer to mature than envisaged at the time of the IPO due to the length of time required to complete commercial agreements, delaying access to partners' brand and retail customer bases. The Company is confident that the current year will see a significant uplift in revenues through the increased exposure to its partners' brand and retail customers.

Having made further significant investment throughout 2019 in its proprietary software and the development of the commercial relationships to bring its products to market, Dev Clever is now in a position to capitalise on this investment.

Experience

Dev Clever's proprietary multi-user VR framework enables customers of its Educate and Engage channels to extend their consumer and student experiences through VR to exploit the significant growth forecast for the VR market. In an attempt to commercialise the framework at an early stage, the Company has developed two out of home immersive games, Vanguard: Fight for Rudiarius and Easter Squad. During the year, the Company has piloted Vanguard within leisure venues across the UK and received positive feedback on the game play from both venue employees and consumers.

A focused strategy

Each of Dev Clever's Educate, Engage and Experience offerings have been successful in their own right. It has, however, become clear to the Board that the most attractive market for Dev Clever to focus its attention on is Educate. In order to position the Company to make the most of the significant opportunity for the Group's VR careers guidance platform, supported by the partnership with the global hardware manufacturer, the Board has decided to restructure the Company's operations.

Educate will be the Company's primary division, and the focus of management and capital resource. In order to recognise this focus, the Board has suspended further rollout of its Experience workstream and merged it with Engage to form a new division called Agency Services. Investment in Agency Services' existing commercial relationships will continue, in order to drive sales performance. The Board firmly believes these changes will lead the Company to a breakeven position by the end of Q3 this financial year.

As a result, the Board has written down the value of the associated software development costs and an impairment charge of £174,085 has been booked in cost of sales within the financial statements.

Educate business model

The Company's primary revenue model is two-phased. Initially revenue will be secured from fixed annually-recurring SaaS licences from the users of the VICTAR VR application and the supporting analytics available through Launchyourcareer.com. The costs of these licences are included in the retail value of the hardware manufacturer's VR classroom solutions and are payable to Dev Clever by the hardware manufacturer on sale of the supporting hardware. Launchyourcareer.com and VICTAR VR are taken to market by the hardware manufacturer's direct sales teams and their network of distributors and resellers.

The Company will subsequently look to exploit additional commercial opportunities by providing employers and further education establishments the opportunity to promote their respective employment opportunities and courses through a self-service advertising framework, on an annual subscription basis.

Outlook

Since the year end, the Company has raised a further £0.75m net, comprising a placing (£0.35m) and the provision of a convertible loan from the Chairman and CEO (£0.4m) in January 2020. This funding, the significant opportunity arising from the launch of Launchyourcareer.com and VICTAR VR in the USA, in collaboration with Lenovo, and an improved trading position since the year end provide the Board with confidence for the outlook for 2020.

On behalf of the Board, I would also like to take this opportunity to thank all our shareholders for their support as well as commend our employees for their hard work and dedication in this landmark period for the Group.

A handwritten signature in black ink, appearing to be 'Chris Jeffries', written in a cursive style.

Chris Jeffries
Chairman and Chief Executive Officer
27 February 2020

Chief Financial Officer's Review

Dev Clever Holdings Plc comprises a holding company, Dev Clever Holdings Plc and its trading subsidiary, DevClever Limited. These are the first financial statements of the Group since its formation and subsequent IPO and compare the results of the Group for the year ended 31 October 2019 to the results reported for its trading subsidiary, DevClever Limited, being the only business in the Group which traded in the year ended 31 October 2018. The Company and consolidated financial statements have been prepared on the basis outlined in note 2 basis of consolidation. The prior year numbers are not fully comparative and are unaudited. Whilst DevClever Limited remains the only subsidiary and trading entity within the Group, the operating expenses reported within the current period now reflect the increased regulatory and compliance costs arising from the maintenance of the listing. The Directors believe that these increased costs will offset over time through the accelerated growth that will arise from the additional capital accessed by the Group through its listing.

Revenues in each of the Company's operating segments are comprised of development and set up fees, alongside subscription, hosting and support fees. Total revenue for the year was broadly consistent with the prior year at £481k (2018: £467k) an increase of 2.8% and reflects a longer than expected lead time in both the establishment of the Group's new commercial partnerships and their commercial exploitation.

Gross margin loss £(41)K (2018: profit £206k) reflects the impairment of £174k of previously capitalised software development costs following impairment review at the period end and the decision of the Board to suspend further development of the Company's gaming experiences to focus on the accelerated roll out of its Careers' platform in the US from April 2020. The gross margin reflects a higher level of employed staff and reduction in use of external contractors. This is due to a combination of a move to reduce the number of consultants used by the business to mitigate the risks of off-payroll working legislation and the introduction of a time recording system in the second half of the prior year to better record the utilisation of staff time that had previously been reported solely within administrative expenses.

The overall EBITDA loss was £1,015k compared to a loss of £498k in the prior period. The loss includes a charge of £174k for the impairment of capitalised software development costs (2018: £nil), following the decision of the Board to suspend further investment at this time in the Group's VR gaming experiences to focus on the adaptation of its Launchyourcareer.com and VICTAR VR careers platforms for release in the US in April 2020. It also includes charges for share based payments £110k (2018: £nil) arising from options and warrants issued at the time of the IPO and one-off costs associated with the IPO itself of £113k (2018: £136k).

The loss before tax was £1,065k compared to £540k in the prior period. In addition to the one-off costs noted above, the loss reflects the Group's on-going investment in the productisation of its software platforms and the putting in place of the central management and sales teams to exploit its newly established commercial partnerships. The Group is now focused on delivering the significant revenue growth that the Board expects these opportunities to provide.

Overall cash inflow in the year was £424k (2018: outflow £180k) and reflects net financing proceeds of £1,360k (2018: £290k). Operating cash flow, adjusting for the capitalisation of software development reported within investing activities was a net outflow of £905k (2018: outflow £450k), reflecting the costs of the IPO of £193k, including £80k of the prior year's expense settled in the current period, and the increased investment in the management team, sales team and infrastructure required to launch our software platforms. The Board is conscious of the increased level of cost

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investment within the business and has begun to re-balance the focus of the business from product development to revenue performance, whilst at the same time looking for opportunities to reduce costs.

The Group had cash reserves of £497k (2018: £73k) at the period end. In January 2020 the Group also raised a further £438k gross proceeds, £350k net proceeds, through a placing and £400k through a convertible loan facility provided by its Chairman and CEO.



Nicholas Ydlibi
Chief Financial Officer
27 February 2020

Strategic Report

The Directors present their strategic report on the Group for the period ended 31 October 2019.

Principal activity

The principal activity of the Group is the development of software solutions that enable its clients to engage with their customers. Its primary products are its Launchyourcareer.com careers platform, supported by the VICTAR VR virtual reality careers experience, and its Engage gamification engine.

Review of the business and future developments

The review of business and future developments is set out in the Chairman and Chief Executive Officer's statement on pages 4 to 7.

Key performance indicators

The Board of Directors monitors the activities and performance of the Group on a continuing basis. At this early stage of the Company's development, the Directors consider the main performance indicators to be:

Establishment of the key strategic partnerships and collaborations that will provide a direct sales route to market for the Company's SaaS based proprietary software.

Educate: Commercial partnerships and / or heads of terms agreed with: World Skills UK Live, Lenovo, Icould.

Engage: Commercial partnerships agreed with: Eagle Eye Solutions, Yoyo Wallet, Valassis, Toshiba and TOTUM. Integration into Oracle's EPOS platforms is on-going.

Experience: Pilots conducted at Quasar (Harlow) and Teamsports (Birmingham & Leicester). The Company has taken the decision to suspend any further rollout of its gaming experiences, Vanguard: Fight for Rudiarius and Easter Squad to concentrate on the opportunities provided by its education products.

The Company believes that the launch, in April 2020, of its careers' platform (launchyourcareer.com) and supporting virtual reality careers experience (VICTAR VR) in the USA will transform the performance of the Group. At this stage the key performance indicator will be the volume of user licences sold.

Cash and cash equivalents.

Tracking the cash balance ensures that the Group retains sufficient cash resources to finance the on-going development and marketing of its product portfolio and to meet its obligations as they fall due. Cash and cash equivalents as at 31 October were £497k (2018: £73k). The cash balance represented approximately three months operating expenses at the year end. In January 2020, the Group raised a further £750k after expenses by way of a placing for £350k and a convertible loan from its Chairman and CEO for £400k.

Principal risks and uncertainties

Whilst the Group focusses on exploitation of its commercial partnerships through its Launchyourcareer.com and VICTAR VR careers platform within education and its Engage gamification platform, the Board considers the principal risks for the Group to be the ability to scale the business and the maintenance of cash reserves.

The Group operates in an uncertain environment and is subject to a number of risk factors. The Board considers the following to be of particular relevance, but this is by no means an exhaustive list as there may be other risk factors not currently known.

Risk	Potential Impact	Mitigation and Control
Failure to implement the Group's strategy	A failure to implement the Group's strategy may have an adverse impact on its business, profitability and financial position. There can be no assurance that the Group will be able to maintain or grow its financial performance to anticipated future levels.	The Group has regular Board meetings and the Board and management consistently monitor the Group's performance against its targets. Weekly performance updates and monthly management accounts are circulated to senior management to monitor performance
Technology risks	The software industry is prone to rapid change with new entrants and ideas continuously changing the market. There is a risk that the Group's proprietary software products could become obsolete or uncompetitive, which could have a material adverse impact on the prospects of the Group. Any failure to keep pace with technological developments or the development of superior products by a competitor could result in the Group failing to successfully commercialise its products, which may have a material adverse effect on the Group's business, profitability and financial position.	Industry trends are monitored and the Group attends trade shows to monitor products coming to market. The Group continues to re-invest in its core platforms to ensure they remain current.
Competition	The dynamic state of the market in which the Group operates means that there may be current and new competitors that have greater market presence, brand recognition, financial resources and economies of scale or lower cost bases that enable them to respond more effectively to changes in market conditions, any of which may give them a competitive advantage over the Group.	The Group's strategy has been to build commercial partnerships with global blue-chip companies to provide it with a competitive advantage and protect its routes to market.
Cash requirement	The Group is in an early stage of its development, requiring it to utilise its cash resources to provide the working capital to	Rolling cash forecasts are maintained and regularly updated to manage short term

	bring its products to market, in advance of revenue generation. There is a risk that the Group runs out of cash resources before its revenue streams mature.	cash requirements. The Group also maintains on-going lines of communication with the markets, through its brokers, to secure its capital requirements.
Dependence on key personnel and management risks	The Group's business is dependent on retaining the services of a small management team and the loss of a key individual could have an adverse effect on the future of the Group's business. The Group's future success will also depend in large part upon its ability to attract and retain highly skilled personnel.	The Group offers a combination of competitive remuneration and share options to both incentivise and retain key personnel.
General Data Protection Regulations (GDPR)	The Group's software solutions may result in the Group either holding its customers' personal data as data owner or it being required to utilise personal data held by its customers as a data processor. Any failure to look after this data in accordance with GDPR may result in damage to the reputation of the Group and / or a material penalty, either of which may have a material impact on the Group's business, profitability and financial position.	The Group has GDPR policies in place to ensure any data held is held for a specific legal purpose, supported by best practice policies and procedures for the storage of personal data. The Group also retains the services of a specialist GDPR consultant to review its compliance with the regulations and to support in the assessment of any new risks associated with changes in its product offer, business processes and regulations
Foreign exchange movements	The Group is currently negotiating commercial agreements for its products to be launched in overseas markets. The agreements may be denominated in foreign currency and therefore expose the Group to the risk of adverse exchange rate movements that may cause its revenue to reduce, resulting in reduced profitability	The Group does not currently use financial instruments to hedge against potential currency losses, as foreign currency requirements are minimal. However, the Directors will review the potential benefits and associated costs of foreign currency hedges once the value of foreign currency cash flows are established.

Composition of the Board

A full analysis of the Board, its function, composition and policies, is included in the Board and Governance Report on pages 13 to 24. A gender analysis is also included in this report

Approved on behalf of the Board of Directors on 27 February 2020



Chris Jeffries
Chairman and Chief Executive Officer

The Board and Governance

The Board currently comprises an Executive Chairman, one other Executive Director and two independent Non-Executive Directors. The Directors are of the view that the Board and its Committees consist of Directors with an appropriate balance of skills, experience, independence and diversity of background to enable them to discharge their duties and responsibilities effectively.

Appointments – no separate nomination committee has been established for appointments to the Board. Nominations are handled by the Board as a whole. The Directors advertise vacancies and engage appropriate professional assistance in filling positions as circumstances merit.

Time commitment - All Directors have disclosed any significant commitments to the Board and have confirmed that they have sufficient time to discharge their duties. The Non-Executive Directors' duties are expected to require up to two days of time commitment each month.

Conflicts of interest – A Director has a duty to avoid a situation in which he or she may have a direct or indirect interest that conflicts with those of the Company. The Board has satisfied itself that there is no compromise to the independence of those Directors who have appointments on the Boards, or other relationships with, companies outside the Company. The Board requires Directors to declare all appointments or other situations which could result in a possible conflict of interest at each meeting.

The Board consists of three male Directors and one female Director and the Board supports the Financial Reporting Council's aim of encouraging such diversity. Given the stage of the Company's development and number of employees, there is currently no formal diversity policy in place. However, this is something that will be considered by the Board as the Company grows. The following table provides a breakdown by gender as at 31 October 2019:

	Male	Female
Board of Directors	3	1
Senior managers	2	2
Other Employees	10	4
Total	15	7

Biographical details of the Board members are set out below.

Christopher Jeffries (Chairman and Chief Executive Officer)

Chris started his career in commercial radio and successfully performed various roles from Commercial Director, Group SPI Director to Group Managing Director working for media brands such as Capital and MMI. Towards the end of that part of his career, Chris focused on introducing the adoption of digital into the media portfolio and, as a result, developed an invaluable client network across multiple sectors and developed a reputation for integrating innovative technology into consumer-focused campaigns. In 2007 Chris established his own agency to capitalise on his previous success and to target brands and educators directly to help them adopt digital as part of their overall marketing objectives.

Chris founded DevClever in 2013 to exploit emerging opportunities in immersive customer experiences through the application of mobile technology and networking products and is the architect behind the Group's development frameworks including its proprietary gaming engine,

Launchyourcareer.com careers engine and communication tools (CleverFLIP and CleverHub). Chris' expertise in the digital sector has resulted in him taking consultant roles in digital ventures specialising in facial recognition technology, educational applications and digital legacies. He has stepped back from these roles to concentrate solely on the growth of the Group across its core channels, Educate and Engage.

Chris is the Company's Chairman and Chief Executive Officer and is ultimately responsible for all day-to-day management decisions and for implementing the Company's long- and short-term plans. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company. The Chairman acts as the communicator for Board decisions where appropriate.

Nick Ydlibi (Chief Financial Officer)

Nick is a chartered accountant and joined Dev Clever on a full-time basis in April 2018, following a 25 years career at Walgreens Boots Alliance, where he held a number of senior finance roles. His most recent role within that group was the Financial Controller for the UK Opticians Division.

Nick is the Company's Chief Financial Officer and is primarily responsible for managing the financial risks of the Company and for financial planning and record-keeping, as well as financial reporting to higher management.

Chantal Forrest (Non-Executive Director)

Chantal is a governance expert and an experienced Director, company secretary and trustee. Between 1993 and 2001, Chantal served as Legal Manager & Assistant Company Secretary for Yorkshire Electricity Group Plc, where she was appointed as a Director of the Share Scheme Trustee Company and managed all major legal issues. Between 2002 and 2008, Chantal served as Company Secretary and Legal Counsel for WBB Minerals (now Sibelco UK) and was appointed Director of the company and a trustee of its pension scheme. Between 2008 and 2014 she served as Company Secretary & General Counsel for Electricity North West, where she was part of the executive management team. Her most recent role, between 2014 and 2018 was serving as Group Company Secretary for Yorkshire Water Services Ltd / Kelda Group, where during her tenure she managed company secretarial, pensions, legal, insurance, GDPR and governance matters within the group and was a member of the Kelda Management Team.

Currently, Chantal is a Governor and Chair of the Governors' Health and Safety Committee for the Greenhead College. She is a corporate solicitor, is admitted as an attorney to the State Bar of California and as a barrister to the Bar of New South Wales, Australia.

Chantal is Chair of the Remuneration Committee

David Ivy (Non-Executive Director)

David has over 19 years of experience in the digital sector. He served as an agency head, producing projects for BBC, BT, Bank of England, Microsoft, AVG, Fairtrade and many others. As such David has developed multiple products, including a CMS, ECommerce platform and email marketing. In 1999 he established a web design and development agency, Ellipsis Media Ltd. Acting as a Creative Director / Digital Director between 1999 and 2010, he grew the agency into the dotDigital Group and created

such leading products and revenue streams as dotMailer, dotEditor and dotCommerce, eventually taking the email marketing platform dotMailer to the UK's number one spot and to listing on AIM.

Following that he continued providing consultancy services to a variety of organisations, large and small, including Ebay, Monocle and Grosvenor, advising small to medium size companies on growth strategy and mentoring aspiring directors through company change. David served as a trustee of the charity Prisoners of Conscience (213766) for eight years.

David is Chair of the Audit Committee

Directors

The Directors who held office during the period and up to the date of signature of the financial statements were as follows:

CM Jeffries	Appointed	26 September 2018
NAR Ydlibi	Appointed	26 September 2018
CB Forrest	Appointed	21 January 2019
DR Ivy	Appointed	21 January 2019

Directors interests

Name	Ordinary shares at 31 October 2019	Percentage of issued share capital
CM Jeffries	250,000,000	64.37%
NAR Ydlibi	1,250,000	0.32%

Share options

Name	Date of Grant	Aggregate number of options granted	Exercise Price	Exercise conditions	Lapse date
NAR Ydlibi	17 January 2019	10,000,000	Placing price	Admission	17 January 2029

Leadership

The Board, led by the Executive Chairman, guides and monitors the business and affairs of the Company on behalf of the Company's shareholders to whom it is accountable, and for corporate governance matters. The Executive Chairman is the Company's leading representative presenting the Company's aims and policies to the outside world including shareholders and other stakeholders.

Through the Company Secretary, the Executive Chairman is responsible for determining:

- the order of items on the Board agenda
- the timely provision of information to the Board

During meetings, the Executive Chairman is also responsible for

- ensuring the involvement of all the individual Directors in discussions and decision-making
- summarising discussions to ensure all Directors understand what has been agreed

Whilst certain key matters are reserved for the Board, it has delegated responsibilities for the day to day operational, corporate, financial and administrative activities of the Company to the Executive Chairman / Chief Executive Officer and Chief Financial Officer.

The Board's core activities are carried out through the scheduled meetings of the Board and its committees, which are timed to complement key events in the corporate calendar. Additional meetings and calls are arranged to consider matters which require decisions outside the scheduled meetings. During the year ended 31 October 2019, the Board met on 15 occasions. Outside these meetings, the Directors maintain frequent contact with each other to discuss any issues of concern they may have in relation to the Company or areas of their responsibility and to keep them fully informed on the Company's progress.

The key matters specifically reserved for the consideration and approval of the Board include:

- the Company's overall strategy
- capital structure and financing
- financial reporting, risk management and the internal control framework
- the annual Budget, material investments, contracts and purchase commitments
- the Company's corporate governance, compliance arrangements and corporate policies

Attendance

Directors' attendance at meetings of the Board and its Committees during the year ended 31 October was as follows:

	Board		Audit		Remuneration	
	Meetings	Attended	Meetings	Attended	Meetings	Attended
CM Jeffries	15	15	-	-	-	-
NAR Ydlibi	15	15	-	-	-	-
CB Forrest	11	11	5	5	2	
DR Ivy	11	11	5	5	2	

The Board intends to keep under review the effectiveness of its performance, the performance of its committees and the performance of individual Directors. Given that the Board in its current composition was only established on 21 January 2019, no formal review took place in the year ended 31 October 2019. On 21 January 2019, the Board established the Audit and Remuneration Committees with formally delegated duties and responsibilities, details of which are summarised below:

Audit Committee

The Audit Committee is chaired by David Ivy, who is considered by the Board to have recent and relevant financial experience. The Committee meets at least two times per year. Chantal Forrest also serves on the Audit Committee. The Committee's responsibilities include:

- ensuring appropriate financial reporting procedures are properly maintained and reported upon
- meeting with the Group's auditors to discuss matters of relevance including risk issues
- ensuring the internal controls of the Group are properly maintained
- reviewing the financial statements prior to issue to the shareholders
- reviewing reports from the Group's auditors
- reviewing and approving the scope and content of the Group's annual risk assessment programme and annual audit
- monitoring the independence and objectivity of the external auditors and the effectiveness of the audit process.

The Group's Chief Financial Officer and the external auditors attend meetings of the Audit Committee by invitation. The Committee also holds separate meetings with the auditors, without management present, as appropriate.

The Group does not have an internal audit function as this is not considered appropriate given the scale of the Group's operations.

Remuneration Committee

The Remuneration Committee is chaired by Chantal Forrest and meets at least two times per year. David Ivy also serves on the Remuneration Committee. The Remuneration Committee's responsibilities include:

- determining and agreeing with the Board the framework for remuneration of the executive directors, chairman and other members of executive management
- reviewing the appropriateness and relevance of the remuneration policy
- approving the design and targets for any performance related pay schemes operated by the Company
- reviewing the design of all share incentive plans
- determining the policy and scope of pension arrangements for the Executive Directors and senior executives
- in consultation with the Executive Chairman and within the terms of the agreed remuneration policy, determining the remuneration package of the Executive Directors and senior executives

The Executive Chairman and the Chief Financial Officer may, by invitation, also attend the Remuneration Committee but are not involved in decisions regarding their own remuneration. Members of the Remuneration Committee do not participate in decisions regarding their own pay.

The full terms of reference of the Committees can be found on the Company's website www.devcleverholdingsplc.com

Corporate Governance

As a Company with a standard listing, the Company is not required to comply with the provisions of the Corporate Governance Code published by the Financial Reporting Council (FRC Corporate Governance Code). The Company notes that it will not undertake the following steps which are required by the FRC Corporate Governance Code as the Company does not consider these to be relevant at the current time:

- Given the size of the Board and the Company’s current status, certain provisions of the FRC Corporate Governance Code (in particular the provisions relating to the composition of the Board and the division of responsibilities between the Chairman and the Chief Executive Officer)
- The FRC Corporate Governance Code recommends the submission of all directors for re-election at annual intervals. None of the Directors will be required to be submitted for re-election until the first annual general meeting of the Company. Thereafter, all Directors will be submitted for re-election at annual intervals
- The Board does not comply with the provision of the FRC Corporate Governance Code in that it has not appointed a Senior Independent Director

However, all the Directors of Dev Clever believe firmly in the importance of good corporate governance for the creation of shareholder value over the medium to long term and to engender trust and support amongst the Company’s wider stakeholders. As a result, the Board has decided to formally adopt the provisions of the Corporate Governance Code published by the Quoted Companies Alliance (QCA Corporate Governance Code) insofar as it is appropriate having regard to the size and nature of the Company and the size and composition of the Board.

The QCA code is constructed around ten broad principles and a set of disclosures. The QCA has stated what it considers to be appropriate arrangements for growing companies and asks companies to provide an explanation about how they are meeting these principles through the prescribed disclosures. The Directors have considered how they apply each principle and below provides an explanation of the approach taken in relation to each. Any areas of non-compliance are explained in the text below.

Deliver growth		
1	Establish a strategy and business model which promote long-term value for shareholders	<p>The Group’s strategy is reviewed by the Board on a bi-annual basis at offsite strategy events. The Group’s strategy is to drive long-term value for shareholders through the exploitation of its expertise in digital innovation and through the commoditisation of its product offering:</p> <p>Educate:</p> <ul style="list-style-type: none"> - Release of Launchyourcareer.com careers platform and VICTAR VR supported by commercial partnerships - Extending education platform to primary school sector, young adults who have fallen outside education and training and life-long learners - Realising opportunities in new geographies commencing with the North American market in 2020 <p>Engage:</p> <ul style="list-style-type: none"> - Continued development of the Group's proprietary gamification offering

		<p>- Exploitation of the commercial partnerships with Oracle, Valassis, Yoyo Wallet, Toshiba and Eagle Eye.</p> <p>Scaling the cost base efficiently with the objective of becoming EBITDA positive and cash generative in line with management expectations.</p>
2	Seek to understand and meet shareholder needs and expectations	<p>In addition to the opportunity for the Directors to engage with and welcome shareholders at the Annual General Meeting, the Group has taken the opportunity to present to and listen to shareholders at a series of events including:</p> <ul style="list-style-type: none"> - Investor roadshows - Broker sponsored presentation evenings - Regular podcasts through Vox markets <p>All published information for shareholders is also available on the Company website, including copies of interim reports, circulars and announcements.</p> <p>The Company also maintains a dedicated e-mail address for investors to communicate with the business: investorenquiries@devclever.co.uk</p>
3	Take into account wider stakeholder and social responsibilities and their implications for long-term success	<p>The Group's key stakeholders are its shareholders (see "Seek to understand and meet shareholder needs and expectations" above), employees, customers and suppliers. The Group's focus on careers education and the promotion of life-long learning ensures its long-term success is directly linked with a wider social purpose.</p> <p>Employees: The Group's employees are provided with quarterly updates that provide both a business update and the opportunity to celebrate success and ask questions of the management team. Informal meet and greet sessions are held with the Non-Executive Directors, who also attend company-wide social events. The executive team have an open-door policy. Health and Safety are an integral part of the culture with appointed representatives. People and Health and Safety are the standing first agenda items on Board meeting agendas.</p> <p>Customers: The business is founded on the collaborative commercial partnerships that provide its products with access to their markets. Regular meetings are held with client teams to understand their and their clients' business needs. Directors regularly attend customer events / roadshows to jointly promote and receive feedback on product offerings.</p> <p>Suppliers: The largest suppliers are for hosting services, professional services and temporary resources. The Company has a small and trusted supplier base with a good understanding of the Group's needs. Supplier payment terms are honoured.</p>
4	Embed effective risk management, considering both	<p>The Board is responsible for the Group's system of internal controls and risk management and for reviewing its effectiveness. The Audit Committee regularly reviews the effectiveness of the Group's</p>

	<p>opportunities and threats, throughout the organisation</p>	<p>systems of internal financial control and risk management. Although no system of internal control can completely eliminate the risk of failure to achieve business objectives or provide absolute assurance against material misstatement or loss, the Group's controls are designed to provide reasonable assurance over the reliability of financial information and the Group's assets.</p> <p>Key controls:</p> <ul style="list-style-type: none"> - The Executive Directors have a close involvement with the day to day operations and with the involvement of staff, identify business risks and monitor controls. - Routine financial reporting is undertaken based on the Budget approved by the Board. Monthly financial results are reported with analysis of variances against expectations. - The corporate risk register has been created by the Executive Directors and is reviewed by the Board on a quarterly basis. The register considers the impact, probability, controls in place and any mitigating factors to be considered for each risk. - Staff may contact Chantal Forrest, in confidence, under the Company's whistleblowing policy to raise genuine concerns of possible improprieties in financial reporting or other matters. <p>The Group's principal risks and uncertainties are set out in the Strategic Report on pages 10 to 12.</p> <p>There is currently no internal audit function as the Board and Audit Committee considers that given the Group's current stage of development, it is not necessary. This will be reviewed by the Board as the Group evolves.</p>
<p>Maintain an effective management framework</p>		
<p>5</p>	<p>Maintain the board as a well-functioning, balanced team led by the chair</p>	<p>The Board is responsible to shareholders for the proper management of the Group. A statement of Directors' responsibilities is set out on page 35 and the interests and experience of the Board are set out on pages 13 to 15. The Non-Executive Directors have a particular responsibility to ensure that the strategies proposed by the Executive Directors are fully considered.</p> <p>The Board comprises the Executive Chairman and CEO, one other Executive Director and two Non-Executive Directors who are both considered to be independent.</p> <p>The Board holds regular meetings and is responsible for formulating, reviewing and approving the Group's strategy, budgets and corporate actions and overseeing the Group's progress towards its goals. Each year, the Non-Executive Directors are required to attend 10 to 12 Board meetings, 9 to 10 Board Committee meetings and 2 full day strategy sessions, which helps to shape the Group's strategy for the coming year and beyond.</p>

		<p>The Board has established the Audit and Remuneration Committees with clearly defined terms of reference which are set by the Board. The role, work and members of the committees are outlined on page 17.</p> <p>Meetings of the Board and its committees held during the year and the attendance of the Directors are summarised above.</p> <p>The Board has a schedule of regular business, financial and operational matters and each Board committee has a schedule of work to ensure all areas for which the Board has responsibility are addressed and reviewed during the course of the year. The Company Secretary compiles the Board and committee papers which are circulated to the Directors prior to meetings. The Company Secretary provides minutes for each meeting and every Director is aware of the right to have any concerns minuted and to seek independent advice at the group's expense where appropriate.</p> <p>Directors duties are expected to require a time commitment of up to two days each month.</p>
6	Ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities	<p>The Non-Executive Directors have finance, media, technology, legal and corporate governance business expertise. The executive leadership team includes two members of the Board, the Chairman and CEO who has a media and technology background and the Finance Director, who has a finance background in the retail sector.</p> <p>The Directors demonstrate a commitment to on-going personal development, learning and enhancing their understanding of the digital sector.</p> <p>Relevant experience is detailed more fully in the Board and Governance section and Director biographies.</p>
7	Evaluate board performance based on clear and relevant objectives, seeking continuous improvement	<p>At present this aspect of the Code is not complied with as the Directors consider that the Company and Board are not yet of a sufficient size or suitably developed for a full Board evaluation to make commercial and practical sense, given the stage of the Company's development. In the frequent Board meetings and conference calls, Directors can discuss any areas where they feel a change would benefit the Company and the Company's advisers remain on hand to deliver impartial advice. The Board will keep this under review as the Company develops.</p> <p>The Board has elected not to have a Nomination Committee. The Board itself deals with matters such as including the balance of the Board and succession planning.</p>
8	Promote a corporate culture that is based on ethical values and behaviours	<p>The Board considers it acts in a professional manner at all times and imparts that corporate culture throughout the Group. It also considers that at all times it promotes ethical values and behaviour to its employees. The Group has established policies relating to</p>

		<p>anti-bribery and corruption, use of drugs and alcohol and share dealing.</p> <p>Within the policy framework, management operate an "open door" policy and are available to staff to discuss any issues or concerns they may have. Regular business updates are undertaken with staff and an open two-way dialogue is held. The Board listens to the views of its staff and ensures these are taken into consideration in the ethical delivery of the Company's business objectives.</p>
9	<p>Maintain governance structures and processes that are fit for purpose and support good decision-making by the board</p>	<p>In support of the information set out regarding the Board and its committees referred to under "maintain the Board as a well-functioning, balanced team led by the Chair" and "ensure that between them the Directors have the necessary up-to-date experience, skills and capabilities":</p> <p>Remuneration Committee</p> <p>The Remuneration Committee is currently chaired by Chantal Forrest and consists of two Non-Executive Directors. The Committee is expected to meet no fewer than two times each year. Executive Directors may attend meetings at the Committee's invitation.</p> <p>The Remuneration Committee is responsible for determining and agreeing with the Board the broad policy for the remuneration and employment terms of the Executive Directors, and other senior executives, and in consultation with the Executive Chairman for determining the remuneration packages of the Executive Directors and such other members of the executive management of the Group as it is designated to consider. The Committee is also responsible for the review of and making recommendations to the Board in connection with share option plans, for designing performance related pay schemes and determining their associated targets and for the oversight of the employee benefit structures across the Group. The Chair of the Remuneration Committee is also responsible for the approval of the CEO's expenses.</p> <p>The remuneration of Non-Executive Directors is a matter for the Board. No Director may be involved in any decision as to their own remuneration. The Remuneration Committee report includes a summary of the remuneration policy and the Annual Report on Remuneration.</p> <p>Audit Committee</p> <p>The Audit Committee is chaired by David Ivy and consists of the two Non-Executive Directors. The Audit Committee meets formally not less than two times every year and otherwise as required. The external auditors are invited to attend meetings during the year and the Chief Executive Officer and Chief Financial Officer attend by invitation.</p>

		<p>The Committee assists the Board in meeting its responsibilities in respect of corporate governance, external financial reporting and internal controls including amongst other things reviewing the Group's annual financial statements, reviewing and monitoring the extent of the non-audit services undertaken by the external auditors, advising on the appointment of external auditors and reviewing the effectiveness of the Group's internal controls and risk management systems.</p> <p>In fulfilment of the objectives the Committee:</p> <ul style="list-style-type: none"> - Reviews the Group's Financial statements and finance related announcements including compliance with statutory and listing requirements. - Considers whether these statements and announcements provide a fair, balanced and understandable view of the group's strategy and performance, and the associated risks. Further consideration of these matters is also provided by the Board as a whole - Considers the appropriateness of accounting policies and significant accounting judgements and the disclosure of these in the financial statements - Reviews the effectiveness of financial controls and systems. The Group does not have an internal audit function and the Committee continues to be of the view that the Group is not yet of a size and complexity to warrant the establishment of such a function and - Oversees the relationship with and performance of the external auditors <p>The Board will continue to review governance structures on an on-going basis as the business evolves.</p>
10	<p>Communicate how the company is governed and is performing by maintaining a dialogue with shareholders and other relevant stakeholders</p>	<p>Communication with shareholders are set out above under "Seek to understand and meet shareholder needs and expectations". Meetings with analysts and shareholders are planned to be held following the release of the full year results and interim results going forward. These will be undertaken by the CEO and Finance Director. There is an opportunity at the annual general meeting for individual shareholders to raise general business matters. Notice of the annual general meeting is provided at least 21 days in advance of the meeting being held.</p> <p>Communications with other relevant stakeholders are set out above under "take into accounts wider stakeholder and social responsibilities and their implications for long-term success". The Group's website contains information considered to be of interest to new and existing investors. In addition, the Group has employed the services of its joint brokers, Pello Capital and Novum Securities Limited, and a PR agency, PHA, providing an additional contact avenue for investors.</p>

Corporate Social Responsibility

The Group aims to operate ethically and be socially responsible in its actions. Below are a number of the approaches through which this is achieved.

Business Conduct, Ethics and Anti-Corruption

It is the Group's policy to conduct its business in an honest and transparent way without the use of corrupt practices or acts of bribery to obtain an unfair advantage. The Group has a zero-tolerance approach to bribery and corruption. On 21st January 2019, the Group adopted an Anti-Bribery and Corruption Policy, which was provided to all staff at the time and is given to all new starters. Any breach of this policy results in disciplinary action which may include dismissal.

Social, Community and Human Rights Matters

The Company operates a gender diverse business and ensures that employment practices take into account the necessary diversity requirements and compliance with all employment laws. The Board has experience in dealing with such issues and sufficient training and qualifications to ensure they meet all requirements.

Relationships with Employees

The Group encourages an environment of openness and debate and welcomes feedback from within. All employees are co-located within the offices in Tamworth, including the Executive Directors and senior management team. There are regular full team meetings where employees are kept up to date with developments within the business. This forum is also used to inform employees of the Group's performance at appropriate times.

The Group has established employment policies which are compliant with current legislation and codes of practice. The Group is an equal opportunities employer.

Payment of suppliers

The Group's policy is to pay suppliers in accordance with the relevant contractual terms between the Group and the supplier. Where no specific terms are agreed, the Group's standard policy is 30 days.

Carbon emissions

The Group has, as yet, minimal greenhouse gas emissions to report from the operations of the Company and its subsidiaries and does not have responsibility for any other emission producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2014.

Approved on behalf of the Board of Directors on 27 February 2020



Chris Jeffries
Chairman & Chief Executive Officer

Directors' Remuneration Report

On behalf of the Board, I am pleased to present the Directors' Remuneration Report for the year ended 31 October 2019, prepared in accordance with The Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013 and the Companies Act 2006. Where information set out below has been audited it is indicated as such.

We are required to seek shareholder approval of the Directors' remuneration policy in this year and at least every third year thereafter. Any changes to the remuneration policy will require shareholder approval. An ordinary resolution to approve the Directors' remuneration policy will be put to a binding shareholder vote at the Company's forthcoming Annual General Meeting (AGM), at the Company's offices, on 26 March 2020 at 11:00 A.M. A binding vote means that if it is not successful, the Board will be obliged to revise the policy and seek further shareholder approval at a general meeting specially convened for that purpose.

At the AGM, shareholders will also be asked to consider an advisory resolution on the contents of the Directors' Remuneration Report. An advisory resolution is a non-binding resolution.

Directors' remuneration policy

In setting the policy, the Board has taken the following into account:

- The need to attract, retain and motivate individuals of a calibre who will ensure successful leadership and management of the Group;
- The Group's general aim of seeking to reward all employees fairly, according to the nature of their role and their performance;
- Remuneration packages offered by similar companies within the same sector;
- The need to align the interests of shareholders with the long-term growth of the Group; and
- The need to be flexible and adjust with operational changes throughout the term of this policy.

Consideration of shareholder views

The Remuneration Committee considers shareholder feedback received and guidance from shareholder bodies. This feedback, plus any additional feedback received from time to time, is considered as part of the Company's periodic reviews of its policy on remuneration.

Policy on payment for loss of office

Payment for loss of office would be determined by the Remuneration Committee, taking into account contractual obligations.

Remuneration Components

The Executive Directors currently receive an amount of remuneration made up of base pay and a company pension contribution. The Executive Chairman and CEO also receives a company car allowance. The Non-Executive Directors receive an amount of fixed pay made up of base fees only. No pay increase awards were made in the year.

The proposed remuneration policy of the Group is outlined below.

Future Policy Table

Element	Purpose	Policy	Operation	Opportunity and performance conditions
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Executive Directors

Base fees	To award for services provided	The remuneration of Directors is based on comparison with similar roles in other companies of a similar size and sector and Company and individual performance. Inflationary rises are normally aligned with those of other employees.	Paid monthly in cash and will be reviewable annually	Individual performance
Pension	To award for services provided	Executive Directors' pensions are aligned with those of the other employees of the Group. The Group offers a workplace pension arrangement through The People's Pension Scheme, provided by B&CE.	Paid monthly in cash and will be reviewable annually	N/A
Benefits	To award for services provided	Benefit packages to include company cars, company mobile telephones and health insurance	Paid monthly in cash and will be reviewable annually	N/A
Annual bonus	Alignment with shareholder returns	A short-term annual bonus scheme is under review. The proposed scheme is to be performance based and will be dependent upon both the individual and the Company achieving agreed trading results and milestones	Paid annually in arrears	Maximum opportunity of 40% of base pay with a target of 20% for threshold performance
Share options	Alignment with shareholder returns	Not awarded	N/A	N/A

Non-Executive Directors

Base fees	To award for services provided	The Board determines the remuneration of Non-Executive Directors based on the recommendations of the Chairman and comparison with other companies of a similar size and sector. There is no element of remuneration for performance.	Paid monthly and reviewable annually.	N/A
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Pension	N/A		N/A	N/A
Benefits	N/A		N/A	N/A
Annual bonus	N/A		N/A	N/A
Share options	N/A		N/A	N/A

Notes to the future policy table

The Directors shall be paid by the Group all travelling, hotel and other expenses as they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

Policy for new appointments

Base salary levels will consider market data for the relevant role, internal relativities, the individual's experience and their current base salary. Where an individual is recruited at below market norms, they may be re-aligned over time (e.g. two to three years), subject to performance in the role. Benefits will generally be in accordance with the approved policy.

For external and internal appointments, the Board may agree that the Group will meet certain relocation and/or incidental expenses as appropriate.

Directors' remuneration (audited)

Details of Directors' remuneration during the periods ended 31 October 2019 and 31 October 2018 are as follows:

Director	Salary and fees	Taxable benefits	Bonus	Pension related benefits	Consultancy fees	2019 Total
	£	£	£	£	£	£
Executive Directors:						
CM Jeffries	80,000	9,000	-	1,095	-	90,095
NAR Ydlibi	65,000	-	-	1,095	-	66,095
Non-Executive Directors						
CB Forrest	15,000	-	-	-	-	15,000
DR Ivy	15,000	-	-	-	-	15,000
	175,000	9,000	-	2,190	-	186,190

Director	Salary and fees	Taxable benefits	Bonus	Pension related benefits	Consultancy fees	2018 Total
	£	£	£	£	£	£
CM Jeffries (1)	40,000	8,888	-	403	-	49,291
NAR Ydlibi (2)	35,389	-	-	421	-	35,810
	75,389	8,888	-	824	-	85,101

(1) CM Jeffries emoluments from 1 May 2018 to 31 October 2018

(2) NAR Ydlibi emoluments from date of appointment as Director of Dev Clever Limited on 16 April 2018 to 31 October 2018

Statement of Directors' shareholding and share interests (audited)

The Directors who held office at 31 October 2019 and who had beneficial interests in the Ordinary Shares of the Company are summarised as follows:

Director	Position
CM Jeffries	Executive Chairman and Chief Executive Officer
NAR Ydlibi	Executive Director and Chief Financial Officer

Details of these beneficial interests can be found in the Board and Governance Report.

Service Agreements and Letters of Appointment

The service contracts with Chris Jeffries and Nick Ydlibi are on a continuous basis, subject to termination provisions, and are subject to termination upon 12 months' and 6 months' notice, given by either party, respectively. The appointments of Chantal Forrest and David Ivy are on a continuous basis, subject to termination provisions, and are subject to termination upon 3 months' notice given by either party.

Copies of the service agreements and letters of appointment will be available for review at the Annual General Meeting on 26 March 2020 and on request from the Company Secretary, NAR Ydlibi.

Terms of appointment

The services of the Directors, provided under the terms of agreement with the Group are dated as follows:

Director	Year of appointment	Number of years completed	Date of current engagement letter
CM Jeffries	2018	1	26 September 2018
NAR Ydlibi	2018	1	26 September 2018
CB Forrest	2019	$\frac{3}{4}$	4 January 2019
DR Ivy	2019	$\frac{3}{4}$	4 January 2019

The Company's articles of association require Directors to retire from office at the third annual general meeting after the annual general meeting or general meeting at which they were appointed or last reappointed. However, in compliance with best practice, all Directors will be submitted for re-election at annual intervals.

Payments made to former Directors and payments for loss of office during the year

There were no payments for loss of office made during the year and no payments to any former Director of the Company.

Consideration of employment conditions elsewhere in the Group

The Committee has not consulted with employees about executive pay but considers that the current remuneration of Executive Directors is consistent with pay and employment benefits across the wider Group.


UK 10-year performance graph

The Directors have considered the requirement for a UK 10-year performance graph comparing the Company's Total Shareholder Return with that of a comparable indicator. The Directors do not currently consider that including the graph will be meaningful as the Company has only been listed since January 2019, is not paying dividends and is currently incurring losses as it gains scale. In addition, the remuneration of Directors is not currently linked to performance and the Directors do not consider the inclusion of this graph to be useful to shareholders as the current time. The Directors will review the inclusion of this table for future reports.

Relative importance of spend on pay

The Directors have considered the requirement to present information on the relative importance of spend on pay compared to shareholder dividends paid. Given that the Company does not currently pay dividends we have not considered it necessary to include such information.

Approved on behalf of the Board of Directors on 27 February 2020

A handwritten signature in black ink, appearing to read 'CB Forrest', is positioned above the printed name and title.

CB Forrest
Chair of remuneration committee

Audit Committee Report

The Audit Committee comprises the two Non-Executive Directors (Chantal Forrest and David Ivy). It was established on 21 January 2019 and has met five times during the year, approving the interim financial statements at its meeting in July 2019. The Committee oversees the Company's internal controls and financial reporting and provides a formal reporting link with the external auditors. The ultimate responsibility for approving the annual report and accounts and interim financial statement remains with the Board. The Chief Financial Officer and the external auditors attend meetings of the Audit Committee by invitation. The Committee may hold separate meetings with the auditors, without management present, as required.

Significant Accounting Issues

Revenue recognition

The Audit Committee has reviewed the Group's revenue recognition policy following the adoption of IFRS 15 in the current accounting period and has agreed the following treatments for the Group's three separate and distinct transaction streams:

Commercial development activity

Commercial development activity is undertaken on behalf of clients towards a client defined goal. Such agreements are individually evaluated to determine if revenue is recognised at a point in time or over time based on the delivery of contractual milestones that are aligned to the satisfaction of performance obligations within the underlying contract / project brief.

Software licence fees and subscriptions

Revenue is recognised when the client has obtained control of the licence and the ability to use and obtain substantially all the benefits from it. The client obtains control when a contract is agreed, the licence delivered, and the client has the right to use it.

Support, maintenance and hosting contracts

Revenue is recognised in accordance with the performance obligations contained within the associated support, maintenance and hosting agreement. Revenue is typically recognised based on time elapsed and thus rateably over the term of the agreement. Under our standardised support agreement, our performance obligation is to stand ready to provide technical product support and unspecified updates, upgrades and enhancements on a when-and-if-available basis. Our customers simultaneously receive and consume the benefit of these support services as we perform.

The basis for preparing the consolidated accounts

The Audit Committee has deemed that the acquisition of DevClever Limited by Dev Clever Holdings, in a share for share exchange of the entire share capital of both entities, is indicative of DevClever Limited being the accounting acquiror. The Committee has also concluded that, as Dev Clever Holdings has no other assets or liabilities other than its holding in DevClever Limited, it does not satisfy the definition of a business. As a result, it has concluded that the acquisition does not meet the definition of a business combination under IFRS 3 and approved the production of consolidated accounts through the application of the reverse acquisition methodology, without the need for recognising goodwill. Under this treatment, the consolidated financial statements have been prepared as a continuation of the financial statements of DevClever Limited, the opening net assets of DevClever Limited have been recognised at book value and a merger reserve has been established

to write down the nominal value of equity in Dev Clever Holdings, at the time of the acquisition, to the nominal value of the share capital in DevClever Limited.

Capitalisation of staff time spent creating the Group's proprietary software platforms

The Group has a dedicated team of software developers, virtual reality artists and designers who have created a range of software products that will underpin future revenue generation for the Group. These include the Group's careers platforms Launchyourcareer.com and VICTAR VR, the Engage gamification solution and the Group's virtual reality gaming experiences, Vanguard and Easter Squad. Where the conditions of IAS 38 are met, the Group capitalises the internal and external costs of development as intangible assets. An impairment review was undertaken at the balance sheet date. As part of its assessment, the Board considered its decision to accelerate the development of the Launchyourcareer.com careers platform and supporting VICTAR VR virtual reality careers experience to prepare them for launch in North America commencing April 2020. As a result, the Directors took the decision to defer further development of its virtual reality gaming experiences. As future revenues from the gaming experiences are uncertain, the Directors fully impaired the carrying value of the gaming experiences and recognised an impairment charge of £174,085 in cost of sales.

Internal Audit

The Group does not have an internal audit function as this is not considered appropriate given the scale of the Group's operations.

Internal Controls

The Board has overall responsibility for the Group's system of internal financial control and for reviewing its effectiveness. The purpose of the system of internal control is to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable, but not absolute, assurance against misstatement or loss. Since its establishment on 21st January 2019, the Audit Committee has kept the effectiveness of the Company's internal controls and risk management systems under review. The Chief Financial Officer is the executive within the Group responsible for day-to-day financial management of the Group's affairs and its internal accounting.

External Auditors

The Audit Committee monitors the independence and effectiveness of PKF Littlejohn, the Group's external auditors, on an on-going basis and is satisfied in both respects. PKF's fees in the year in respect of audit services were £34,000, (2018: £nil) and in respect of non-audit services were £24,437 (2018: £35,000) as detailed in note 5. PKF Littlejohn have signified their willingness to continue in office and a resolution to reappoint PKF Littlejohn as auditor to the Group will be proposed at the AGM.

Approved on behalf of the Board of Directors on 27 February 2020



David Ivy
Chair of the Audit Committee

Directors' Report

The Directors present their report and audited financial statements for the year ended 31 October 2019.

Results and dividends

The loss for the year after taxation amounted to £1,035k (2018: £498k). No dividends were paid during the year (2018 £25k). The Directors do not propose a dividend in respect of the year ended 31 October 2019.

Earnings per share

Loss per share in the period from continuing operations was 0.29p (2018: loss 0.20p) and diluted loss per share from continuing operations in the period was 0.29p (2018: loss 0.20p).

Underlying loss per share was 0.23p (2018: loss 0.14p) after adjusting for the one of expenses associated with the IPO.

Directors

Details of the Directors who served during the year and their interests are outlined in the Board and Governance Report on pages 13 to 24. During the year under review, the Company purchased and maintained Directors' and officers' liability insurance for its Directors and officers as permitted by section 233 of the Companies Act 2006.

Substantial shareholdings

As at 31 October 2019	Ordinary shares	Percentage of share capital
CM Jeffries	250,000,000	64.37%
Global Prime Partners LTD	30,541,300	7.86%
The Bank of New York (Nominees) Limited	19,345,000	4.98%
JIM Nominees Limited	18,249,474	4.70%
James Capel (Nominees) Limited	11,644,687	3.00%
As at 20 February 2020	Ordinary shares	Percentage of share capital
CM Jeffries	200,000,000	46.28%
C Akers	30,900,000	7.15%
Seguro Nominees Limited	18,800,000	4.35%
James Capel (Nominees) Limited	18,144,993	4.20%
Global Prime Partners LTD	15,040,900	3.48%
ABN Amro Bank NV	13,554,218	3.14%
JIM Nominees Limited	13,331,736	3.08%

Controlling shareholder

CM Jeffries, the Chief Executive Officer, was the controlling shareholder of the Company through his direct holding of 64.37 per cent of the Ordinary share capital of the Company. CM Jeffries ceased being the controlling shareholder in the Company following his disposal of 50,000,000 shares in January 2020. As at the date of signing the financial statements, the Directors believe that the Company no longer has a controlling shareholder.

Transactions with Directors

Transactions with Directors are disclosed within note 23 of the financial statements.

Corporate Governance

The governance report is contained within the Board and Governance Report on pages 13 to 24 of this annual report and accounts. The corporate governance report forms part of this Directors' Report and is incorporated into it by cross reference.

Post balance sheet events

On 21 January 2020 the Group issued 43,785,107 new ordinary shares of 1p at par value, raising net proceeds of £350k through a placing and subscription.

On 31st January 2020 the controlling shareholder, Christopher Jeffries, sold 50,000,000 ordinary shares of 1p each that he held in the capital of the Company to third party purchasers procured by its broker, Novum Securities Limited, at 1p per share ("Sale"). On completion of the Sale, Christopher Jeffries' holding reduced to 200,000,000 ordinary shares, representing 46.28 per cent of the Company's issued share capital.

At the same time as reducing his holding in the Company, Christopher Jeffries and the Company entered into a convertible loan note agreement, pursuant to which the net proceeds of his share sale, amounting to £400k after tax, costs and commission, were provided to the Company as subscription amount for convertible loan notes. The loan notes are convertible into ordinary shares of 1p each at Christopher Jeffries' option, at any time, subject to, among other things, the Company not being required to publish a prospectus in connection with the issue of shares on conversion of the notes and no obligations under Rule 9 of the City Code on Takeovers and Mergers being triggered by such an issue of shares. Unless previously repaid or converted, the loan notes will be redeemed at par by the Company on their fifth anniversary. The Notes bear a zero coupon.

Going Concern

The Directors, having made due and careful enquiry, are of the opinion that the Group has adequate working capital to meet its obligations over the next 12 months. The Directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis of accounting in the preparation of the annual financial statements.

Political donations and political expenditure

The Group did not make any political donations or expenditure.

Financial Instruments

Details of the use of financial instruments by the Group are contained in note 19 of the financial statements.

Provision of information to auditor

So far as each of the Directors is aware at the time this report is approved:

- 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 to make themselves aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Auditors

The auditors, PKF Littlejohn LLP have indicated their willingness to continue in office, and a resolution that they be re appointed will be proposed at the annual general meeting.

Approved on behalf of the Board of Directors on 27 February 2020



NAR Ydlibi
Chief Financial Officer

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 profit and loss of the Group for that period. In preparing these financial statements, International Accounting Standard 1 requires that the Directors are required to:

- Properly select and apply suitable accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- Provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- Make an assessment of the Group and Company's ability to continue as a going concern.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Website publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Group and Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Group and Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the on-going integrity of the financial statements contained therein.

Directors' responsibilities pursuant to DTR4 (Disclosure and Transparency Rules)

The Directors confirm to the best of their knowledge:

- The Group and Company financial statements have been prepared in accordance with IFRSs as adopted by the European Union and Article 4 of the IAS Regulation and give a true and fair view of the assets, liabilities, financial position and profit and loss of the group and company; and
- The annual report includes a fair review of the development and performance of the business and financial position of the Group and Company together with a description of the principal risks and uncertainties.

Approved on behalf of the Board of Directors on 27 February 2020



NAR Ydlibi
Chief Financial Officer

Independent auditor's report to the members of DEV CLEVER HOLDINGS PLC.

Opinion

We have audited the financial statements of DevClever Holdings Plc (the 'parent company') and its subsidiary (the 'group') for the year ended 31 October 2019 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statements of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union and as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

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 October 2019 and of the group's and parent company's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union 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; and, as regards the group financial statements, Article 4 of the IAS Regulation.

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 and parent company 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 public interest 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Materiality for the group financial statements was set at £29,000. This was calculated based on 4% of the net assets. Using our professional judgement, we have determined this to be the principal benchmark within the financial statements as it will be most relevant to members of the parent company in assessing the Group operations as it is associated with the development costs that the entity has been capitalising given the early stage of the company.

Materiality for the parent company financial statements was set at £28,999.

We agreed to report to the audit committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of £1,450. We also agreed to report any other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

There were no revisions in materiality in the course of the audit.

An overview of the scope of our audit

There are only two components in the Group – the listed Parent and the only subsidiary. As part of our planning, we assessed that we performed full scope audits on all group entities in accordance with ISA (UK) 600 for group and statutory reporting purposes. All entities in the Group were audited by a single engagement team, we did not rely on the work of any component auditors.

In designing our audit, we determined materiality, as above, and assessed the risk of material misstatement in the financial statements. Upon understanding of the Group's transactions and balances at planning stage, we identified areas which were most likely to give rise to a material misstatement and identified what we considered to be key audit matters as outlined below and planned our audit approach accordingly.

Key audit matters

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

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How the scope of our audit responded to the key audit matter
<p>Revenue Recognition</p> <p>Under ISA (UK) 240 there is a presumption that revenue recognition is a fraud risk.</p> <p>There is the risk that revenue from development, set up fees, subscription, hosting and support fees has been incorrectly recognised within the financial statements.</p> <p>There is also a risk that material misstatement has arisen as a result of the first-year adoption of IFRS 15, and that sufficient disclosures have not been made in order to comply with the new standard.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Documenting our understanding of the internal control environment and performing walkthrough testing; • Reviewing management’s assessment of the impact of IFRS 15 in line with the 5-step model and ensuring that the Group’s revenue recognition is in line with IFRS 15; • Obtaining supporting documentation of the samples selected in the revenue to ensure that it is complete; and • Reviewing post-year end invoices and credit notes to ensure revenue is appropriately accounted for in the correct period.
<p>Capitalisation of intangible assets</p> <p>As detailed in note 12, the carrying value of intangible assets as at 31 October 2019 was £157k. There is a risk that costs capitalised in the year (or not capitalised) do not meet the requirements of International Accounting Standard 38 Intangible Assets (IAS 38).</p> <p>Development costs capitalised in the year totalled £204k. These costs were incurred in the development of the Dev Clever’s internally developed software relating to its LaunchPAD and VICTAR careers education platform, the associated CLEVER suite of intranet products, digital customer loyalty applications and virtual reality gaming experiences. This is material on a Group basis.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Reviewing management’s consideration of how it considered the capitalisation criteria per IAS 38 has been met and challenged accordingly; • Reviewing and challenging any judgements and estimates made by management for reasonableness; • Considering whether there were indicators of impairment in line with IAS 36 (Impairment of Assets); • Testing a sample of costs capitalised in the period to supporting documentation to ensure that the treatment was in accordance with IAS 38; • Reviewing the amortisation policies for reasonableness and testing a sample of amortisation calculations to ensure that the policy was being followed; and • Ensuring that sufficient and appropriate disclosures have been made in relation to the capitalisation in the year in order for users to adequately understand the treatment. For example, in note 3 under Critical Accounting Estimates and Judgements and within note 12.
<p>Valuation of investment in subsidiary</p> <p>The value of the investment in DevClever Limited as at 31 October 2019 amounted to £2.5million as detailed in note 14.</p>	<p>Our work in this area included:</p> <ul style="list-style-type: none"> • Verification of ownership; • Considering whether there are indications of impairment; and • Reviewing and challenging management’s budgets, cash flow forecasts and projections relating to DevClever Limited’s

The subsidiary made losses during the period and therefore there is a risk that the investment is impaired.	future operations to ensure that the investment in subsidiary is recoverable.
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Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the group and parent company 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 the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

Auditor's responsibilities for the audit of the financial statements

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

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

Other matters which we are required to address

We were appointed by the audit committee on 25 April 2019 to audit the financial statements for the year ending 31 October 2019. Our total uninterrupted period of engagement is one year, covering the year ending 31 October 2019.

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.

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors. We considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statements items. We communicated laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit. As with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

Our audit opinion is consistent with the additional report to the audit committee.

Other matter

We draw attention to the fact that the prior year figures are unaudited.

Use of our report

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



Joseph Archer (Senior Statutory Auditor)

For and on behalf of PKF Littlejohn LLP

Statutory Auditor

28 February 2020

15 Westferry Circus

Canary Wharf

London E14 4HD

Consolidated Statement of Comprehensive Income

	Note	Year ended 31 October 2019 £	Year ended 31 October 2018 £
Continuing operations			
Revenue	4	480,585	467,286
Cost of sales	5	(521,782)	(260,999)
Gross profit		(41,197)	206,287
Administrative expenses	5	(999,660)	(716,224)
Loss from operations		(1,040,857)	(509,937)
Finance income	8	811	-
Finance expense	8	(24,601)	(30,192)
Loss before tax		(1,064,647)	(540,129)
Tax credit	10	45,016	42,408
Loss for the period from continuing operations		(1,019,631)	(497,721)
Other comprehensive income: <i>Items not reclassified to profit or loss in subsequent periods:</i>			
Total other comprehensive income for the period		-	-
Total comprehensive income for the period attributable to shareholders		(1,019,631)	(497,721)
Earnings per share			
Basic (pence per share)	11	(0.29)	(0.20)
Diluted (pence per share)	11	(0.29)	(0.20)
Adjusted basic (pence per share)	11	(0.23)	(0.14)
Adjusted diluted (pence per share)	11	(0.23)	(0.14)

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

Consolidated Statement of Financial Position

	Note	As at 31 October 2019 £	As at 31 October 2018 £
Non-current assets:			
Intangible assets	12	157,673	131,477
Property, plant & equipment	13	41,706	29,756
Investments	14	1,125	-
		<u>200,504</u>	<u>161,233</u>
Current assets:			
Inventories		6,200	-
Trade and other receivables	15	156,614	182,084
Cash and cash equivalents		496,707	72,689
		<u>659,521</u>	<u>254,773</u>
Total assets		<u>860,025</u>	<u>416,006</u>
Current liabilities:			
Trade and other payables	16	(136,084)	(149,440)
Loans and borrowings, amounts falling due within one year	17	(47,727)	(257,694)
		<u>(183,811)</u>	<u>(407,134)</u>
Non-current liabilities:			
Loans and borrowings, amounts falling due after more than one year	17	(89,847)	(131,699)
Deferred tax	18	(16,464)	(28,114)
		<u>(106,311)</u>	<u>(159,813)</u>
Total liabilities		<u>(290,122)</u>	<u>(566,947)</u>
Net assets		<u>569,903</u>	<u>(150,941)</u>
Share capital			
Share capital	20	3,884,017	100
Merger reserve	20	(2,499,900)	-
Share premium reserve	20	246,246	-
Share based payments reserve	20	110,212	-
Retained earnings	20	(1,170,672)	(151,041)
Total equity to shareholders		<u>569,903</u>	<u>(150,941)</u>

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

This report was approved and authorised for issue by the Board of Directors on 27 February 2020 and were signed on their behalf by:



CM Jeffries
Chairman and Chief Executive Officer

Company Statement of Financial Position

	Note	As at 31 October 2019 £
Non-current assets:		
Investments	14	<u>2,500,000</u>
		2,500,000
Current assets:		
Trade and other receivables	15	1,425,472
Cash and cash equivalents		<u>325,374</u>
		1,750,846
Total assets		<u>4,250,846</u>
Current liabilities:		
Trade and other payables	16	<u>(72,112)</u>
		(72,112)
Total liabilities		<u>(72,112)</u>
Net assets		<u>4,178,734</u>
Share capital	20	3,884,017
Share premium reserve	20	246,246
Share based payments reserve	20	110,212
Retained earnings	20	(61,741)
Total equity to shareholders		<u>4,178,734</u>

The Company has taken advantage of section 408 of the Companies Act 2006 and consequently a profit and loss account has not been presented for the Company. The Company's loss for the financial period was £61,741.

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

This report was approved and authorised for issue by the Board of Directors on 27 February 2020 and were signed on their behalf by:



CM Jeffries
Chairman and Chief Executive Officer
Company registration No: 11589976

Consolidated Statement of Changes in Equity

	Share capital	Merger reserve	Share premium reserve	Share-based payment reserve	Retained earnings	Total
	£	£	£	£	£	£
Balance as at 01 November 2017	100	-	-	-	371,680	371,780
Loss after taxation for the period	-	-	-	-	(497,721)	(497,721)
	-	-	-	-	(497,721)	(497,721)
Transactions with owners recognised in equity:						
Dividends paid	-	-	-	-	(25,000)	(25,000)
	-	-	-	-	(25,000)	(25,000)
Balance at 01 November 2018	100	-	-	-	(151,041)	(150,941)
Acquired on acquisition of subsidiary (1)	2,499,900	(2,499,900)	-	-	-	-
Pre IPO, IPO and subscription	1,013,000	-	-	-	-	1,013,000
Conversion of convertible loan facility	220,000	-	-	-	-	220,000
Issue of warrants	22,900	-	-	-	-	22,900
Placing	128,117	-	246,246	-	-	374,363
Share based payments	-	-	-	110,212	-	110,212
Loss after taxation for the period	-	-	-	-	(1,019,631)	(1,019,631)
	3,883,917	(2,499,900)	246,246	110,212	(1,019,631)	720,844
Transactions with owners recognised in equity:						
Dividends paid	-	-	-	-	-	-
	-	-	-	-	-	-
Balance at 31 October 2019	3,884,017	(2,499,900)	246,246	110,212	(1,170,672)	569,903

(1) The acquisition of Dev Clever Limited by Dev Clever Holdings plc has been accounted for using the reverse acquisition method (see note 2). As a result, the prior year comparative changes in equity reflect the share capital and reserves movements for Dev Clever Limited and the movements arising from the incorporation of Dev Clever Holdings and its subsequent acquisition of Dev Clever Limited have been reported in the consolidated statement of changes in equity in the current period.

- Share capital is the amount subscribed for shares at nominal value
- The merger reserve relates to the adjustment required to account the acquisition of DevClever Limited as a reverse acquisition
- Share premium reserve is the additional amount of funds received in excess of the nominal value of the shares and recorded net of associated transaction costs

- The share-based payment reserve relates to the charge for share based payments arising on the grant of employee share options and advisor warrants in accordance with IFRS 2
- Retained earnings represents the cumulative earnings of the Group attributable to equity shareholders.

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

Company Statement of Changes in Equity

	Share capital	Share premium reserve	Share-based payment reserve	Retained earnings	Total
	£	£	£	£	£
On incorporation on 26 September 2018	-				-
Shares issued on acquisition of Dev Clever Limited	2,500,000				2,500,000
Pre IPO, IPO and subscription	1,013,000	-	-	-	1,013,000
Conversion of convertible loan facility	220,000	-	-	-	220,000
Issue of warrants	22,900	-	-	-	22,900
Placing	128,117	246,246	-	-	374,363
Share based payments	-	-	110,212	-	110,212
Loss after taxation for the period	-	-	-	(61,741)	(61,741)
	<u>3,884,017</u>	<u>246,246</u>	<u>110,212</u>	<u>(61,741)</u>	<u>4,178,734</u>
Transactions with owners recognised in equity:					
Dividends paid	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance at 31 October 2019	<u><u>3,884,017</u></u>	<u><u>246,246</u></u>	<u><u>110,212</u></u>	<u><u>(61,741)</u></u>	<u><u>4,178,734</u></u>

- Share capital is the amount subscribed for shares at nominal value
- Share premium reserve is the additional amount of funds received in excess of the nominal value of the shares and recorded net of associated transaction costs
- The share-based payment reserve relates to the charge for share based payments arising on the grant of employee share options and advisor warrants in accordance with IFRS 2
- Retained earnings represents the cumulative earnings of the Group attributable to equity shareholders.

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

Consolidated Statement of Cash Flows

	Year ended 31 October 2019 £	Year ended 31 October 2018 £
Cash flows from operating activities:		
Loss before tax	(1,064,647)	(540,129)
Adjustments for:		
Depreciation	14,692	11,656
Amortisation of intangibles	11,207	-
Impairment of intangibles	174,085	-
Finance Income	(811)	-
Finance expense	24,601	30,192
Share-based payment expenses	110,212	-
(Increase) / decrease in inventories	(6,200)	-
(Increase) / decrease in trade and other receivables	(37,221)	23,777
Increase / (decrease) in trade and other payables	(18,723)	95,730
Income tax received	96,058	60,042
Net cash flows from operating activities	<u>(696,747)</u>	<u>(318,732)</u>
Cash flows from investing activities:		
Payments to acquire property, plant and equipment	(26,642)	(19,372)
Payments to develop intangible assets	(211,488)	(131,477)
Payments to acquire investments	(1,125)	-
Net cash flows used in investing activities	<u>(239,255)</u>	<u>(150,849)</u>
Cash flows from financing activities:		
Net proceeds from issue of equity	1,421,362	-
Proceeds from borrowings	-	462,413
Repayment of borrowings	(31,818)	(123,020)
Interest received	811	-
Interest paid	(30,335)	(24,458)
Dividends paid	-	(25,000)
Net cash flows from financing activities	<u>1,360,020</u>	<u>289,935</u>
Net increase/(decrease) in cash and cash equivalents in the year	<u>424,018</u>	<u>(179,646)</u>
Cash and cash equivalents at beginning of period	72,689	252,335
Cash and cash equivalents at end of period	<u>496,707</u>	<u>72,689</u>
Cash and cash equivalents	<u>496,707</u>	<u>72,689</u>

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

Company Statement of Cash Flows

	Year ended 31 October 2019 £
Cash flows from operating activities:	
Loss before tax	(61,741)
Adjustments for:	
Finance Income	(52,431)
Share-based payment expenses	110,212
(Increase) / decrease in trade and other receivables	(18,654)
Increase / (decrease) in trade and other payables	61,013
Net cash flows from operating activities	<u>38,399</u>
Cash flows from investing activities:	
Loans to subsidiary undertakings	(1,233,000)
Repayments of loan from subsidiary undertaking	98,596
Net cash flows used in investing activities	<u>(1,134,404)</u>
Cash flows from financing activities:	
Net proceeds from issue of equity	1,421,362
Interest received	17
Net cash flows from financing activities	<u>1,421,379</u>
Net increase/(decrease) in cash and cash equivalents in the year	<u>325,374</u>
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	<u><u>325,374</u></u>
Cash and cash equivalents	<u><u>325,374</u></u>

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

Notes to the Financial Statements

1 General Information

Dev Clever Holdings Plc ("the Company") is publicly traded on the Standard List of the London Stock Exchange. The Company is incorporated and domiciled in England and Wales. Its registered office is Ventura House, Ventura Park Road, Tamworth, Staffordshire, B78 3HL and the registered number is 11589976.

The Company is the parent company of Dev Clever Limited ("DevClever"). Dev Clever is incorporated and domiciled in England and Wales with the same registered office as the Company.

The Group is principally engaged in the development of immersive software products that deliver customer engagement, through both its careers platform Launchyourcareer.com, supported by VICTAR VR, and its Engage platform, that provides brands and merchants with fully controlled promotions and incentives through gamification.

2 Summary of significant accounting policies

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

Basis of preparation

These consolidated financial statements have been prepared on a going concern basis under the historical cost convention, and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and the International Financial Reporting Interpretations Committee ("IFRIC") interpretations issued by the International Accounting Standards Board ("IASB") that are effective or issued and early adopted as at the date of these financial statements and in accordance with the provisions of the Companies Act 2006.

The preparation of financial statements requires management to exercise its judgement in the process of applying accounting policies. The areas involving a higher degree of judgement, or areas where assumptions and estimates are significant to the financial information, are disclosed in note 3.

The presentational and functional currency of the Company is Sterling. Results in these financial statements have been prepared to the nearest £1.

Basis of consolidation

IFRS 3 Business Combination requires that a transaction in which a company with substantial operations ('operating company') arranges to be acquired by a shell company should be analysed to determine whether it is a business combination. The Directors believe the acquisition of DevClever Limited by Dev Clever Holdings in a share for share exchange of the entire share capital of both entities, indicates that DevClever Limited is the accounting acquiror. The Directors have also concluded that, as Dev Clever Holdings has no other assets or liabilities other than its holding in DevClever Limited, it does not satisfy the definition of a business. As a result, the acquisition does not meet the definition of a business combination under IFRS 3 and falls outside the scope

of IFRS 3. The Directors have therefore considered the requirements of IFRS 10 for the production of consolidated accounts through the application of the reverse acquisition methodology but without the need for recognising goodwill. As a result:

- the consolidated financial statements of the legal parent, Dev Clever Holdings plc have been prepared as a continuation of the financial statements of the operating company, DevClever Limited. The opening net assets of Dev Clever Limited have been recognised at book value and a merger reserve has been established to write down the nominal value of equity in Dev Clever Holdings, at the time of the acquisition, to the nominal value of the share capital in Dev Clever Limited, at that time.
- the opening net assets of Dev Clever Limited have been recognised at book value.
- a merger reserve has been established to write down the nominal value of equity in Dev Clever Holdings, at the time of the acquisition, to the nominal value of the share capital in Dev Clever Limited, at that time. The merger reserve of £2,499,900 represents the difference between the nominal value of equity in Dev Clever Holdings of £2,500,000 and the nominal value of equity in Dev Clever Limited of £100.

The consolidated financial statements incorporate those of Dev Clever Holdings plc and its subsidiary DevClever Limited. All financial statements are made up to 31 October 2019. Where necessary, adjustments are made to the financial statements of subsidiary to bring the accounting policies used into line with those used by other parts of the Group.

The Company accounts have been prepared for the period from incorporation on 26th September 2018 to 31 October 2019. There were no material transactions in Dev Clever Holdings plc from the date of incorporation until the 31 October 2018, other than the share for share exchange resulting in the merger reserve disclosed above. In preparing the consolidated accounts utilising the reverse acquisition methodology, the Directors have determined that the year ended 31 October 2019 and the comparative period of the year ending 31 October 2018 provides the most meaningful and appropriate information for users of the accounts.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are entities over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to the majority of voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the group. They are deconsolidated from the date on which control ceases. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control.

Adoption of new and revised standards

The Company has adopted all recognition, measurement and disclosure requirements of IFRS as adopted by the EU, including any new and revised standards and Interpretations of IFRS in effect for financial periods commencing on or after 1 January 2018. Within these financial statements, the Company has adopted the following standards and amendments for the first time:

- IFRS 15 Revenue from Contracts with Customers.

- IAS 7 Disclosure Initiative (amendments)
- IAS 12 Recognition of Deferred Tax Assets for Unrealised Losses (amendments)
- IFRS 9 – Financial Instruments
- IFRS 3 Business Combinations

The Company has adopted IFRS 15 for the current year and applied it retrospectively for the preceding financial year in accordance with IFRS 15 C3(b) however no material adjustments were identified between the requirements of IFRS 15 and the methods applied by the Company in the application of IAS 18. There was no impact on the Company financial statements in respect of IAS 7, IAS 12 or IFRS 9.

Standards which are in issue but not yet effective

New and amended standards and interpretations issued but not yet effective or not yet endorsed for the financial year beginning 1 November 2018 and not yet early adopted.

At the date of authorisation of these financial statements, the Group and Company have not applied the following new and revised IFRSs that have been issued but are not yet effective and (in some cases) have not yet been endorsed by the EU. The Group and Company intend to the adopt these standards, if applicable, when they become effective.

Standard	Description	Effective date for annual periods beginning on or after
IFRS 16	<p>Leases - new standard. The standard requires lessees to account for leases under a single on-balance sheet model in a similar way to finance leases under IAS 17. At the commencement date of a lease, a lessee will recognise a liability to make lease payments and an asset representing the right to use the underlying asset during the lease term. Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right of use asset. The Company currently leases its office premises. The Directors expect that the adoption of this standard will increase the Company's non-current assets, current and long-term liabilities in the statement of financial position. In the income statement, operating expenses will be reduced, amortisation and interest expense will be increased.</p> <p>The total value of the leased asset as at 1 November 2019 is estimated at between £90k and £100k and the associated lease liability is estimated at a similar value. This represents management's best estimate at the time of preparing these financial</p>	01-Jan-19

	statements and will be re-assessed during the 2020 financial year and subject to audit.	
IAS 12	Amendments to IAS 12, "Income Taxes" resulting from <i>Annual improvements 2015-2017 Cycle</i> (income tax consequences of dividends)	01-Jan-19
IFRIC 23	Uncertainty over Income Tax Treatments	01-Jan-19
IFRS 3	Amendments to IFRS 3 "Business Combinations" to clarify the definition of a business	01-Jan-20
IAS 1	Amendments to IAS 1, "Presentation of Financial Statements" regarding the definition of "material"	01-Jan-20
IAS 8	Amendments to IAS 8, "Accounting Policies, Changes in Accounting Estimates and errors" regarding the definition of "material"	01-Jan-20

The Group has not early adopted any of the above standards. The Directors have assessed the impact of IFRS 16 (as disclosed in the table above) and continue to assess the impact of the remaining amendments on future financial statements.

Going concern

As part of their going concern review the Directors have followed the guidelines published by the Financial Reporting Council entitled "Guidance on Risk Management and Internal Control and Related Financial and Business Reporting".

The Directors have prepared detailed financial forecasts and cash flows looking at least 12 months from the date of approval of these financial statements. In developing these forecasts, the Directors have made assumptions based upon their view of the current and future economic conditions that will prevail over the forecast period.

On the basis of the above projections, the Directors are confident that the Company has sufficient working capital to honour all of its obligations to creditors as and when they fall due. In reaching this conclusion, the Directors have considered the forecast cash headroom, the resources available to the Company and the potential impact of changes in forecast growth and other assumptions, including the potential to avoid or defer certain costs and to reduce discretionary spend as mitigating actions in the event of such changes. Accordingly, the Directors continue to adopt the going concern basis in preparing these consolidated financial statements.

Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sales of goods or services in the ordinary course of the Company's activities. Revenue is measured at the fair value of the consideration received or receivable and is shown net of value added taxes, rebates and discounts.

Under IFRS 15 - Revenue from Contracts with Customers, five stages of revenue recognition have been applied to the Group's revenue:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract;
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and that the revenue can be reliably measured and specific criteria have been met for each of the group's activities as described below. The Company bases its estimates on historical results taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Commercial development projects, customisation of software and set up fees

Client-driven development entails direct co-operation between the development team and the client towards a client-defined goal. Such agreements are individually evaluated to determine if revenue is recognised at a point in time or over time based on the delivery of contractual milestones that are aligned to the satisfaction of performance obligations within the underlying contract / project brief

Software subscription fees

Software is licenced to customers via subscription on fixed term agreements. Revenue is recognised when the client has obtained control of the licence and the ability to use and obtain substantially all the benefits from it. The client obtains control when a contract is agreed, the licence delivered, and the client has the right to use it.

Support, maintenance and hosting contracts

Revenue is recognised in accordance with the performance obligations contained with the associated support, maintenance and hosting agreement. Revenue is typically recognised based on time elapsed and thus rateably over the term of the agreement. Under our standardised support agreement, our performance obligation is to stand ready to provide technical product support and unspecified updates, upgrades and enhancements on a when-and-if-available basis. Our customers simultaneously receive and consume the benefit of these support services as we perform.

Operating profit

Operating profit comprises the Company's revenue for the provision of services, less the costs of providing those services and administrative overheads, including depreciation and amortisation of the Company's non-current assets.

Segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (CODM). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

A business segment is a group of assets and operations, engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

The Board of Directors assess the performance of the operating segments based on the measures of revenue, gross profit, operating profit and assets employed.

Finance costs

Finance costs represent the cost of borrowings and are accounted for on an amortised cost basis in the income statement using the effective interest rate.

Dividends

Dividends to the Company's shareholders are recognised when the dividends are approved for payment.

Earnings per share

Earnings per share represents the portion of the Company's profit / (loss) from continuing operations attributable to each outstanding share of the Company's ordinary share capital.

Diluted earnings per share represents the portion of the Company's profit / (loss) from continuing operations attributable to each outstanding share of the Company's ordinary share capital after taking into consideration the conversion of all outstanding employee share options and advisor warrants.

Adjusted earnings per share is an internal management measure of earnings per share in which the profit / (loss) from continuing operations has been adjusted to remove the effect of certain non-operating income and expenses. In determining the adjusted earnings per share, management has removed the costs associated with the Company's IPO of £112,770 (2018: £135,773) and the share-based payments expense incurred in the period of £110,212 (2018: £nil).

Property, plant and equipment

Purchased property, plant and equipment is stated at cost less accumulated depreciation and any provision for impairment losses. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is charged so as to write off the costs of assets over their estimated useful lives, on the following bases:

Computer equipment	1 to 3 years	Straight line
Fixtures and fittings	15%	Reducing balance

The asset's residual values and useful economic lives are reviewed by the Directors and adjusted, if appropriate, at each balance sheet date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable value.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within other (losses) or gains in the income statement. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

Intangible assets: Internal Use Software - Software Development

An internally generated development intangible asset arising from the Company's product development is recognised if, and only if, the Company can demonstrate all of the following:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale
- its intention to complete the intangible asset and use or sell it
- its ability to use or sell the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- its ability to measure reliably the expenditure attributable to the intangible asset during its development

Internally generated development intangible assets are amortised, as a cost of sale, on a straight-line basis over their useful lives of up to three years. Amortisation is charged to the income statement from when the asset becomes available to use.

Where no internally generated intangible asset can be recognised, development expenditure is recognised as an expense in the period in which it is incurred.

Impairment of property, plant and equipment, and intangible assets

At each balance sheet date, the Company reviews the carrying amounts of its assets annually to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell 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 assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. In the case of a cash-generating unit, any impairment loss is charged first to any goodwill in the cash-generating unit and then pro rata to the other assets of the cash-generating unit.

Investments

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are de-recognised when the contracted rights to the cash flows from the financial asset expire or when the contracted rights to those assets are transferred. Financial liabilities are de-recognised when the obligation specified in the contract is discharged, cancelled or expired. Financial assets and financial liabilities are initially measured at their fair value. Transaction costs attributable to the acquisition of a financial asset or financial liability are added or deducted from the fair value of the financial asset or financial liability.

At each reporting date, financial assets are reviewed to assess whether there is objective evidence of impairment. If any such evidence exists, impairment loss is determined and recognised based on the classification of the financial asset.

Loans and receivables (including trade receivables, prepayments, deposits and other receivables, cash and bank balances) are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. At each reporting date subsequent to initial recognition, loans and receivables are carried at amortised cost using the effective interest method, unless when there is objective evidence that the asset is impaired. Impairment is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment is recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(a) Trade and other receivables

Trade and other receivables are recognised at their fair value. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the assets are impaired. Trade and other receivables are shown in note 19 as "loans and receivables".

(b) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits held on call with banks. Cash and cash equivalents are shown in note 19 as "loans and receivables".

Financial liabilities and equity

(c) Trade and other payables

Trade payables are recognised at their fair value. Trade and other payables are shown in note 19 as "other financial liabilities".

(d) Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method (EIR) amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance costs in the income statement.

(e) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of issue costs.

Operating leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the expected period of the lease. Any lease incentives received are recognised as part of the total expense, over the term of the lease.

Employee benefits

The Company operates a defined contribution auto-enrolment pension scheme for employees of the Company. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension costs charged in the income statement are the contributions payable to the scheme in respect of the accounting period.

Current tax

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

Where tax credits are received in respect of allowable research and development expenditure, these are recognised in the statement of comprehensive income.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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 future 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 the initial recognition of

other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the reporting date. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited in other comprehensive income, in which case the deferred tax is also dealt with in other comprehensive income.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to 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.

Equity

Equity comprises the following:

- Share capital, representing the number of shares subscribed at nominal value;
- Merger reserve, relating to the adjustment required to account the acquisition of DevClever Limited as a reverse acquisition
- Share premium, representing the additional amount of funds received in excess of the nominal value of the shares and recorded net of associated transaction costs;
- Share-based payment reserve, relating to the charge for share based payments arising on the grant of employee share options and advisor warrants, in accordance with International Financial Reporting Standard 2;
- Retained income represents the cumulative earnings of the Group attributable to equity shareholders.

Share based payments

The costs of equity settled transactions are measured at their fair value at the date at which they are granted. The cost of advisor warrants is recognised at the grant date as they are issued in respect of services already received. The cost of equity settled transactions with employees is charged to the income statement as an expense over the vesting period, on a straight-line basis, which ends of the date on which the relevant employees become fully entitled to the award. Non-market vesting conditions are taken into consideration by adjusting the numbers of options expected to vest, at each statement of financial position date, such that the cumulative charge recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition. The movement in cumulative expense since the previous reporting date is recognised in the statement of comprehensive income within administration expenses with a corresponding entry in the statement of financial position in the relevant share-based payment reserve.

Fair value is determined using the Black-Scholes model, details of which are given in note 9.

3 Critical accounting estimate and judgements

The preparation of these consolidated financial statements requires the Directors to make judgements and estimates that affect the reported amounts of assets and liabilities at each reporting date and the reported amounts of revenue during the reporting periods. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from these estimates. Information about such judgements and estimations are contained in individual accounting policies. The key judgements and sources of estimation uncertainty that could cause an adjustment to be required to the carrying amount of assets or liabilities within the next accounting period are outlined below:

Capitalisation of development costs

The Group recognises costs incurred on development projects as an intangible asset which satisfies the requirements of IAS 38. The calculation of the costs incurred includes the time spent by certain employees on the development project, as recorded through their timesheets. The decision whether to capitalise and how to determine the period of economic benefit of a development project requires an assessment of the commercial viability of the project and the prospect of selling the related software to new or existing customers.

The Group capitalised £204,058 of internal development costs in the year (2018: £127,795)

Impairment of internally generated intangible assets

An impairment review of the Company's development costs is undertaken at least annually. This review involves the use of judgement to consider the future projected income streams that will result from the aforementioned costs. The expected future cash flows are modelled and discounted over the expected life of the assets in order to test for impairment. An impairment charge of £174,085 was made in the year (2018: £nil) to write down the previously capitalised development costs associated with the Group's gaming experiences due to the decision taken by the Board to suspend further development activity in this area and to concentrate on accelerating the development of the Group's careers education platforms.

Share-based payments

During the period, the Group has issued share-based incentives to employees and advisors in the form of employee share options and advisor warrants. The Directors have applied the Black Scholes pricing model to assess the costs associated with the share-based payments. The Black Scholes model is dependent upon a number of inputs where the Directors have to exercise their judgement, specifically:

- risk free investment rate
- expected share price volatility at the time of the grant
- expected dividend yield
- expected level of redemption

The assumptions applied by the Directors, and the associated costs recognised in the financial statements are outlined in note 9 to these financial statements.

Amortisation of intangible assets

The periods of amortisation adopted to write down capitalised intangible assets and capitalised staff costs requires judgements to be made in respect of estimating the useful lives of the intangible assets to determine the appropriate amortisation rate. Capitalised development cost is amortised on a straight-line basis over the period during which the economic benefits are expected to be received, which has been estimated at 3 years.

4 Revenue	2019	2018
	£	£
Development and set up fees	311,941	332,930
Subscription, hosting and support fees	168,644	134,356
	<u>480,585</u>	<u>467,286</u>

In the year to 31 October 2019, revenue from 3 of the Company's major customers represented more than 10% of the Company's revenue. Revenue related to those customers was £83,358, £79,720 and £45,388 respectively. In the year to 31 October 2018, revenue from 2 of the Company's major customers accounted for more than 10% of the Company's revenue. Revenue relating to those customers was £151,972 and £ 76,852 respectively.

All revenues are from external customers and can be attributed to the following geographical locations, based on the customers' location as follows:

	2019	2018
	£	£
United Kingdom	434,413	449,776
Rest of Europe	77	8,000
Asia Pacific	11,095	9,510
USA	35,000	-
	<u>480,585</u>	<u>467,286</u>
5 Expenses by nature	2019	2018
	£	£
Cost of sales		
Salary and other employee costs	370,598	-
Third party contractors	143,982	240,636
Less: software development costs capitalised	(202,143)	(13,961)
Amortisation of software	11,207	-
Impairment of capitalised software development costs	174,085	-
Direct materials and charges	24,053	34,324
Total cost of sales	<u>521,782</u>	<u>260,999</u>

Administration expenses		
Salary and other employee costs	435,975	406,177
Third party contractors	10,000	-
Depreciation	14,692	11,656
Legal, professional and regulatory fees	305,208	153,906
Information technology and telecommunications	92,844	34,207
Advertising and promotion	41,738	24,620
Travel expenses	24,121	13,853
Premises	61,217	62,834
Other administration expenses	13,865	8,971
Total administration expenses	999,660	716,224
Auditors remuneration		
	2019	2018
	£	£
Fees payable to the Company's auditor and associates		
Corporate finance in relation to reporting accountant work for listing	22,937	35,000
For the audit of the Group and Company financial statements	34,000	-
Other assurance services	1,500	-
	58,437	35,000

6 Segmental analysis

The chief operating decision maker considers the Group's segments to be by geographical location and by revenue type.

	Year ended 31 October 2019			
	Educate	Engage	Other	Total
	£	£	£	£
Revenue by geographical location				
United Kingdom	122,304	117,937	194,172	434,413
Rest of Europe	-	-	77	77
Africa	-	-	-	-
Asia Pacific	-	-	11,095	11,095
USA	-	-	35,000	35,000
	122,304	117,937	240,344	480,585
	Year ended 31 October 2018			
	Educate	Engage	Other	Total
	£	£	£	£
Revenue by geographical location				
United Kingdom	145,121	189,487	105,658	440,266
Rest of Europe	-	-	8,000	8,000
Africa	-	-	-	-
Asia Pacific	-	-	19,020	19,020
USA	-	-	-	-
	145,121	189,487	132,678	467,286

	Year ended 31 October 2019			
	Educate £	Engage £	Other £	Total £
Revenue by type				
Development and set up fees	27,043	114,637	170,261	311,941
Subscription, hosting and support fees	95,261	3,300	70,083	168,644
	122,304	117,937	240,344	480,585
Cost of sales	(139,404)	(63,620)	(318,758)	(521,782)
Gross profit / (loss) by segment	(17,100)	54,317	(78,414)	(41,197)
Operating loss by segment	(280,747)	(131,156)	(405,120)	(817,023)
Costs not allocated by segment				(202,608)
Total comprehensive income for the period attributable to shareholders				(1,019,631)

	Year ended 31 October 2018			
	Educate £	Engage £	Other £	Total £
Revenue by type				
Development and set up fees	62,519	185,062	85,350	332,931
Subscription, hosting and support fees	82,602	4,425	47,328	134,355
	145,121	189,487	132,678	467,286
Cost of sales	(85,613)	(82,228)	(87,637)	(255,478)
Gross profit / (loss) by segment	59,508	107,259	45,041	211,808
Operating loss by segment	(92,620)	(229,858)	(51,686)	(374,164)
Costs not allocated by segment				(123,557)
Total comprehensive income for the period attributable to shareholders				(497,721)

The segmental analysis above reflects the parameters applied by the Board when considering the Group's monthly management accounts. Costs not allocated to segments include share-based payment expenses, listing costs, finance income and expense and taxation expenses.

	Year ended 31 October 2019			Total £
	Educate £	Engage £	Other £	
Financial position				
Net current assets	166,300	112,286	197,124	475,710
Total assets	149,470	99,380	321,053	569,903

	Year ended 31 October 2018			Total £
	Educate £	Engage £	Other £	
Financial position				
Net current assets / (liabilities)	(76,976)	(100,508)	25,123	(152,361)
Total assets	(75,777)	(151,123)	75,959	(150,941)

7 Particulars of staff

The average number of persons employed by the Group, including Directors, during the year was:

	2019 No.	2018 No.
Product development	12	12
Sales and administration	9	3
	<u>21</u>	<u>15</u>

The aggregate payroll costs of these persons were:

	2019 £	2018 £
Wages and salaries	683,114	469,069
Social security costs	64,525	44,471
Pension costs – defined contribution plan	11,217	5,308
Share based payments - employee option expense	47,717	-
	<u>806,573</u>	<u>518,848</u>
Being:		
Salary and other employee costs reported within cost of sales	370,598	-
Salary and other employee costs reported within administration expenses	435,975	406,177
	<u>806,573</u>	<u>406,177</u>
Less: wages and salaries capitalised within software development costs	(186,678)	(112,671)
	<u>619,895</u>	<u>293,506</u>

The Company employed two members of staff, being the Non-Executive Directors, at a total cost of £31,355.

Key management remuneration

Remuneration of the key management team, including Directors, during the year was as follows

	2019	2018
	£	£
Aggregate emoluments including short-term employee benefits	197,400	104,721
Social security costs	21,987	11,254
Pension costs – defined contribution plan	2,190	851
Share based payments - employee option expense	27,594	-
	<u>249,171</u>	<u>116,826</u>

Key management personnel include the Directors and Tim Heaton, the Chief Operating Officer. Tim joined the Company on 1st October 2019.

Directors' remuneration

Remuneration of the Director during the period was as follows:

	2019	2018
	£	£
Aggregate emoluments including short-term employee benefits	184,000	84,277
Pension costs – defined contribution plan	2,190	824
Directors remuneration	<u>186,190</u>	<u>85,101</u>
Social security costs	20,237	11,254
Share based payments - employee option expense	27,594	-
	<u>234,021</u>	<u>96,355</u>

8 Finance income and expense

	2019	2018
	£	£
Interest receivable on bank deposits	<u>811</u>	<u>-</u>

	2019	2018
	£	£
Interest expense on financial liabilities measured at amortised cost	<u>24,601</u>	<u>30,192</u>

9 Share-based payments

Share-based payment schemes with employees

During the year ended 31 October 2019, Dev Clever Holdings plc introduced a share-based payment scheme for employees ("the EMI share option plan"). The Scheme was created as part of the listing process to grant existing employee's options over the ordinary shares of the Company and is classified as an equity settled share-based payment plan. The options granted under the Scheme had vesting periods of up to 36 months.

There were 7,955,802 employee options granted during 2019 at an exercise price of £0.01 per share and these vest subject to continued service by the employee over a period of 3 years. Options expire at the end of a period of 10 years from the Grant Date of 14 January 2019 or on the date on which the option holder ceases to be an employee. The options were valued under the Black Scholes Model. The expense recognised in the income statement during the period was £20,123.

Share-based payment expense with Director

On 14 January 2019, Dev Clever Holdings plc granted options to purchase 10m ordinary shares to Nicholas Ydlibi, the Chief Financial Officer and Company Secretary. The options vest in equal annual instalments, subject to continued service, over a period of 3 years and are exercisable at a price of £0.01. The options expire at the end of a period of 10 years from the Grant Date of 14 January 2019 or on the date on which the option holder ceases to be an employee. The options were valued under the Black Scholes Model. The expense recognised in the income statement during the period was £27,594.

Advisor Warrants

As part of the listing process and as set out in the admission document, the Company issued warrants over 2,290,000 shares to its brokers, Pello Capital (formerly Cornhill), at an exercise price of £0.01, subject to expiry on 21 January 2024. The warrants were valued under the Black Scholes model. The expense recognised in the income statement during the period was £10,138. The warrants were exercised on 2 August 2019.

Under its facility agreement with Syminex, and as set out in the admission document, the Company issued warrants over 11,826,264 shares, representing 3% of the fully diluted share capital of the Company on admission. The shares have an exercise price of £0.01 and are subject to expiry on 21 January 2024. The warrants were valued under the Black Scholes model. The expense of £52,357 was recognised in the income statement during the period.

The Company has measured the fair value of the services received as consideration for equity instruments of the Company, indirectly by reference to the fair value of the equity instruments. The table below sets out the options and warrants that were issued during the period and the principal assumptions used in the valuation.

During the period the Group and Company recognised a total expense of £110,212 (2018: £nil) in the income statement in respect to share options and warrants in issue or committed to issuing at the end of the reporting period.

The table below represents the weighted average exercise price (WAEP) of and the movements in share options and warrants during the period:

	31 October 2019	WAEP Pence
	No. of options and warrants	
Outstanding at beginning of the period	-	-
Issued in the period	32,072,065	£0.01
Lapsed during the period	-	£0.01
Exercised in the year	(2,290,000)	£0.01
Outstanding at the end of the period	<u>29,782,065</u>	<u>£0.01</u>
Exercisable at the end of the period	11,826,264	£0.01

The fair values of the options and warrants granted have been calculated using the Black Scholes model and applying the inputs shown below:

Type	Options	Warrants
Grant date	14/01/2019	21/01/2019
Number of options/warrants	17,955,801	14,116,264
Share price at grant date	£0.01	£0.01
Exercise price at grant date	£0.01	£0.01
Risk free rate	1.30%	1.30%
Option life	10 years	5 years
Expected volatility	50.00%	50.00%
Expected dividend yield	0.00%	0.00%
Expected redemption	95%	100%
Fair value of options/ warrants	£0.060	£0.044

10 Taxation

	2019	2018
	£	£
Current tax		
UK corporation tax at 19% (2018: 19%)	33,366	79,093
Adjustments in respect of prior years	-	-
	<u>33,366</u>	<u>79,093</u>
Deferred tax		
In respect of current year	11,650	(36,685)
In respect of prior years	-	-
	<u>11,650</u>	<u>(36,685)</u>
Tax on loss on ordinary activities	<u>45,016</u>	<u>42,408</u>
Tax reconciliation		
Loss before taxation	(1,064,647)	(540,129)
Tax using UK corporation tax rate of 19% (2018: 19%)	202,283	104,893
Non-deductible expenses	(24,482)	(26,574)
Other tax adjustments	(20,488)	(12,496)
Incremental tax relief re research and development expenditure	12,148	67,461
Restriction of relief on settlement of research and development tax credits	(5,090)	(24,546)
Unutilised tax losses carried forward	(136,319)	(53,838)
Adjustment to deferred tax in respect of prior years	-	(12,492)
Adjustment to current tax in respect of prior years (1)	16,964	-
	<u>45,016</u>	<u>42,408</u>

(1) adjustment to current tax in respect of prior year's relates to the finalisation and submission of research and development tax credit

11 Earnings per share

The basic earnings per share is calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares in issue. The Group has in issue 29,782,065 warrants and options at 31 October 2019. The loss attributable to equity holders and the weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for the basic earnings per ordinary share. This is because the exercise of warrants and options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

	2019 £	2018 £
Loss attributable to equity holders of the Group:		
Continuing Operations	(1,019,631)	(497,721)
Weighted average number of shares for Basic and diluted EPS	352,229,708	250,000,000
Basic and diluted earnings per share from continuing operations (pence)	(0.29)	(0.20)

Adjusted loss attributable to equity holders of the Group:

Continuing Operations	(796,649)	(361,948)
Weighted average number of shares for Basic and diluted EPS	352,229,708	250,000,000
Basic and diluted earnings per share from continuing operations (pence)	(0.23)	(0.14)

Weighted average number of shares for the prior year comparative represents the equity that would have been in issue had the acquisition taken place on 31 October 2018.

The adjusted loss is calculated after adjusting for non-recurring one-off expenditure associated with the placing and the costs of the warrants and options granted in the period

	2019 £	2018 £
Loss attributable to equity holders of the Group	(1,019,631)	(497,721)
IPO expenses recognised in the period	112,770	135,773
Share-based payment - share options	47,717	-
Share-based payments - share warrants	62,495	-
Adjusted loss attributable to equity holders of the Group	<u>(796,649)</u>	<u>(361,948)</u>

12 Intangibles

	Trademarks	Externally purchased software	Internal use software	Total
	£	£	£	£
Cost				
At 1 November 2017	-	-	-	-
Additions	3,682	-	127,795	131,477
At 31 October 2018	3,682	-	127,795	131,477
Additions	-	7,430	204,058	211,488
At 31 October 2019	3,682	7,430	331,853	342,965
Amortisation				
At 1 November 2017	-	-	-	-
Charge for the year	-	-	-	-
At 31 October 2018	-	-	-	-
Charge for the year	-	(828)	(10,379)	(11,207)
Impairment	-	-	(174,085)	(174,085)
At 31 October 2019	-	(828)	(184,464)	(185,292)
Net book value				
At 31 October 2019	3,682	6,602	147,389	157,673
At 31 October 2018	3,682	-	127,795	131,477

The Company's internally developed software relates to its Launchyourcareer.com and VICTAR VR careers education platform, the associated CLEVER suite of intranet products, digital customer loyalty applications and virtual reality gaming experiences.

An impairment review was undertaken at the balance sheet date. As part of its assessment, the Board considered its decision to accelerate the development of the Launchyourcareer.com platform and supporting VICTAR VR virtual reality careers experience to prepare them for launch in North America commencing April 2020. As a result, the Directors took the decision to defer further development of its virtual reality gaming experiences. As future revenues from the gaming experiences are uncertain, the Directors took the decision to fully impair the carrying value of the gaming experiences. An impairment charge of £174,085 has been recognised in cost of sales.

No further impairments were identified.

13 Property, plant and equipment

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost			
At 1 November 2017	17,673	18,899	36,572
Additions	8,148	11,224	19,372
Transfer between asset classes	(9,001)	9,001	-
At 31 October 2018	16,820	39,124	55,944
Additions	1,875	24,767	26,642
At 31 October 2019	18,695	63,891	82,586

Depreciation

At 1 November 2017	(8,232)	(6,300)	(14,532)
Charge for the year	(1,518)	(10,138)	(11,656)
Transfer between asset classes	7,425	(7,425)	-
At 31 October 2018	(2,325)	(23,863)	(26,188)
Charge for the year	(2,338)	(12,354)	(14,692)
At 31 October 2019	(4,663)	(36,217)	(40,880)

Net book value

At 31 October 2019	14,032	27,674	41,706
At 31 October 2018	14,495	15,261	29,756

An impairment review was undertaken at the balance sheet date. No impairments were identified.

14 Investments - Group

	2019	2018
	£	£
Equity investments	<u>1,125</u>	<u>-</u>

The Group's investments at the balance sheet date represents share capital in the following company:

Name of undertaking	Country of incorporation	Ownership interest	Voting power held	Nature of business
Audoo Limited	UK	0.45%	0.45%	Audio devices

The Company holds 750 Ordinary A shares held in Audoo Limited, a developer of audio meters to support performance rights organisations to track played music.

The fair value does not differ materially to the carrying value at the period end.

Investments - Company

	Shares in subsidiaries
	£
Cost and carrying value	
As at 26 September 2018	-
Additions	<u>2,500,000</u>
As at 31 October 2019	<u>2,500,000</u>

Details of the Company's subsidiaries at 31 October 2019 are as follows:

Name of undertaking	Country of incorporation	Ownership interest	Voting power held	Nature of business
DevClever Limited	UK	100%	100%	Digital media

The Company's interest in Dev Clever Limited was acquired on 2nd October 2018. The registered office of Dev Clever Limited is Ventura House, Ventura Park Road, Tamworth, B78 3HL.

15 Trade and other receivables - Group

	2019 £	2018 £
Trade receivables	62,346	89,263
Less: Provision for impairment of trade receivables	<u>(11,765)</u>	<u>(4,500)</u>
	50,581	84,763
Prepayments	33,522	6,261
Accrued income	-	10,734
Income taxes	16,402	79,093
Taxation and social security	6,109	-
Other receivables	<u>50,000</u>	<u>1,233</u>
	<u>156,614</u>	<u>182,084</u>

The ageing of trade receivables that were not impaired at 31 October was:

	2019 £	2018 £
Not past due	22,692	36,588
Up to three months past due	24,869	28,765
More than three months past due	<u>3,020</u>	<u>19,410</u>
	<u>50,581</u>	<u>84,763</u>

Accrued income and other receivables are not past due (2018: not past due).

The Company trades only with recognised, credit-worthy third parties. Receivable balances are monitored on an ongoing basis with the aim of minimising the Company's exposure to bad debts. The Company has reviewed in detail all items comprising the above not past due and overdue but not impaired trade receivables to ensure that no impairment exists. As at 31 October 2019, trade receivables of £11,765 (2018: £4,500) were impaired and provided for. The amount of the provision was £11,765 at 31 October 2019 (2018: £4,500). Movements on the provision for impairment of trade receivables are as follows:

	2019 £	2018 £
At 1 November	(4,500)	-
Provision for impairment of receivables released / (charged)	(11,765)	(4,500)
Receivables written off during the year	<u>4,500</u>	<u>-</u>
At 31 October	<u>(11,765)</u>	<u>(4,500)</u>

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk for trade and other receivables at the reporting date is the carrying value of each class of receivable disclosed above.

The carrying amounts of all the Company's trade and other receivables are denominated GBP Sterling.

Trade and other receivables - Company

	2019
	£
Amounts owed by Group undertakings	1,134,404
Prepayments	17,418
Taxation and social security	6,109
Other receivables	267,541
	<u>1,425,472</u>

Accrued income and other receivables are not past due (2018: not past due).

On 21 January 2019, the Company provided an intra-group loan facility to its subsidiary, Dev Clever Ltd for £1,233,000, following its admission to the Standard List of the London Stock Exchange and the receipt of the placing proceeds. The loan, which is unsecured and repayable on demand, bears interest at 4.75% above the Bank of England Base Rate. Dev Clever Limited had drawn down £1,134,404 as at 31 October 2019.

The other classes within trade and other receivables do not contain impaired assets. The maximum exposure to credit risk for trade and other receivables at the reporting date is the carrying value of each class of receivable disclosed above.

The carrying amounts of all the Company's trade and other receivables are denominated GBP Sterling.

16 Trade and other payables - Group

	2019	2018
	£	£
Current		
Trade payables	(12,048)	(34,104)
Accruals	(75,110)	(73,118)
Deferred income	(603)	(4,283)
Other taxation and social security	(36,645)	(32,858)
Other payables	(11,678)	(5,077)
	<u>(136,084)</u>	<u>(149,440)</u>

The carrying amounts of all the Group's trade and other payables are denominated GBP Sterling.

Trade and other payables - Company

	2019
	£
Trade payables	(409)
Accruals	(67,910)
Other taxation and social security	(1,304)
Other payables	(2,489)
	<u>(72,112)</u>

The carrying amounts of all the Company's trade and other payables are denominated GBP Sterling.

17 Loans and Borrowings

The Directors believe the book value of loans and borrowings approximates fair values. Books values are:

	2019 £	2018 £
Unsecured loans		
- Crowdfunding	(47,727)	(47,694)
Collateralised borrowings	-	(210,000)
	<u>(47,727)</u>	<u>(257,694)</u>
Non-current		
Unsecured loans		
- Crowdfunding	(89,847)	(131,699)
	<u>(89,847)</u>	<u>(131,699)</u>
Total loans and borrowings	<u>(137,574)</u>	<u>(389,393)</u>

All the Group's loans and borrowings are denominated in GBP Sterling. The Group has no committed borrowing facilities.

On 3 October 2017, the Group obtained a loan of £50,000, net of transaction costs of £2,750 from Funding Circle at an effective interest rate of 10.7%. The loan is repayable in monthly instalments of £1,067 over a 5-year term and is secured by way of a personal guarantee by Christopher Jeffries, Director.

On 9 April 2018, the Group obtained a loan of £152,413, net of transaction costs of £9,729 from Crowd2Fund at an effective interest rate of 14.2%. The loan is repayable in monthly instalments of £4,112 over a 4-year term and is secured by way of a personal guarantees by Christopher Jeffries (Director), Katie Jeffries (spouse of Christopher Jeffries) and Nicholas Ydlibi (Director).

On 12 June 2018, the Group entered into a secured convertible loan facility with Acqam International FZE in the aggregate amount of £200,000. The purpose of the loan was to cover the initial costs of the listing process and to provide additional working capital. The Company had drawn £100,000 under the facility prior to it being repaid in full on or around 15 August 2018.

On 10 August 2018, the Group entered into a secured convertible loan facility with Syminex FZE in the aggregate amount of £210,000. The Group withdrew £210,000 to repay the loans drawn under the Acqam International FZE Facility of £110,000, inclusive of interest, and a further £100,000 for general working capital purposes. The facility, which expired on 21 January 2019, bore interest of 10%, payable when the amount of interest exceeds £11,000. The associated fixed and floating charges over the assets of Dev Clever Limited were released on conversion of the loan.

Syminex elected to convert the outstanding balance of the loans drawn into ordinary shares of the parent company, Dev Clever Holdings plc, at the placing price of £0.01 per ordinary share, on its admission to the London Stock Exchange on 21 January 2019. Under the facility, the Group

has also undertaken to procure the grant of warrants for 3% of the fully diluted share capital of Dev Clever Holdings plc on Admission at the placing price of £0.01 per share exercisable for a term of 5 years from admission.

18 Deferred tax - Group

The elements of deferred taxation are as follows

	2019 £	2018 £
Accelerated capital allowances and intellectual property	<u>(16,464)</u>	<u>(28,114)</u>
Movement in deferred tax:		Accelerated capital allowances and intellectual property £
At 1 November 2017		8,571
Credited to income statement		<u>(36,685)</u>
At 31 October 2018		(28,114)
Charged to income statement		<u>11,650</u>
At 31 October 2019		<u>(16,464)</u>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

19 Financial instruments and financial risk management – Group

The Group is exposed to a variety of financial risks that arise from its use of financial instruments: credit risk, liquidity risk, foreign exchange risk and capital risk

Principal financial instruments

The principal financial instruments used by the Group from which financial instrument risk arises are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Debt finance

	2019	2018
	£	£
Financial assets		
<i>Loans and receivables</i>		
Trade and other receivables	140,212	102,991
Cash and cash equivalents	496,707	72,689
	<u>636,919</u>	<u>175,680</u>
Financial liabilities		
<i>Other financial liabilities</i>		
Trade and other payables	(136,084)	(149,440)
Loans and borrowings	(137,574)	(389,393)
	<u>(273,658)</u>	<u>(538,833)</u>

Disclosures in respect of the Company's financial risks are set out below:

Financial risk management

The Company's activities expose it to credit, liquidity and foreign exchange risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade receivables from customers and cash deposits with financial institutions. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Credit checks are performed on new and potential customers and receivable balances are monitored on an ongoing basis with the aim of minimising the Company's exposure to bad debt. The Directors consider the above measures to be sufficient to control the credit risk exposure.

The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk. At the reporting date, the Company's cash held on short-term deposit with Santander Bank plc in the United Kingdom was £496,707 (2018: £72,689).

The carrying amount of financial assets recorded in the consolidated financial statements represents the Company's maximum exposure to credit risk without taking into account the value of any collateral obtained. In the Directors' opinion there have been no impairments of financial assets in the period, other than in relation to trade receivables written off of £11,765 (2018: £4,500).

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages its cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Group's reputation. During the course of the year, the Group has raised additional equity finance to support to on-going development and commoditisation of its software portfolio.

On 14 December 2018, the Group raised £335,000 by way of a pre-IPO placing of 33,500,000 ordinary shares of £0.01 at par value

On 21 January, the Group raised gross proceeds of £678,000 through its Initial Public Offer with £590,000 arising on the placing of 59,000,000 ordinary shares of £0.01 at par value and a further £88,000 arising through a subscription for 8,800,000 ordinary shares of £0.01 at par value.

On 2 August 2019, the Group raised £22,900 on the exercise of advisor warrants over 2,290,000 £0.01 ordinary shares at an exercise price of £0.01.

On 22 August, the Group raised gross proceeds of £435,599 through a placing of 12,811,736 ordinary shares of £0.01 at a placing price of £0.034.

The Directors manage liquidity risk by regularly reviewing the Group's cash requirements by reference to short-term cash flow forecasts and medium-term working capital projections prepared by management.

Foreign exchange risk

The vast majority of the Company's revenues and costs are in Sterling (the Company's functional currency) and involve no currency risk. Activities in currencies other than Sterling are funded as much as possible through operating cash flows, mitigating foreign exchange risk.

The Company has the following cash and cash equivalent deposits:

	2019 £	2018 £
Sterling	<u>496,707</u>	<u>72,689</u>

The gross value of receivables and payables by currency is disclosed in notes 15 and 16 respectively. The Group has the following net other financial instruments:

	2019 £	2018 £
Sterling	<u>359,133</u>	<u>(316,704)</u>

Maturity of financial assets and liabilities

Financial liabilities include two loans with outstanding balances of £32,978 (2018: £46,063) and £104,596 (2018: £152,413). The total amount payable in more than one year from the reporting date is £89,847 (2018: £159,073) analysed as follows:

	2019 £	2018 £
Amounts repayable within 1 year	47,727	251,960
Amounts repayable within 1 to 2 years	53,978	47,587
Amounts repayable within 2 to 5 years	35,869	89,846
Total	<u>137,574</u>	<u>389,393</u>

The Company's other financial assets and liabilities at each reporting date are either receivable or payable within one year.

Capital management

The Company's capital structure is comprised of a combination of shareholders' equity and external loan finance. The objective of the Company when managing capital is to maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term. The capital structure is managed and adjusted to reflect changes in economic conditions. The Company funds its expenditures on commitments from existing cash and cash equivalent balances, primarily received from operating cash flows and from the crowd funding loans received. There are no externally imposed capital requirements. Financing decisions are made by the Directors based on forecasts of the expected timing and level of capital and operating expenditure required to meet the Company's commitments and development plans.

20 Share capital and reserves

Share Capital - Group and Company

	Number of shares issued and fully paid No.	Share capital £
Ordinary share capital		
Issued and fully paid Ordinary shares of £0.01 each	<u>388,401,736</u>	<u>3,884,017</u>

Reconciliation of movement during the year:

As at 1 November 2017	-	-
Ordinary share of £0.01 issued at £0.01 on incorporation on 26 September 2018	1	-
Ordinary shares of £0.01 issued on 2 October 2018 for shares in DevClever Limited	249,999,999	2,500,000
Ordinary shares of £0.01 issued at £0.01 on 14 December 2018 for cash	33,500,000	335,000
Ordinary shares of £0.01 issued at £0.01 on 21 January 2019 for cash	67,800,000	678,000
Ordinary shares of £0.01 issued at £0.01 on 21 January 2019 on conversion of loan	22,000,000	220,000
Ordinary shares of £0.01 issued at £0.01 on 2 August 2019 for cash	2,290,000	22,900
Ordinary shares of £0.01 issued at £0.034 on 22 August 2019 for cash	12,811,736	128,117
	<u>388,401,736</u>	<u>3,884,017</u>

Merger reserve – Group

	2019 £	2018 £
At the beginning of period	-	-
Transfer to merger reserve arising from accounting treatment of acquisition of subsidiary	(2,499,900)	-
	<u>(2,499,900)</u>	<u>-</u>

Share premium account - Group and Company

	2019 £	2018 £
At beginning of period	-	-
Premium arising on issue of new shares	307,482	-
Share issue expenses	(61,236)	-
	<u>246,246</u>	<u>-</u>

Share-based payments reserve – Group and Company

	2019 £	2018 £
At the beginning of period	-	-
Compensation expense recognised in period arising on issue of share options	47,717	-
Fair value of advisor warrants issued in period	62,495	-
	<u>110,212</u>	<u>-</u>

Retained earnings - Group

	2019 £	2018 £
At the beginning of period	(151,041)	371,680
Loss for the year	(1,019,631)	(497,721)
Dividends paid	-	(25,000)
	<u>(1,170,672)</u>	<u>(151,041)</u>

Retained earnings - Company

	2019 £
At the beginning of period	-
Loss for the year	(61,741)
	<u>(61,741)</u>

21 Operating lease commitments - Group

At 30 April 2018, the Company had aggregate minimum lease payments under non-cancellable operating leases for office and other sites as follows:

	2019 £	2018 £
Due within 1 year	33,500	33,500
Due within 2-5 years	67,000	100,500
	<u>100,500</u>	<u>134,000</u>

On 3 October 2017, the Company moved into new premises at Unit 1, Ninian Park, Ninian Park Way, Tamworth. The associated initial lease term expires on 24 December 2022 and carries an annual charge of £33,500.

22 Capital commitments – Group and Company

As at 31 October 2019 and 31 October 2018 there were no capital commitments.

23 Related party transactions - Group

	31 October 2019		31 October 2018		
	Income / (expense) in year	Amounts Outstanding	Income / (expense) in year	Amounts Outstanding	
Aggregate emoluments					
CM Jeffries	90,095	-	49,292	-	Director
NAR Ydlibi	66,095	-	35,810	-	Director
T Heaton	13,400	-	-	-	Key management
CB Forrest	15,000	-	-	-	Director
DR Ivy	15,000	-	-	-	Director
	<u>199,590</u>	<u>-</u>	<u>85,102</u>	<u>-</u>	
Share option expense					
NAR Ydlibi	27,594	-	-	-	Director
Staff expense advances					
CM Jeffries	-	-	1,000	248	Director
Purchases					
Clever Dev	-	-	21,618	-	
Dev Clever Consortium	-	-	81,164	-	
	<u>-</u>	<u>-</u>	<u>102,782</u>	<u>-</u>	
Sales					
Forever Worldwide	-	-	4,000	-	
	<u>-</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	

CM Jeffries, Director and shareholder in Dev Clever Holdings is also a Director and shareholder of Clever Dev, Dev Clever Consortium and Forever Worldwide Limited.

Save as disclosed above, none of the key management personnel of the Company owe any amounts to the Company (2018: £nil), nor are any amounts due from the Company to any of the key management personnel (2018: £nil).

Related party transactions - Company

	31 October 2019		
	Income / (expense) in year	Amounts Outstanding	
Aggregate emoluments			
CB Forrest	15,000	-	Director
DR Ivy	15,000	-	Director
	<u>30,000</u>	<u>-</u>	

Intra-Group transactions

Dev Clever Limited

- Parent company loan	1,233,000	1,134,404	Group Company
- Accrued interest	52,414	52,414	Group Company
- Management services	165,127	165,127	Group Company
	<u>1,450,541</u>	<u>1,351,945</u>	Group Company

24 Ultimate controlling party - Group and Company

Christopher Michael Jeffries, the CEO and Executive Chairman of Dev Clever Holdings plc, has ultimate control of the Group through his ownership of 64.37% of the issued share capital of the holding company, as at 31 October 2019.

On 31 January 2020 the controlling shareholder, Christopher Jeffries, sold 50,000,000 ordinary shares of 1p each reducing his holding to 200,000,000 ordinary shares, representing 46.28 per cent of the Company's issued share capital. The net proceeds of the disposal, of £400,000, were re-invested back into the Company by way of a convertible loan entitling Christopher Jeffries to convert his loan back into ordinary shares of 1p each (see note 25).

25 Events after the Reporting Period - Group and Company

On 21 January 2020 the Group issued 43,785,107 new ordinary shares of 1p at par value, raising gross proceeds of £437,785 through a placing and subscription.

On 31 January 2020 the controlling shareholder, Christopher Jeffries, sold 50,000,000 ordinary shares of 1p each that he held in the capital of the Company to third party purchasers procured by its broker, Novum Securities Limited, at 1p per share ("Sale"). On completion of the Sale, Christopher Jeffries holding reduced to 200,000,000 ordinary shares, represented 46.28 per cent of the Company's issued share capital.

At the same time as reducing his holding in the Company, Christopher Jeffries and the Company entered into a convertible loan note agreement, pursuant to which the net proceeds of his share sale, amounting to £400,000 after tax, costs and commission, were provided to the Company as a subscription amount for convertible loan notes.

The loan notes are convertible into ordinary shares of 1p each at Christopher Jeffries' option, at any time, subject to, among other things, the Company not being required to publish a prospectus in connection with the issue of shares on conversion of the notes and no obligations under Rule 9 of the City Code on Takeovers and Mergers being triggered by such an issue of shares. Unless previously repaid or converted, the loan notes will be redeemed at par by the Company on their fifth anniversary. The Notes bear a zero coupon.