Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 October 2021

for

AQRU plc

(Previously known as Dispersion Holdings plc)

Contents of the Consolidated Financial Statements
for the Year Ended 31 October 2021

AQRU plc

Company Information
for the Year Ended 31 October 2021

DIRECTORS:	M S Edwards T V Le Druillenec R M Rutledge M M Sher N J Lyth P J Blows D G Try
SECRETARY:	N J Lyth
REGISTERED OFFICE:	9th Floor 16 Great Queen Street London WC2B 5DG
REGISTERED NUMBER:	12291603 (England and Wales)
AUDITORS:	Kreston Reeves LLP 2nd Floor 168 Shoreditch High Street London E1 6RA

The directors present their strategic report of the company and the group for the year ended 31 October 2021.

PRINCIPAL ACTIVITY
The principal activity of the Group in the period was the incubation of companies specialising in Decentralised Finance ("DeFi").

CHANGE OF NAME
The Group's name was changed from Dispersion Holdings plc on 10 January 2022.

REVIEW OF BUSINESS
Net results show a profit of £311,707 during the period with total Net Assets of £12.2m, of which £10.0m was in the form of Cash & Cash Equivalents.

AQRU plc (then called Dispersion Holdings plc) Ordinary Shares were admitted to trading on the Access segment of Aquis Stock Exchange Growth Market (AQSE) in London, UK on 30 April 2021, raising in total £11.2m before expenses.

During the period the Group made seven transactions acquiring equity in businesses that focus on DeFi. One of these businesses, NFT Investments plc, successfully listed its shares on the AQSE Stock Exchange and this shareholding showed a gain of £564,000 at the end of the period.

On 18 October 2021 the Company acquired the entire share capital of Accru Finance Ltd, a company which planned to launch AQRU, an insured consumer-facing platform that enables crypto trading and yield farming. This was satisfied by the issuance of 250,000,000 new shares in the Group.

On 27 October 2021 the Group acquired the entire share capital of Defi Yield Technologies Inc, a Canadian-based business that is developing a platform for DeFi investment applications and products aimed at institutional investors. This was satisfied by the issuance of 348,725,646 new shares in the Group.

The Group intends to continue supporting the companies in which it has acquired minority equity stakes as it uses its expertise and resources to help both Accru Finance Ltd and Defi Yield Technologies Inc to implement their respective strategies.

Subsequent to the end of the period the Group announced the successful launch of the AQRU platform by Accru Finance Ltd. The Group also announced its application to list its shares on the NEO stock exchange in Canada alongside the AQSE stock exchange in UK.

In addition, Challenger X successfully listed on the AQSE stock exchange on 23 December 2021. The Group investment of £216,413 was valued at £1,250,000 at the IPO date.

PRINCIPAL RISKS AND UNCERTAINTIES
The principal risk is that early-stage technology companies present an opportunity for potentially high returns but at the same time these companies are pre revenue and their business models may not prove to be as successful as hoped.

In addition, the Group has acquired two Centralised Finance businesses which specialise in generating yield from liquidity pools. There have been instances of hacking of liquidity pools. The Group's Centralised Finance businesses specialise in mitigation of this risk but it is not possible to reduce the risk to zero.

<u>Financial risk</u>
Financial risk arises through the Group's holdings in financial assets and financial liabilities. The key financial risk is that proceeds from financial assets are insufficient to fund obligations arising from distributions to its shareholders as they fall due. The most important components of financial risk are interest rate risk, foreign currency risk and liquidity risk.

Risk amounts are monitored to ensure these are maintained within permissible ranges based on the Group's economic capital model and are reported to the Board of Directors

<u>Interest rate risk</u>
Interest rate risk is the risk that the fair value of future cashflows of a financial instrument will fluctuate because of changes in market interest rates. This is related to the underlying valuation of equity investments.

Management does not believe the Group is any more exposed to financial statement risk factors than others in the industry and has a system of internal controls and procedures that are designed to mitigate such risks.

<u>Liquidity risk</u>
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities. The Group's policy and approach to managing liquidity is to ensure, as far as possible,

that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the reputation of the Group.

Foreign currency risk
Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchanges rates. The Group is exposed to a material foreign currency risk as it invests some of its own funds into its Centralised Finance businesses. These funds are typically GBP and must be held as USD which creates a GBP/USD foreign exchange rate risk.

Economic risk
On 23 June 2016, the United Kingdom held a referendum' in which voters approved an exit from the European Union, commonly referred to as "Brexit".

The United Kingdom left the European Union on 31 January 2020. In 2020 the EU and the UK reached an agreement on their new partnership. It sets out the rules that apply between the EU and the UK as of 1 January 2021. The withdrawal of the UK from the EU on 31 January 2020 continues to generate a level of uncertainty in the UK financial services sector. The effect of this uncertainty is the extent to which this translates into an impact upon dividend income.

COVID-19 pandemic
On 31 December 2019, the World Health Organisation ("WHO") was informed that a limited number of cases of pneumonia, of an unknown cause, were detected in Wuhan, Hubei. On 7 January 2020, Chinese authorities identified a new type of coronavirus ("COVID-19") as the cause. The first cases of COVID-19 were confirmed in Hong Kong on 23 January 2020.

Since 31 December 2019, the development and spread of the COVID-19 pandemic has resulted in the occurrence of a multitude of associated events. Among these are the identification of the virus, its spread in terms of number of infected and geographical prevalence, action taken by government and non-governmental organisations, actions taken by private entities, and the resulting economic effects of these.

As a result of the above, the UK government has since put in place travel restrictions and quarantine measures effective from 16 March 2020.

As at the signing date, the Group had not experienced any material financial impact from the COVID-19 pandemic.

For the Group's 31 October 2021 financial statements, there has been no adjustments or impairments arising due to the COVID-19 pandemic. Consequently, there is no impact on the recognition and measurement of assets and liabilities.

SECTION 172(1) STATEMENT
This statement is intended by the Board of Directors to set out how they have approached and met their responsibilities under s172(1)(a) to (f) of the Companies Act 2006 in the year ending 31 October 2021

Stakeholders of the Company include employees, shareholders, customers, suppliers, creditors of the business and the community in which it operates

The Directors, both collectively and individually, consider that they have acted in good faith to promote the success of the Company for the benefit of its Stakeholders as a whole (having regard to the matters set out in s172 of the Act) in the decisions taken during the period. In particular:

To ensure that the Board take account of the likely consequences of their decisions in the long term, they receive regular and timely information on all the key areas of the business including financial performance, operational matters, health and safety, environmental reports, risks and opportunities – all supported by Key Performance Indicators (KPIs). The Company’s performance and progress is also reviewed regularly at Board meetings.

The Company’s employees are fundamental to the success of the business. The directors understand that it is critical to engage with and understand their views and to ensure that all employees’ interests are considered. To strengthen employee engagement, the Directors promote and encourage all employees to raise any concerns or suggestions with senior management without hesitation.

The Directors take environmental matters into deep consideration as part of their decision-making process and strive to be a responsible member of the wider community, minimising the Company’s impact on the environment wherever possible.

The Directors’ intentions are to behave responsibly towards all stakeholders and treat them fairly and equally, so that they all benefit from the long-term success of the Company.

The Directors have overall responsibility for determining the Company's purpose, values and strategy and for ensuring high standards of governance. The primary aim of the Directors is to promote the long-term sustainable success of the Company, generating value for stakeholders and contributing to the wider society. In the future, the Board will continue to review and challenge how the Company can improve its engagement with its stakeholders and employees.

ON BEHALF OF THE BOARD:

....
N J Lyth - Director

Date: 31 March 2022

Report of the Directors
for the Year Ended 31 October 2021

The Directors present their Reports and the Financial Statements of AQRU plc (previously called Dispersion Holdings plc) and its subsidiaries for the 12-month period ending 31 October 2021.

INFORMATION INCLUDED IN THE STRATEGIC REPORT
The review of the business, key performance indicators and details of principal risks and uncertainties are disclosed in the Strategic Report on pages 2 to 4.

CHANGE OF NAME
The group held a Board Meeting on 10 January 2022 and agreed to change its name from Dispersion Holdings plc to AQRU plc.

DIVIDENDS
No dividends will be distributed for the year ended 31 October 2021 (2020: £Nil).

FUTURE DEVELOPMENTS
The Group intends to build on the work done in the 12-month period ending 31 October 2021, working closely with the companies it has acquired to provide solutions and product improvements. It will also continue to support and advise the companies in which it has minority equity stakes.

DIRECTORS
T V Le Druillenec has held office during the whole of the period from 1 November 2020 to the date of this report.

Other changes in directors holding office are as follows:

M S Edwards - appointed 17 February 2021
R M Rutledge - appointed 27 November 2020
M M Sher - appointed 27 November 2020
N J Lyth - appointed 2 June 2021
J F Bixby - resigned 27 November 2020
P J Blows - appointed 29 October 2021
D G Try - appointed 29 October 2021

EVENTS AFTER THE REPORTING PERIOD
Accru Finance Ltd’s subsidiary, Accru Finance Ltd, registered in Bulgaria, successfully launched the “AQRU” platform and app which provides customers with the ability to deposit funds and earn yield on these funds.

ENGAGEMENT WITH EMPLOYEES
Communications
The Group values the input from all its employees and engages with employees through a wide range of channels.

Employees are encouraged to communicate ideas through regular department meetings, the performance appraisal system and are actively encouraged to engage with the senior management.

Disability Engagement
As an equal opportunity employer, we are committed to embedding equality and inclusion in all our practices and aim to establish an inclusive culture, that celebrates diversity, is free from discrimination and based on the values of dignity and respect.

As a global organisation we recognise and welcome our diversity and strive to create an environment where all different kinds of people can thrive and succeed.

STREAMLINED ENERGY AND CARBON REPORTING
The Group is not required to disclose information regarding its energy use due to its usage being below the set limit for disclosure.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware; and each director has taken all steps that ought to have been taken as directors, in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS
The auditors, Kreston Reeves LLP, were appointed after the end of the period and will be reappointed in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

....
N J Lyth - Director

Date: 31 March 2022

Statement of Directors' Responsibilities
for the Year Ended 31 October 2021

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

Company law requires the directors to prepare consolidated financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs), as adopted by the United Kingdom.

Under company law the directors must not approve the consolidated financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (IFRSs), as adopted by the United Kingdom, have been followed subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

The Directors are responsible for the maintenance and integrity of the group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR REPORT
TO THE SHAREHOLDERS OF AQRU PLC
FOR THE YEAR ENDED 31 OCTOBER 2021

Opinion

We have audited the financial statements of AQRU PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 31 October 2021 which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated and company statements of financial position, consolidated and company statements of changes in equity, consolidated statements of cashflow 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 United Kingdom 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 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with IFRSs adopted by the United Kingdom; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – accounting treatment of cryptocurrencies

We draw your attention to Notes 2 (accounting policy) and 3 (estimates and judgements) of the financial statements, which describe the accounting treatment of cryptocurrencies held by the Group, we consider these to be accounted for in the most appropriate manner however, guidance in relation to this matter is limited due to this being an emerging sector. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

An overview of the scope of our audit

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

We performed a full scope audit on the main components of the business representing a large proportion the Group's net assets.

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. This is not a complete list of all risks identified by our audit.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Disclosure of cryptocurrencies The Group's operations are focused on the trading and holding of cryptocurrencies for which there is very little formal guidance provided and therefore we would have to ensure that sufficient accounting disclosure is made within the financial statements, in order to aid the stakeholders reading the financial statements. In addition, we had to ensure that the valuation and financial treatment of these cryptocurrencies was sufficient and did not breach any pre-established accounting regulations.	We reviewed the available International Accounting Standards, paying particular attention to IAS 2, IAS 7, and IAS 38. This allowed us to form tests on the various types of cryptocurrencies held by the Group and what each of their purposes were. Investigation into the volatility and functionality of each material type of cryptocurrency allowed us to assess the classification of each cryptocurrency accordingly. From our review we assessed that the most volatile cryptocurrency the Group holds which is Bitcoin (BTC) and Ethereum (ETH) should be classified in accordance with IAS 38 as Intangible Assets. **Based on the above procedures we consider this risk to be materially mitigated**
Valuation of cryptocurrencies Given the multi-national nature of the group, there was a risk that consistent trading and charging policies had not been applied between the various entities. Inconsistently applied trading and charges can be determined as tax avoidance that can be punishable by significant financial and operational penalties.	The majority of cryptocurrencies held by the Group are classified as stable coins for which the value is pegged to the US Dollar. Therefore, we ensured that these stable coins, Tether (USDT) and USD Coin (USDC), had historically remained pegged to the fiat currency US Dollar (USD) before recalculating a year end balance based on the quantity held as at the year end. The quantity was verified against third party supporting documentation. For the Bitcoin (BTC) and Ethereum (ETH) held, the quantity was verified against third party documentation before comparing the value against other decentralised finance exchanges for comparison purposes. **Based on the above procedures we consider this risk to be materially mitigated**

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Impairment of investments The Group has acquired a number of separate investments during the financial period. Given the volatile and uncertain markets that surround cryptocurrency, there was the risk that some of these investments could require significant impairment after a national government rule change or other industry-wide change in the applicable law. In addition, as the economy continues its recovery from COVID-19 many companies have struggled to adapt to changes which in the market place.	We reviewed the supporting documentation associated with each material investment to ensure an accurate costing was originally included within the financial statements. The company holds three types of investments which were considered separately: Listed investments have been verified against independent stock exchange sites for valuation purposes and recalculated using the actual shareholding held by the Group. Unlisted investments have been verified against available present and future financial data as well as any press releases etc that may present an indication of impairment both as at the year end and going forward. Subsidiaries have been compared against current financial data and future forecasts. Given the negative goodwill which has been generated within the consolidated financial statements as well as data being presented within the current and future financial data; no such indicators of impairment were identified. The impairment review is highly judgemental and required the assessment of assumptions used, including around the future success of the cryptocurrency industry as a whole. **Based on the above procedures we consider this risk to be materially mitigated**

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

Our scoping considerations for the Group audit were based both on financial information and risk. The below table summarises for the parent company, and its subsidiaries, in terms of the level of assurance gained:

Group component	Level of assurance
AQRU PLC	Full statutory audit
Defi Yield Technologies Inc	Full statutory audit
Accru Finance Ltd (UK)	Full statutory audit
Accru Finance Ltd (Bulgaria)	Limited assurance review

Our application of materiality

Overall Group Materiality	£275,000
How we determined it	2% of Group gross assets
Rationale for benchmark	The group's principal activity is that of the trading and holding of cryptographic investments; including but not limited to other non-subsidiary company investments that trade in cryptocurrencies. Therefore, a benchmark for materiality of the gross assets of the group is considered to be the most appropriate basis for materiality.

We reported all audit differences found in excess of our triviality threshold of £13,750 to the directors and the management board.

For each Group company within the scope of our Group audit, we allocated a materiality that is less than our overall Group materiality. The range of materiality allocated across each Group company was between £15,000 and £230,000. The scope of our audit was influenced by our application of materiality as we set certain quantitative thresholds for performance materiality and use these thresholds as a consideration tool to help to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

We determined component materiality for the parent company to be capped at 2% of gross assets. Likewise for group subsidiaries registered outside of the UK. Performance materiality was set at 50% of component materiality.

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, 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 our knowledge and understanding of the Group and parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the company and industry, and through discussion with the directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to health and safety, anti-bribery and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of intangible assets and investments. Audit procedures performed by the group engagement team and component auditors included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations and fraud, and review of the reports made by management and internal audit; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

Kreston Reeves LLP

Anne Dwyer BSc(Hons) FCA (Senior Statutory Auditor)
For and on behalf of
Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London
Date: 31 March 2022

AQRU plc

Consolidated Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 October 2021

	Notes	Year Ended 31.10.21 £	Period 31.10.19 to 31.10.20 £
CONTINUING OPERATIONS			
Revenue		**-**	-
Gain on bargain purchase	4	**912,192**	-
Administrative expenses		**(1,164,758)**	-
OPERATING LOSS		**(252,566)**	-
Fair value gains on investments		**564,000**	-
Finance income	6	**273**	-
PROFIT BEFORE INCOME TAX	7	**311,707**	-
Income tax	9	**-**	-
PROFIT FOR THE YEAR		**311,707**	-
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to profit or loss:			
Gains on crypto currencies held		**30,967**	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**30,967**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**342,674**	-
Profit attributable to:			
Owners of the parent		**311,707**	-
Total comprehensive income attributable to:			
Owners of the parent		**342,674**	-
Earnings per share expressed in pence per share:	11		
Basic		**-0.09**	-
Diluted		**-0.08**	-

The notes form part of these financial statements

AQRU plc (Registered number: 12291603)

Consolidated Statement of Financial Position
31 October 2021

	Notes	**31.10.21**	31.10.20
		£	£
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	**117,163**	-
Property, plant and equipment	13	**9,212**	-
Investments	14	**2,005,565**	-
		2,131,940	-
CURRENT ASSETS			
Trade and other receivables	15	**336,197**	1
Cash	16	**4,618,394**	-
Cash equivalents - cryptocurrencies	16	**5,425,668**	-
		10,380,259	1
TOTAL ASSETS		**12,512,199**	1
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	**1,211,226**	1
Share premium	18	**9,816,612**	-
Other reserves	18	**853,593**	-
Fair value reserve	18	**30,967**	-
Retained earnings	18	**311,707**	-
TOTAL EQUITY		**12,224,105**	1
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	**288,094**	-
TOTAL LIABILITIES		**288,094**	-
TOTAL EQUITY AND LIABILITIES		**12,512,199**	1

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

....
N J Lyth - Director

The notes form part of these financial statements

AQRU plc (Registered number: 12291603)

Company Statement of Financial Position
31 October 2021

	Notes	31.10.21 £	31.10.20 £
ASSETS			
NON-CURRENT ASSETS			
Intangible assets	12	**18,205**	-
Property, plant and equipment	13	**1,031**	-
Investments	14	**3,299,249**	-
		3,318,485	-
CURRENT ASSETS			
Trade and other receivables	15	**267,609**	1
Cash	16	**2,478,270**	-
Cash - cryptocurrencies	16	**5,425,139**	-
		8,171,018	1
TOTAL ASSETS		**11,489,503**	1
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	17	**1,211,226**	1
Share premium	18	**9,816,612**	-
Other reserves	18	**853,593**	-
Fair value reserve	18	**30,967**	-
Retained earnings	18	**(600,486)**	-
TOTAL EQUITY		**11,311,912**	1
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	**177,591**	-
TOTAL LIABILITIES		**177,591**	-
TOTAL EQUITY AND LIABILITIES		**11,489,503**	1

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

....
N J Lyth - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 October 2021

	Called up share capital £	Retained earnings £	Share premium £
As at 1 November 2020	1	-	-
Comprehensive income for the year			
Profit for the year	-	311,707	-
Other comprehensive income	-	-	-
Transactions with owners			
Issue of share capital	1,211,255	-	9,988,644
Share warrant charges	-	-	-
Share warrant issue costs	-	-	(172,032)
Balance at 31 October 2021	1,211,226	311,707	9,816,612

	Other reserves £	Fair value reserve £	Total equity £
As at 1 November 2020	-	-	1
Comprehensive income for the year			
Profit for the year	-	-	311,707
Other comprehensive income	-	30,967	30,967
Transactions with owners			
Issue of share capital	-	-	11,199,869
Share warrant charges	681,561	-	681,561
Share warrant issue costs	172,032	-	-
Balance at 31 October 2021	853,593	30,967	12,224,105

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 October 2021

	Called up share capital £	Retained earnings £	Share premium £
As at 1 November 2020	1	-	-
Comprehensive income for the year			
Loss for the year	-	(600,486)	-
Other comprehensive income	-	-	-
Transactions with owners			
Issue of share capital	1,211,255	-	9,988,644
Share warrant charges	-	-	-
Share warrant issue costs	-	-	(172,032)
Balance at 31 October 2021	1,211,226	(600,486)	9,816,612

	Other reserves £	Fair value reserve £	Total equity £
As at 1 November 2020	-	-	1
Comprehensive income for the year			
Loss for the year	-	-	(600,486)
Other comprehensive income	-	30,967	30,967
Transactions with owners			
Issue of share capital	-	-	11,199,869
Share warrant charges	681,561	-	681,561
Share warrant issue costs	172,032	-	-
Balance at 31 October 2021	853,593	30,967	11,311,912

Consolidated Statement of Cash Flows
for the Year Ended 31 October 2021

	Notes	**Year Ended 31.10.21 £**	Period 31.10.19 to 31.10.20 £
Cash flows from operating activities			
Cash generated from operations	23	**(572,697)**	(1)
Net cash from operating activities		**(572,697)**	(1)
Cash flows from investing activities			
Purchase of intangible fixed assets		**(18,205)**	-
Purchase of tangible fixed assets		**(1,547)**	-
Purchase of fixed asset investments		**(1,441,564)**	-
Purchase of subsidiary less cash acquire		**1,445,691**	-
Fair value gains from crypto currencies		**30,967**	-
Interest received		**273**	-
Net cash from investing activities		**15,615**	-
Cash flows from financing activities			
Share issue net of issuing costs		**10,601,144**	1
Net cash from financing activities		**10,601,144**	1
Increase in cash and cash equivalents		**10,044,062**	-
Cash and cash equivalents at beginning of year	24	**-**	-
Cash and cash equivalents at end of year	24	**10,044,062**	-

The notes form part of these financial statements

Company Statement of Cash Flows
for the Year Ended 31 October 2021

	Notes	Year Ended 31.10.21 £	Period 31.10.19 to 31.10.20 £
Cash flows from operating activities			
Cash generated from operations	23	**(572,699)**	(1)
Net cash from operating activities		**(572,699)**	(1)
Cash flows from investing activities			
Purchase of intangible fixed assets		**(18,205)**	-
Purchase of tangible fixed assets		**(1,547)**	-
Purchase of fixed asset investments		**(1,441,564)**	-
Purchase of subsidiaries		**(1,293,685)**	-
Fair value gains on crypto currencies		**30,967**	-
Interest received		**273**	-
Net cash from investing activities		**(2,723,761)**	-
Cash flows from financing activities			
Share issue net of issuing costs		**11,199,869**	1
Net cash from financing activities		**11,199,869**	1
Increase in cash and cash equivalents		**7,903,409**	-
Cash and cash equivalents at beginning of year	24	**-**	-
Cash and cash equivalents at end of year	24	**7,903,409**	-

The notes form part of these financial statements

1. STATUTORY INFORMATION

AQRU plc (formerly known as Dispersion Holdings plc) is a public limited company incorporated in England and Wales, registration number 12291603. The registered office of the company is detailed on page 1.

The company was set up to identify and assist other companies in the Decentralised Finance space (DeFi). Its shares are listed on the Access segment of Aquis Stock Exchange Growth Market in London, UK.

The principal activity of the company and the group is that of the incubation of companies specialising in Decentralised Finance ("DeFi").

2. ACCOUNTING POLICIES

Basis of preparation
These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation
The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of AQRU plc ('company' or 'parent entity') as at 31 October 2021 and the results of all subsidiaries for the period then ended. AQRU plc and its subsidiaries together are referred to in these financial statements as the 'consolidated entity'.

Subsidiaries are all those entities over which the consolidated entity has control. The consolidated entity controls an entity when the consolidated entity is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the consolidated entity.

Intercompany transactions, balances and unrealised gains on transactions between entities in the consolidated entity are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the consolidated entity.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Business combinations and related goodwill
The group accounts for business combinations using the acquisition method when control is transferred to the group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Acquisition related costs are generally recognised in profit or loss as incurred.

Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

The excess of the consideration transferred over the fair value of the net identifiable assets, liabilities and contingent liabilities acquired is capitalised as goodwill. Any gain on the bargain purchase is recognised in profit and loss immediately. Goodwill is not amortised but tested for impairment at least annually and upon the occurrence of an indication of impairment.

On disposal of a subsidiary, associate or jointly controlled entity, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

continued...

2. **ACCOUNTING POLICIES - continued**

Foreign operations
The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement;
(ii) income and expenses for each income statement are translated at spot exchange rates (unless the spot is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
(iii) all resulting exchange differences are recognised in the Statement of Comprehensive Income and accumulated in the translation reserve in equity.

When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal.

New standards, interpretations and amendments
IFRS standards, amendments and interpretations applicable after 2021 and not applied early by the Group:

- IFRS 17 "Insurance Contracts"
- Amendments to IAS 1 - Presentation of financial statements - Classification of current and non-current liabilities
- Amendment to IAS 37 Provisions
- Amendment to IAS 16 Property, plant and equipment
- 2018-2020 cycle of annual IFRS improvements

The above are not expected to have a material impact on the entity.

Intangible assets
Development costs
Development costs are initially recognised at cost where it is probable that there will be future economic benefits from the asset and the cost of the asset can be reliably measured. The cost of internally generated intangible assets is only recognised in the development phase of an internal project, with the cost of the research phase and maintaining or running the day-to-day operations recognised as an expense. These capitalised costs comprise all directly attributable costs necessary to create, produce, and prepare the asset to be capable of operating in the manner intended by management.

After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Capitalised development costs are amortised on a straight-line basis over a period of 7 years from the date that the product is brought into first use.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The assets' residual values, useful lives and amortisation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

 continued...

2. **ACCOUNTING POLICIES - continued**

Intangible assets - continued

Crypto currencies

Non-stable crypto currencies held are accounted for as intangible assets with an indefinite life.

These assets are initially recognized on the balance sheet at cost and are remeasured at fair value at the end of each period.

Any gains or losses in the value of crypto currencies held as intangible assets are recognised in the Statement of Profit and Loss and Other Comprehensive Income and transferred to a separate Fair Value reserve under equity.

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item or property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit and loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided for at:

Computer equipment	3 years straight line

Financial instruments

Recognition, derecognition and offsetting

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument.

The group derecognises financial assets when the contractual rights to cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in the transaction in which substantially all of the risks and rewards of ownership does not regain control over the transferred asset. The group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the group has a legal right to offset the amounts and intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These assets are initially recognised at fair value plus any directly attributable costs. Subsequent to initial recognition, they are measured at amortised cost using the effective interest method less any impairment.

Other financial liabilities

Other financial liabilities are non-derivative financial liabilities initially recognised at fair values less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Current and deferred taxation

The tax expense represents the sum of the tax currently payable and deferred tax. The liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is the tax expected to be payable or recoverable on temporary differences between the carrying amounts of assets and liabilities in the group or parent company financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method.

continued...

2. **ACCOUNTING POLICIES - continued**

Current and deferred taxation - continued
Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax is calculated at the tax rates and laws that are expected to apply in the period when the liability is settled, or the asset is recognised based on tax laws and rates that have been 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.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Investments
Investments and other financial assets are initially measured at fair value. Where shares are publicly traded or the fair value can otherwise be measured reliably, any changes in fair value are recognised in profit or loss. When it is not possible to measure their fair value reliably, these investments are instead measured at cost less impairment.

Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Cash and cash equivalents
Cash and cash equivalents include cash on hand, stable coin crypto currencies pegged to a relatively stable underlying asset or commodity, such as USD Coin (USDC), deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables
Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Trade and other payables
These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Share based payments
Equity-settled and cash-settled share-based compensation benefits are provided to employees.

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. Cash-settled transactions are awards of cash for the exchange of services, where the amount of cash is determined by reference to the share price.

The cost of equity-settled transactions is measured at fair value on grant date. Fair value is independently determined using the Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option, together with non-vesting conditions that do not determine whether the consolidated entity receives the services that entitle the employees to receive payment. No account is taken of any other vesting conditions.

continued...

2. **ACCOUNTING POLICIES - continued**

Share based payments - continued
The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

The cost of cash-settled transactions is initially, and at each reporting date until vested, determined by applying the Black-Scholes option pricing model, taking into consideration the terms and conditions on which the award was granted. The cumulative charge to profit or loss until settlement of the liability is calculated as follows:

- during the vesting period, the liability at each reporting date is the fair value of the award at that date multiplied by the expired portion of the vesting period.
- from the end of the vesting period until settlement of the award, the liability is the full fair value of the liability at the reporting date.

All changes in the liability are recognised in profit or loss. The ultimate cost of cash-settled transactions is the cash paid to settle the liability.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the consolidated entity or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the consolidated entity or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, it is treated as if it has vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award is treated as if they were a modification.

Interest receivable recognition
Interest receivable is recognised in the period in which it is earned.

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 assessed period to the end of October 2022. Having raised £11,200,000 before expenses on 30 April 2021 at the Company's IPO, the Directors have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company 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. The Directors have considered the impact of Covid-19 on the Company, in the context of their operations. At this stage, the Directors do not envisage a long-term impact to the Company resulting from Covid-19, but will continue to monitor the situation.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

continued...

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY - continued**

Coronavirus (COVID-19) pandemic
Judgement has been exercised in considering the impacts that the Coronavirus (COVID-19) pandemic has had, or may have, on the consolidated entity based on known information. This consideration extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the consolidated entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the group unfavourably as at the reporting date or subsequently as a result of the Coronavirus (COVID-19) pandemic.

Share-based payment transactions
The group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Crypto currencies
As stated within the accounting policies, the Group has applied two different accounting policies to what it determines to be two different types of cryptocurrencies. The Group holds a variety of cryptocurrencies as at the reporting date and these have been differentiated between non-stable-coins and stable coins.

The Group has determined that most cryptocurrency assets are highly volatile financial instruments which are most commonly recognised in accordance with IAS 38 – Intangible Assets. The Group holds both Bitcoin (BTC) and Ethereum (ETH). These non-stable coins will be held within Intangible Assets and revalued at each reporting date through Other Comprehensive Income, as explained within the accounting policies.

Furthermore, the Group has determined that some cryptocurrency assets are far less volatile and could therefore demonstrate the following characteristics in accordance with IAS 7 – Statement of Cashflows:

- highly liquid
- readily convertible to known amounts of cash
- subject to an insignificant risk of changes in value

These stable-coins are cryptocurrency assets that have a value which is pegged to an internationally accepted and traded fiat currency. The Group holds Tether (USDT) and USD Coin (USDC). The value of which is pegged on a 1:1 basis against the US Dollar fiat currency.

However, it is important to note that this asset is a virtual currency and is not guaranteed by tangible assets or backed by a government institution.

Investments
Investments are classified as listed or unlisted. The valuation of listed investments is determined with reference to published share prices. The valuation of unlisted investments is assessed by the group at each reporting date using any available financial information or reports available to them at that time. The group's assessment of these valuations is subjective and may therefore impact profit and loss and equity in future periods.

Internally generated intangible assets
The group has determined the amounts of development expenditure be recognised as intangible assets at each reporting date. In making their judgement, the directors have considered the progress of each project and whether there is sufficient certainty that the product under development will be economically viable and that the economic benefits will flow to the group.

4. **OTHER OPERATING INCOME**

During the year, the company acquired the entire share capital in Defi Yield Technologies Inc and Accru Finance Limited. The gain on acquisition of £912,192 relates to negative goodwill (the bargain purchase amount of money paid) to acquire the assets of both companies.

As referred to in Note 2, Accounting Policies "Business combinations and goodwill", the bargain purchase gain of £912,192 has been recognised in profit and loss.

Note 27, Business Combinations, details this transaction and the associated assets and liabilities acquired.

 continued...

5. **EMPLOYEES AND DIRECTORS**

	Year Ended 31.10.21	Period 31.10.19 to 31.10.20
	£	£
Wages and salaries	**18,000**	-
Social security costs	**1,334**	-
	19,334	-

The average number of employees during the year was as follows:

	Year Ended 31.10.21	Period 31.10.19 to 31.10.20
Salaried director	**1**	-

Key management personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the Group listed on page 1.

The Group considers its directors to be the key management personnel.

Directors' remuneration

	Year Ended 31.10.21	Period 31.10.19 to 31.10.20
	£	£
Directors' salaries	**18,000**	-
Directors' social security	**1,334**	-
Directors' fees	**154,000**	-
Share based payments	**346,904**	-
	520,238	-

Information regarding the highest paid director is as follows:

	Year Ended 31.10.21	Period 31.10.19 to 31.10.20
	£	£
Director's salary	**-**	-
Director's social security	**-**	-
Director's fees	**64,000**	-
Share based payments	**210,245**	-
	274,245	-

 continued...

6. FINANCE INCOME

	Year Ended 31.10.21 £	Period 31.10.19 to 31.10.20 £
Deposit account interest	273	-
	273	-

7. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	Year Ended 31.10.21 £	Period 31.10.19 to 31.10.20 £
Depreciation - owned assets	516	-
Foreign exchange differences	11,173	-

8. AUDITORS' REMUNERATION

	Year Ended 31.10.21 £	Period 31.10.19 to 31.10.20 £
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	29,250	-

9. INCOME TAX

Analysis of tax expense
No liability to UK corporation tax arose for the year ended 31 October 2021 nor for the period ended 31 October 2020.

Factors affecting the tax expense
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.10.21 £
Profit before income tax	311,707
Profit multiplied by the standard rate of corporation tax in the UK of 19%	59,224
Effects of:	
Tax effect of capital allowances (net of depreciation)	(196)
Tax effect of non-deductible expenses	127
Losses not yet utilised	114,162
Tax effect of bargain purchase gain	(173,317)
Tax expense	-

continued...

10. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the income statement of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £600,486 (2020 - £0).

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

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

Reconciliations are set out below.

	Earnings £	**31.10.21 Weighted average number of shares**	**Per-share amount pence**
Basic EPS			
Earnings attributable to ordinary shareholders	**311,707**	**357,962,433**	**0.09**
Effect of dilutive securities			
Options	**-**	**40,600,000**	**-**
Diluted EPS			
Adjusted earnings	**311,707**	**398,562,433**	**0.08**

	Earnings £	31.10.20 Weighted average number of shares	Per-share amount pence
Basic EPS			
Effect of dilutive securities	-	-	-
Diluted EPS			

continued...

12. INTANGIBLE ASSETS

Group

	Development costs £	Crypto currencies £	Totals £
COST			
At 1 November 2020	-	-	-
Additions	94,667	22,496	117,163
At 31 October 2021	94,667	22,496	117,163
NET BOOK VALUE			
At 31 October 2021	94,667	22,496	117,163
NET BOOK VALUE			
At 31 October 2020	-	-	-

The internally generated capitalised software development costs comprise staff costs and other costs directly related to developing the software platform. This asset is not yet complete and is therefore not being amortised in this financial year.

The crypto currencies held relate to non-stable crypto currencies such as Bitcoin (BTC) and Ethereum (ETH) that are held for long term purposes.

Company

	Crypto currencies £
COST	
At 1 November 2020	-
Additions	18,205
At 31 October 2021	18,205
NET BOOK VALUE	
At 31 October 2021	18,205
NET BOOK VALUE	
At 31 October 2020	-

continued...

13. PROPERTY, PLANT AND EQUIPMENT

Group

	Computer equipment £
COST	
At 1 November 2020	-
Additions	9,728
At 31 October 2021	9,728
DEPRECIATION	
At 1 November 2020	-
Charge for year	516
At 31 October 2021	516
NET BOOK VALUE	
At 31 October 2021	9,212
NET BOOK VALUE	
At 31 October 2020	-

Company

	Computer equipment £
COST	
At 1 November 2020	-
Additions	1,547
At 31 October 2021	1,547
DEPRECIATION	
At 1 November 2020	-
Charge for year	516
At 31 October 2021	516
NET BOOK VALUE	
At 31 October 2021	1,031
NET BOOK VALUE	
At 31 October 2020	-

continued...

14. INVESTMENTS

Group

	Listed investments £	Unlisted investments £	Totals £
COST OR VALUATION			
At 1 November 2020	-	-	-
Additions	210,000	1,231,565	1,441,565
Revaluations	564,000	-	564,000
At 31 October 2021	774,000	1,231,565	2,005,565
NET BOOK VALUE			
At 31 October 2021	774,000	1,231,565	2,005,565
NET BOOK VALUE			
At 31 October 2020	-	-	-

Company

	Shares in group undertakings £	Listed investments £	Unlisted investments £	Totals £
COST OR VALUATION				
Additions	1,293,685	210,000	1,231,564	2,735,249
Revaluations	-	564,000	-	564,000
At 31 October 2021	1,293,685	774,000	1,231,564	3,299,249
NET BOOK VALUE				
At 31 October 2021	1,293,685	774,000	1,231,564	3,299,249

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Accru Finance Limited
Registered office: 206 Upper Richmond Road West, London, United Kingdom SW14 8AH
Nature of business: Development of crypto currency trading platform

Class of shares:	% holding
Ordinary	100.00

Accru Finance Ltd owns the entire share capital in the following companies whose registered offices are:

Accru Digital Assets Ltd
Carlisle Building
51 Bracken Road
Sandyford Business Park
Dublin, Ireland

Accru Finance Ltd (Bulgaria)
Apt 2
Tsarigradsko Shoes Boulevard
Sredets Region 9
Sofia, Bulgaria

The company based in Ireland was dormant throughout the period since acquisition.

The principal activity of the company based in Bulgaria is that of the buying and selling of crypto currencies.

continued...

14. INVESTMENTS - continued

Company

Defi Yield Technologies Inc
Registered office: Suite 1700, 1055 West Hastings Street, Vancouver BC, V6E 2E9, Canada
Nature of business: Development of DeFi trading platform

Class of shares:	% holding
Ordinary	100.00

Listed investments belonging to the Group comprise:

	Cost	Valuation
NFT Investments plc	**210,000**	**774,000**
	210,000	**774,000**

Unlisted investments belonging to the Group comprise:

	Cost	Valuation
Sporting Icons - convertible debt	**28,777**	**28,777**
Defy1SAS - shares	**43,029**	**43,029**
ePIC Blockchain Technologies Inc - shares	**291,177**	**291,177**
Big Head Club - shares	**130,149**	**130,149**
SportsX SAS - shares	**216,413**	**216,413**
Blimp Technologies Inc - shares	**522,020**	**522,020**
	1,231,565	**1,231,565**

15. TRADE AND OTHER RECEIVABLES

	Group		**Company**	
	31.10.21	31.10.20	**31.10.21**	31.10.20
	£	£	**£**	£
Current:				
Other debtors	**250,051**	1	**250,000**	1
VAT	**18,596**	-	**-**	-
Prepayments and accrued income	**67,550**	-	**17,609**	-
	336,197	1	**267,609**	1

There are currently no non-current receivables present.

Credit risk
The group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

The group has had no historical losses regarding trade receivables and considers future expected credit losses to be £Nil.

continued...

16. CASH AND CASH EQUIVALENTS

	Group		Company	
	31.10.21	31.10.20	**31.10.21**	31.10.20
	£	£	**£**	£
Bank accounts	**4,618,394**	-	**2,478,270**	**-**
Stable crypto currencies	**5,425,668**	**-**	**5,425,139**	-
	10,044,062	-	**7,903,409**	-

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**31.10.21** **£**	31.10.20 £
1,211,225,646	Ordinary	£0.001	**1,211,226**	1

On the 31 October 2019, 1,000 Ordinary Shares of £0.001 were issued at par value.

Between 20 February 2021 and 29 October 2021, a further 1,211,224,646 Ordinary Shares of £0.001 were issued at par value.

18. RESERVES

Group

	Retained earnings £	**Share premium £**	**Other reserves £**	**Fair value reserve £**	**Totals £**
Profit for the year	**311,707**	**-**	**-**	**-**	**311,707**
Cash share issue	**-**	**9,816,612**	**-**	**-**	**9,816,612**
Share based payments	**-**	**-**	**853,593**	**-**	**853,593**
Crypto currencies	**-**	**-**	**-**	**30,967**	**30,967**
At 31 October 2021	**311,707**	**9,816,612**	**853,593**	**30,967**	**11,012,879**

Company

	Retained earnings £	**Share premium £**	**Other reserves £**	**Fair value reserve £**	**Totals £**
Deficit for the year	**(600,486)**	**-**	**-**	**-**	**(600,486)**
Cash share issue	**-**	**9,816,612**	**-**	**-**	**9,816,612**
Share based payments	**-**	**-**	**853,593**	**-**	**853,593**
Crypto currencies	**-**	**-**	**-**	**30,967**	**30,967**
At 31 October 2021	**(600,486)**	**9,816,612**	**853,593**	**30,967**	**10,100,686**

Other reserves
Other reserves represent the fair value of warrants issued during the year, including associated costs.

Fair Value reserve
The fair value reserve represents the fair value movements on crypto currencies held as cash and cash equivalents.

continued...

19. TRADE AND OTHER PAYABLES

	Group		Company	
	31.10.21	31.10.20	**31.10.21**	31.10.20
	£	£	**£**	£
Current:				
Trade creditors	**210,412**	-	**148,341**	-
Social security and other taxes	**13,480**	-	**-**	-
Accrued expenses	**60,202**	-	**29,250**	-
Directors' current accounts	**4,000**	-	**-**	-
	288,094	-	**177,591**	-

20. FINANCIAL INSTRUMENTS

	Group - Assets per balance sheet		
	Assets at fair value through profit and loss	**Financial assets at amortised cost**	**Total**
	£	**£**	**£**
Year ended 31 October 2021			
Investments	2,005,565	-	2,005,565
Trade and other receivables, excluding tax and prepayments	-	250,051	250,051
Cash and cash equivalents	-	10,044,062	10,044,062
	2,005,565	**10,294,113**	**12,299,678**

	Group - Liabilities per balance sheet		
	Liabilities at fair value through profit and loss	Other financial **liabilities at amortised cost**	**Total**
	£	**£**	**£**
Year ended 31 October 2021			
Trade and other payables, excluding tax	-	274,614	274,614
	-	**274,614**	**274,614**

	Group - Assets per balance sheet		
	Assets at fair value through profit and loss	**Financial assets at amortised cost**	**Total**
	£	**£**	**£**
Period ended 31 October 2020			
Trade and other receivables, excluding tax and prepayments	-	1	1
	-	**1**	**1**

continued...

20. FINANCIAL INSTRUMENTS - continued

	Company - Assets per balance sheet		
	Assets at fair value through profit and loss	Financial assets at amortised cost	Total
	£	£	£
Year ended 31 October 2021			
Investments, excluding shares in subsidiaries	2,005,564	-	2,005,564
Trade and other receivables, excluding tax and prepayments	-	250,000	250,000
Cash and cash equivalents	-	7,903,409	7,903,409
	2,005,564	**8,153,409**	**10,158,973**

	Company - Liabilities per balance sheet		
	Liabilities at fair value through profit and loss	Other financial liabilities at amortised cost	Total
	£	£	£
Year ended 31 October 2021			
Trade and other payables, excluding tax	-	177,591	177,591
	-	**177,591**	**177,591**

21. RELATED PARTY DISCLOSURES

The company made payments to the following companies in relation to directors' fees:

	Year Ended 31.10.21	Period 31.10.19 to 31.10.20
	£	£
Briarmount Ltd - TV Le Druillenec	**28,000**	-
Carraway Corp - RM Rutledge	**24,000**	-
Dark Peak Services Ltd - NJ Lyth	**38,000**	-
Marallo Holdings - MS Edwards	**64,000**	-
	154,000	-

As at 31.10.21, the company owed £6,000 (31.10.20: £Nil) to Carraway Corp and £8,000 (31.10.20: £Nil) to Marallo Holdings.

As at 31.10.21, there were director's loan outstanding to PJ Blows £2,000 (31.10.20: £Nil) and DG Try £2,000 (31.10.20: £Nil).

continued...

22. SHARE-BASED PAYMENT TRANSACTIONS

Details of the number of share warrants outstanding:

	31.10.21
Outstanding at the start of the year	-
Granted during the year	40,600,000
Forfeited during the year	-
Exercised during the year	-
Outstanding at the end of the year	40,600,000
Exercisable at the end of the year	40,600,000

Of the 40,600,000 share warrants granted during the year, 31,500,000 were granted at an exercise price of £0.01 per share and 9,100,000 at an exercise price of £0.03 per share.

The vesting dates of the share warrants granted during the year were 23,500,000 with a vesting date of 4 March 2021 and 17,100,000 with a vesting date of 30 April 2021.

The share warrants outstanding at the end of the year have a weighted average remaining contractual life of 2.86 years.

The fair value of the share warrant rights granted under the scheme are valued using the Black-Scholes option pricing model with the following weighted-average assumptions:

	31.10.21
Risk free rate	0.77% to 0.78%
Expected life	1.0 to 2.5
Volatility	113% to 114%

Using the above calculation method, the weighted average fair value of warrants at 31 October 2021 were assessed as £853,593.

23. RECONCILIATION OF PROFIT/LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

Group

	Year Ended 31.10.21 £	Period 31.10.19 to 31.10.20 £
Profit before income tax	311,707	-
Depreciation charges	516	-
Gain on revaluation of fixed assets	(564,000)	-
Movement in share based payment reserve	681,561	-
Negative goodwill generated from bargain	(912,192)	-
Finance income	(273)	-
	(482,681)	-
Increase in trade and other receivables	(267,608)	(1)
Increase in trade and other payables	177,592	-
Cash generated from operations	(572,697)	(1)

continued...

23. RECONCILIATION OF PROFIT/LOSS BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS - continued

Company

	Year Ended 31.10.21 £	Period 31.10.19 to 31.10.20 £
Loss before income tax	(600,486)	-
Depreciation charges	516	-
Gain on revaluation of fixed assets	(564,000)	-
Movement in share based payment reserve	681,561	-
Finance income	(273)	-
	(482,682)	-
Increase in trade and other receivables	(267,608)	(1)
Increase in trade and other payables	177,591	-
Cash generated from operations	(572,699)	(1)

24. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statements of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	Group		Company	
Year ended 31 October 2021	31.10.21 £	1.11.20 £	31.10.21 £	1.11.20 £
Cash and cash equivalents	10,044,062	-	7,903,409	-
Period ended 31 October 2020	31.10.20 £	31.10.19 £	31.10.20 £	31.10.19 £

25. ACQUISITION OF BUSINESS

During the year, the Company acquired the net assets and share capital of Accru Finance Limited and Defi Yield Technologies Inc. for a total cash consideration of £694,959 plus shares in the Company - see Major Non-Cash Transactions note below.

26. MAJOR NON-CASH TRANSACTIONS

During the year, the Company issued and allotted new shares valued at £598,724 in exchange for share capital in Accru Finance Limited and Defi Yield Technologies Inc.

27. BUSINESS COMBINATIONS

In October 2021, the Company acquired the entire share capital in Defi Yield Technologies Inc (a company incorporated in Canada) and Accru Finance Limited (a company incorporated in England).

The consideration for the purchase of Defi Yield Technologies Inc comprised 2 rounds of initial investment in May and August 2021 totalling CAD $1M for a 6.1% interest, followed by the issue of 348,725,646 new ordinary shares in the Company for the remaining share capital.

The consideration for the purchase of Accru Finance Limited was £8.75M satisfied by the issue of 250M new ordinary shares in the Company.

continued...

27. **BUSINESS COMBINATIONS - continued**

Recognised amount of identifiable assets acquired and liabilities assumed

	Defi	**Accru**	**Total**
	£	**£**	**£**
Tangible assets	2,073	6,108	8,181
Intangible assets	-	94,667	94,667
Investments	-	4,820	4,820
Trade and other receivables	24,754	43,834	68,588
Cash and cash equivalents	1,702,116	438,008	2,140,124
Trade and other payables	(60,353)	(50,150)	(110,503)
	1,668,590	537,287	2,205,877
Gain on bargain purchase	(717,093)	(195,099)	(912,192)
Total purchase consideration	**951,497**	**342,188**	**1,293,685**

Consideration			
Cash	602,771	92,188	694,959
Shares	348,726	250,000	598,726
Total purchase consideration	**951,497**	**342,188**	**1,293,685**
Cash outflow	**602,771**	**92,188**	**694,959**

28. **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

- Credit risk,
- Interest rate risk,
- Liquidity risk.

This note presents information about the Group's exposure to each of the above risks, its objectives, policy and procedures for measuring and managing risks. Quantitative information is included in other notes to the consolidated financial statements.

The management of the Group ensures the definition and control of the risk management policy. The objective of this policy is to identify and analyse the risks facing the Group, to define the limits within which the risks must fall, to manage the risks and to ensure compliance with the defined limits. The risk management policy and systems are regularly reviewed to take into account changes in market conditions and activities of the Group. The Group, through its management rules, aims to develop a rigorous and constructive environment in which employees have a good understanding of their roles and obligations.

<u>Credit Risk</u>
Credit risk represents the risk of financial loss for the Group in the event that a client or counterparty to a financial instrument breaches its contractual obligations.

The carrying amount of financial assets represents the maximum exposure to credit risk.

<u>Trade receivables</u>
Whist there are zero Trade receivables at present it is envisaged that this may change in the future depending on the nature of the Group's commercial relationships with its customers

continued...

28. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - continued

Cash and cash equivalents
The Group's investment policy is to utilize its experience in the Centralised and Decentralised Finance Sector to obtain yield income in excess of what could be obtained by conventional banking, whilst at the same time holding sufficient cash with its conventional banks to meet day to day working capital requirements. This policy introduces risk in that these deposits are held via Smart Contracts. Some Smart Contracts in the past have been hacked, resulting in loss of some or all deposits. The Group assesses the precise Smart Contracts to deposit with so as to minimize this risk

The Group is not exposed to interest rate risk as it has no debt

Liquidity risk
The Group makes sure it has sufficient funds to meet its liabilities by (i) preserving sufficient cash;(ii) maintaining high free cash flow and (iii) having a corporate treasury department tasked with pooling surplus cash and cash needs.

29. POST BALANCE SHEET EVENTS

The Group’s name was changed from Dispersion Holdings plc to AQRU plc on 10 January 2022.