

# THE GIFT & LOYALTY COMPANY LIMITED

## ANNUAL REPORT AND FINANCIAL STATEMENTS

Registration Number: 03941797

YEAR TO 31 MARCH 2021



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## Directors' Report

The Directors present their report and financial statements for the year ended 31 March 2021.

### Business Review

The principal activity of the Company is that of operating and developing Loyalty Schemes and Prepaid Gift Card Schemes for major international brands. In a previous financial year the decision was taken to scale back the company's activities, with the wider group under which the company is controlled, concentrating on its Visa open loop proposition.

As a consequence, the Company has been inactive during the current financial year. The technology, systems, process and resources remain available, albeit focused on the wider group's operations currently. The provision of loyalty and gift services to existing and new clients in the Visa proposition arise at times. Where opportunities to consolidate existing or new relationships arise, the services of the Company are capable to being activated.

During this period of inactivity, the sister company, Contis Financial Services Limited, will support the Company until such time as it recommences the provision of its services.

### Principal Income Streams for The Gift & Loyalty Company

In prior years, the Company earned revenues from programme set up, card creation and transaction fees relating to the cards.

### Principal Risks and Uncertainties

The management of the business and the execution of its strategy are subject to a number of potential risks. The key business risks and uncertainties that could affect the Company are considered to relate to the value of the investment that is made, the level of income generated by its platform, fraud attacks, plus any regulatory changes that may occur in the gift card services market. The Directors mitigate these risks by closely monitoring their investments and business functions, plus ensuring that they keep abreast of all legislation that effect payments in the areas that the Company operates in.

The United Kingdom agreed a new trade deal with the European Union from 1 January 2021, following its departure the EU on 31 January 2020. At present, the Company is not active but ordinarily operates predominantly in the UK, within an unregulated market, and as a result the directors do not anticipate that the trade deal will have a material impact on the Company or its future prospects.

### Key Performance Indicators

During the year ended 31 March 2021 the Company processed no transactions (2020: no transactions).

### Results & Dividends

Results of the year are set out in the profit and loss accounts on page 9. The loss for the year was £nil (2020: £nil).

The Directors do not recommend the payment of the final dividend (2020: nil).

### Directors

The following directors have held office during the financial year:

Peter J Cox  
Lee Johnstone

### Creditor Payment Policy

The Company's current policy concerning the payment of trade creditors is to:

- (i) Settle the terms of payment with the suppliers when agreeing the terms of each transaction.
- (ii) Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts.
- (iii) Pay in accordance with the company's contractual and other legal obligations.

The Company's trade creditors at 31 March 2021 were equivalent to nil days of purchases (2020: nil days).

## Directors' Report (continued)

### Auditor

In accordance with section 485 of the Companies Act 2006, a resolution to reappoint BDO LLP as auditors of the Group and Company will be proposed at the next Annual General Meeting.

### Strategic report

The Gift & Loyalty Company Limited is exempt from the requirement to prepare a strategic report for small companies; in accordance with the Companies Act 2006.

### Disclosure of Information to Auditors

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware:

- there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### Statement of Going Concern

Although the Company has not traded during the current financial year, the financial statements are prepared on a going concern basis. At 31 March 2021 the Company had total liabilities of £3,393,537 and net liabilities of £3,393,537 and generated a result for the 12 month period to 31 March 2021 of £nil. As a result of the Company's inactivity during and subsequent to the financial year, there has been no impact arising from Covid-19. No impact is foreseen during the Company's ongoing period of inactivity, and services would only be resumed if viable.

As disclosed in the parent's group accounts for the year ended 31 March 2021, the Group relies on the long standing support of its shareholders. To date the principal shareholders have supplied the working capital needs of the Group through the purchase of new shares in the parent company and provision of secured interest-bearing loans. Based upon management forecasts there is no expectation for any future capital injections into the Group by the shareholders. At the date of approval of these financial statements, the shareholders continue their long standing support for the Group and confirmed that they will defer repayment of their convertible debt and accrued interest for the foreseeable future.

The directors are satisfied that the Company has the resources to continue in business for the foreseeable future. Further information can be found in note 1 to the financial statements.

### Political and charitable contributions

The Company did not make any charitable or political donations during the year (2020: £nil).

### Future Outlook

Although the decision was taken following the year end to scale back the company's activities, it remains poised to provide services to existing or potential clients that require its capabilities.

By order of the Board



P J Cox  
Director

28 July 2021

## Statement of Directors' Responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and applicable law.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **Independent Auditor's Report to members of The Gift & Loyalty Company Limited**

### **Opinion on the financial statements**

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of the Company's results for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of The Gift and Loyalty Company Limited ("the Company") for the year ended 31 March 2021, which comprise the statement of profit and loss and other comprehensive income, statement of financial position, statement of changes in equity, cashflow statement 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 Accounting Standards (IFRSs) in conformity 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.

### **Independence**

We remain independent of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **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 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.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Independent Auditor's Report to members of The Gift & Loyalty Company Limited (continued)

### Other Companies Act 2006 reporting

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

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

### Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

### *Extent to which the audit was capable of detecting irregularities, including fraud*

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

- We performed risk assessment procedures to identify the risk of material misstatement due to irregularities including fraud (fraud risks) and identified events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. We considered the following:

## Independent Auditor's Report to members of The Gift & Loyalty Company Limited (continued)

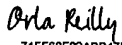
- We assessed significant accounting estimates for bias. These procedures also included identifying journal entries to test based on risk criteria and tracing the identified entries to supporting documentation.
- Non-compliance with laws and regulations was identified as a risk in relation to compliance with the Companies Act 2006 requirements among others. We also performed procedures to address these laws and regulations risks as part of our audit work.
- We made enquiries of management on compliance with laws and regulations and obtained a management representation letter confirming that management have provided us with all information necessary for us to evaluate whether there were any material noncompliance to laws and regulations including fraud in all jurisdictions where the company has business operations.
- We read minutes of management meetings, Board minutes and correspondence with regulators in order to identify any non-compliance with laws and regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that 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, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at:  
<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

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

DocuSigned by:  
  
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Orla Reilly (Senior Statutory Auditor)  
For and on behalf of BDO LLP, statutory auditor  
London, UK

28 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## Statement of Profit and Loss and Other Comprehensive Income

For the year ended 31 March 2021

	Notes	2021 £	2020 £
<b>Revenue</b>	2	-	-
Cost of sales		-	-
<b>Gross profit</b>		-	-
Other operating expenses		-	-
<b>Operating profit</b>	3	-	-
<b>Profit before tax</b>		-	-
Taxation	6	-	-
<b>Profit for the period</b>		-	-
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive gain for the period</b>		-	-

The notes on pages 13 to 21 form an integral part of these financial statements.

## Balance Sheet

As at 31 March 2021

		31 March 2021	31 March 2020
	Notes	£	£
<b>Current assets</b>			
Trade and other receivables	7	–	–
Cash and cash equivalents		–	141
<b>Total assets</b>		–	141
<b>Current liabilities</b>			
Trade and other payables	8	(38,035)	(38,035)
Other payables	9	(3,355,502)	(3,355,643)
<b>Total Liabilities</b>		(3,393,537)	(3,393,678)
<b>Net liabilities</b>		<b>(3,393,537)</b>	<b>(3,393,537)</b>
<b>Equity</b>			
Share capital	11	2	2
Retained earnings		(3,393,539)	(3,393,539)
<b>Total shareholders' liabilities</b>		<b>(3,393,537)</b>	<b>(3,393,537)</b>

These financial statements were approved by the board on 28 July 2021 and were signed on its behalf by:



**P J Cox**

Director

Company registration number: 03941797

The notes on pages 13 to 21 form an integral part of these financial statements.

## Statement of Changes in Equity

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2019	2	(3,393,537)	(3,393,537)
Result for the period	–	–	–
<b>Balance at 31 March 2020</b>	<b>2</b>	<b>(3,393,537)</b>	<b>(3,393,537)</b>
Result for the period	–	–	–
<b>Balance at 31 March 2021</b>	<b>2</b>	<b>(3,393,537)</b>	<b>(3,393,537)</b>

The notes on pages 13 to 21 form an integral part of these financial statements.

## Cash Flow Statement

For the year ended 31 March 2021

	31 March 2021 £	31 March 2020 £
<b>Loss before tax</b>	-	-
<i>Adjustments for:</i>		
<b>Movement in working capital:</b>		
Trade and other receivables	-	1,165,196
Trade and other payables	(141)	(1,174,761)
<b>Cash used in operations</b>	<b>(141)</b>	<b>(9,565)</b>
<b>Cash outflow from operating activities</b>	<b>(141)</b>	<b>(9,565)</b>
<b>Cash inflow from investing activities</b>	-	-
<b>Cash inflow from financing activities</b>	-	-
Net decrease in cash	(141)	(9,565)
Cash and cash equivalents at 1 April	141	9,706
<b>Cash and cash equivalents at 31 March</b>	<b>-</b>	<b>141</b>

The notes on pages 13 to 21 form an integral part of these financial statements.

## Notes to the Financial Statements

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### 1. Accounting policies

#### Incorporations and operations

The Gift & Loyalty Company Limited is a private company, limited by shares, incorporated and domiciled in the United Kingdom.

The registered office of The Gift & Loyalty Company Limited is Navigation House, Belmont Wharf, Skipton, North Yorkshire, United Kingdom, BD23 1RL.

#### Basis of preparation

The Company's financial statements have been prepared and approved by the directors in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. These financial statements are prepared on the historical cost basis.

The functional currency of the Company is Sterling. The Company's financial statements are presented in GBP and all values are rounded to the pound, except where otherwise indicated.

#### 1.1 Measurement convention

These financial statements are prepared on the historical cost basis.

Although the Company has not traded during the current financial year, the financial statements are prepared on a going concern basis. At 31 March 2021 the Company had total liabilities of £3,393,678 and net liabilities of £3,393,537 and generated a result for the 12 month period to 31 March 2021 of £nil. As a result of the Company's inactivity during and subsequent the financial year, there has been no impact arising from Covid-19. No impact is foreseen during the Company's ongoing period of inactivity, and services would only be resumed if viable.

As disclosed in the parent's group accounts for the year ended 31 March 2021, the Group relies on the long standing support of its shareholders. To date the principal shareholders have supplied the working capital needs of the Group through the purchase of new shares in the parent company and provision of secured interest-bearing loans. At the date of approval of these financial statements, the shareholders continue their long standing support for the Group and confirmed that they will defer repayment of their convertible debt and accrued interest for the foreseeable future.

#### 1.2 Going concern

Although the Company has not traded during the current financial year, the financial statements are prepared on a going concern basis, notwithstanding that the Company result of £nil for the year to 31 March 2021 (2020: £nil), operating cash outflows of £141 (2020: £9,565), net liabilities of £3,393,537 (2020: £3,393,537), and cash of £nil (2020: £141). The working capital needs of the Company up to the approval of these accounts have been provided by other group companies.

The directors of the Company and its parent company have prepared cash flow forecasts for the Group for the period to March 2023 which indicate that, taking account of reasonably possible downsides, the Group will have sufficient funds, through its existing funding from its investors, to meet its liabilities as they fall due for that period.

As disclosed in the parent's group accounts for the year ended 31 March 2021, those forecasts assume that the Group's investors will not seek repayment of the amounts currently due, which at 31 March 2021 amounted to £9.8m. The Group's investors have indicated that they do not intend to seek repayment of the amounts due at the balance sheet date, for a period of 13 months from the approval of these financial statements. The directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so, recognising the long standing support that has been provided in previous years.

The directors have applied reasonably possible downsides to their base case cash flow forecasts to assess the possible impact of reduced forecast income streams, particularly in light of Covid-19. The forecasts took into account the directors' plans to mitigate the effect of the events and conditions, for example through reducing its cost base to reflect the lower transaction volumes. The downside forecasts indicate that the Group will have sufficient funds, through its existing funding from its investors, to meet its liabilities as they fall due for that period.

The Group has indicated its intention to continue to make available such funds as are needed by the Company, and that group companies will not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 13 months from the date of approval of the financial statements and consequently have prepared the financial statements on a going concern basis.

## Notes (continued)

### 1. Accounting policies (continued)

#### 1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at the date. Foreign exchange differences arising on translation are recognised in the statement of profit and loss and other comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

#### 1.4 Revenue recognition

Revenue reflects amounts invoiced to clients.

Revenues are generated from our clients in the form of set up fees, annual / monthly charges, transaction fees and card production and fulfilment. All charges and fees are collected by invoice to the client.

Both set up fees and annual charges are recognised at the time of invoice. Monthly charges and transaction fees are invoiced at the end of the month in which the activity occurred. Card production and fulfilment are invoiced at the point cards have been despatched to the client. The performance obligation of the Company is making the gift card available for use by the card holder.

IFRS15 was adopted in the year ended 31 March 2019 and establishes a comprehensive framework for determining whether, how much and when revenue is recognised. The Group assessed the new requirements under IFRS 15 and concluded there was no material financial impact on the financial statements as a result of adopting IFRS 15.

#### 1.5 Classification of financial instruments issued by the Company

IFRS 9 primarily affects the classification and measurement of financial assets. The standard requires that all financial assets be classified as either held at fair value through profit or loss, fair value through other comprehensive income or amortised cost. The amortised cost classification is only permitted where the financial asset is held within a business model where the underlying cash flows are held in order to collect contractual cash flows, and those cash flows arise solely from the payment of principal and interest. Where both of these tests cannot be met, the financial asset is measured at fair value. Financial instruments issued by the Company will be classified as and continue to be measured at amortised cost, other than Visa Inc. preferred shares which will be measured at fair value through other comprehensive income. IFRS 9 offers two approaches for measuring and recognising the loss-allowance:

The General approach grades Financial Assets into three stages according to their credit quality. The general approach should be applied for all financial assets subject to impairment, except for trade receivables or contract assets that are without a significant financing component. For these assets the Simplified approach should be applied.

The Company applies the Simplified approach, whereby it is not required to determine the stage of a financial loss, because a loss allowance is recognised always at a lifetime expected credit loss.

#### 1.6 Financial instruments

Non-derivative financial instruments comprise of trade and other receivables, cash at bank and in hand, monies in trust, loans and borrowings, and trade and other payables.

##### Financial Assets

##### **Trade and other receivables**

Trade receivables are recognised initially at the fair value of the amount receivable and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. A provision for impairment is established when there is objective evidence that there is a difference between the carrying value and the recoverable amount.

##### **Intercompany balances**

Impairment provisions for receivables from related parties and loans related parties are recognised on a forward looking expected credit loss basis.

##### Financial Liabilities

##### **Trade and other payables**

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method in accordance with IFRS 9.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash and demand deposits classified as cash.

## Notes (continued)

### 1. Accounting policies (continued)

#### 1.7 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the Income Statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the year end and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

#### 1.8 Cost of Sales

Cost of sales comprises the cost directly associated with the revenue recognised during the year.

#### 1.9 Provision for impairment of receivables

The Company applies the IFRS 9 simplified approach – no need to determine the stage of a financial asset, because a loss allowance is recognised always at a lifetime expected credit loss.

An assessment is made at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (an 'incurred loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include: indications that the borrower or a group of borrowers is experiencing significant financial difficulty; the probability that they will enter bankruptcy or other financial reorganisation; default or delinquency in interest or principal payments; and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

#### 1.10 Adopted IFRS not yet applied

The following standards and interpretations have an effective date after the date of these financial statements.

Standard or interpretation	Title	Effective for accounting periods beginning on or after
IFRS9, IAS39, IFRS7, IFRS4 and IFRS16	Interest Rate Benchmark Reform—Phase 2	1 January 2021
IAS16	'Property, Plant and Equipment – Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
IFRS9	Fees in the '10 per cent' Test for Derecognition of Financial Liabilities (Amendment to IFRS 9)	1 January 2022
IFRS1	Subsidiary as first time adopter (Amendment to IFRS 1)	1 January 2022
IFRS3	Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)	1 January 2022
IAS37	Onerous Contracts - cost of Fulfilling a Contract (Amendments to IAS 37)	1 January 2022
IAS1	The IASB issued 'Classification of Liabilities as Current or Non-current (Amendment to IAS 1)'	1 January 2023
IFRS17	Insurance Contracts	1 January 2023

None of the standards and interpretations issued but not yet effective are not expected to have a material impact on the company.

## Notes (continued)

### 1. Accounting policies (continued)

#### 1.11 Accounting estimates and judgements

The preparation of financial statements in accordance with International Financial Reporting Standards requires the exercise of judgement both in the application of accounting policies and in the selection of assumptions used in the calculation of estimates. These estimates and judgements are continually reviewed and evaluated based on historical experience and other factors. However, actual results may differ from these estimates. Areas of significant judgment in these financial statements include:

- Income tax (note 6);
- Deferred tax (note 10); and
- Trade receivables (note 7).

### 2. Revenue by Type

	31 March 2021	31 March 2020
	£	£
Gift Cards	-	-

All revenue originates from the UK.

### 3. Expenses and auditor remuneration:

	31 March 2021	31 March 2020
	£	£
<b>Audit &amp; Accountancy Fees:</b>		
Fees payable to the Company's auditor for the audit of the Company's annual accounts	4,000	3,500

The auditors' remuneration for the audit of the Company for the year ended 31 March 2021 has been borne by the parent undertaking, Contis Group Limited and is disclosed in those financial statements.

### 4. Staff numbers and costs

The entity does not have any employees.

### 5. Directors' emoluments

The Directors did not receive any remuneration from the Company during the year. The Directors remuneration was borne by Contis Technologies Limited its sister company, and a wholly owned subsidiary of Contis Group limited.



## Notes (continued)

### 6. Income taxes

	31 March 2021	31 March 2020
	£	£
Current income tax expense	-	-
Deferred tax	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

A reconciliation of the tax expense on the loss before tax at the standard UK corporation tax rate to the actual expense is as follows:

	31 March 2021	31 March 2020
	£	£
<b>Loss before tax</b>	<b>-</b>	<b>-</b>
Tax calculated at standard rate of corporation tax in the UK of 19% (2020: 19%)	-	-
Group relief surrendered	-	-
<b>Total tax expense</b>	<b>-</b>	<b>-</b>

An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) will be enacted during 2021. This will increase the Company's future tax charge accordingly.

### 7. Trade and other receivables

	31 March 2021	31 March 2020
	£	£
Trade receivables	-	-
Less: Provision for impairment of receivables	-	-
Trade receivables – net	-	-
Intragroup receivables	-	-
	-	-

The carrying values of the Company's financial instruments are reasonable approximations of their fair value.

### 8. Trade and other payables

	31 March 2021	31 March 2020
	£	£
Trade payables	1,973	1,973
Other creditors	36,062	36,062
Taxation and Social security taxes	-	-
<b>38,035</b>	<b>38,035</b>	

## Notes (continued)

### 9. Other payables

	31 March 2021	31 March 2020
	£	£
<b>Intragroup payables:</b>		
Current	3,355,502	3,355,643
	<b>3,355,502</b>	<b>3,355,643</b>

The intragroup payables relate to cash movements between subsidiary companies and intragroup recharges for processing, services and management based on a transfer pricing model. The amount due non-interest bearing and is repayable on demand.

### 10. Deferred tax

The amount of unused tax losses carried forward on which a deferred tax asset has not been recognised, is as follows:

	31 March 2020	Movement not recognised during the year	31 March 2021
	£	£	£
At the period end	1,033,387	–	1,033,387
<b>Deferred tax at 19%</b>	<b>196,344</b>	<b>–</b>	<b>196,344</b>

The Company has not recognised deferred tax assets to date as there is insufficient certainty over the ability to use the amounts in the future.

### 11. Capital and Reserves

	31 March 2021	31 March 2020
	£	£
<b>Share Capital</b>		
Authorised share capital: 1,000 Ordinary shares of £1 each	1,000	1,000
Allocated, called up and fully paid		
Ordinary shares of £1 each	<b>2</b>	<b>2</b>

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

Retained earnings	All other net gains and losses and transactions with owners (e.g., dividends) not recognised elsewhere
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### 12. Capital and other financial commitments

The Company had no material capital commitments at the end of any of the financial periods.

## Notes (continued)

### 13. Related party transactions

#### Identity of related parties with which the Company has transacted

During the year the Company was controlled by Peter Cox as chairman and majority shareholder of the Company. The Company had transactions in the year with fellow subsidiary companies wholly owned by Contis Group Limited.

#### Group Companies

All the employees within the company are employed by Contis Technologies Limited and all central services are procured by the Contis Technologies Limited. During the year the Contis Technologies Limited provided wages marketing and central services to the Company totalling £nil (2020: £nil).

At 31 March 2021 the balance amount outstanding with Contis Technologies Limited was £nil (2020: £nil) and with Contis Group Limited was £3,355,502 (2020: £3,355,643).

#### Transactions with key management personnel

There were no material related transactions with Directors or key managers during the accounting period.

#### Other related party transactions

There were no material transactions with any other related parties during the accounting period.

### 14. Financial Instruments – Risk Management

The company is exposed through its operations to the following risks:

#### a) Capital management policy

The primary objective of the Company's capital management is to ensure that it has the capital required to operate and grow the business at a reasonable cost of capital without incurring undue financial risks. The Board periodically reviews its capital structure in order to ensure it meets changing business needs. The Company defines its capital as its share capital, share premium account, and retained earnings. In addition, the directors consider the management of debt to be an important element in controlling the capital structure of the Company.

#### b) Credit risk

The exposure to credit risk as at 31 March 2021 was as follows:

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument leading to a financial loss. The Company is exposed to credit risk from its financing activities primarily in relation to its cash and cash equivalents, deposits and trade receivables.

Credit risk from balances with banks and financial institutions is managed by depositing with reputable financial institutions, from which management believes loss to be remote. The Company's maximum exposure to credit risk, other than intragroup balances, for the components of the statement of financial position is the carrying amounts of cash at bank and in hand, trade and other receivables. The Company trades with other members of the group and intragroup balances have arisen, which the group have collectively agreed not to call in the next 12 months.

Credit evaluations are performed for all customers. Management has a policy in place and the exposure to credit risk is monitored on an on-going basis. At the year end there were no significant concentrations of risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Credit risk – 31 March 2021	On demand	Less than one year	Between one and five years	More than five years	Total
	£	£	£	£	£
Trade and other receivables	-	-	-	-	-
Cash and cash equivalents	-	-	-	-	-
	-	-	-	-	-

## Notes (continued)

### 14. Financial Instruments – Risk Management (continued)

#### b) Credit risk (continued)

Credit risk – 31 March 2020	On demand	Less than one year	Between one and five years	More than five years	Total
	£	£	£	£	£
Trade and other receivables	-	-	-	-	-
Cash and cash equivalents	(141)	-	-	-	(141)
	<b>(141)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(141)</b>

#### c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprise three types of risk: interest rate risk, currency risk and other prices risk, such as equity price risk.

The Company has no exposure to interest rate risk due to having no interest bearing loans or borrowings.

The Company has no exposure to foreign currency risk as it contracts in GBP and hold no foreign currency funds.

#### d) Liquidity risk

Cash flow is regularly monitored at group level and the relevant subsidiaries are aware of their working capital commitments. The Company reviews its long-term funding requirements in parallel with its long-term strategy, with an objective of aligning both in a timely manner.

The table below summarises the maturity profile of the Company's contractual undiscounted financial liabilities at 31 March 2020 and 31 March 2021.

Liquidity risk – 31 March 2021	On demand	Less than one year	Between one and five years	More than five years	Total
	£	£	£	£	£
Trade and other payables	-	3,393,537	-	-	3,393,537
	<b>-</b>	<b>3,393,537</b>	<b>-</b>	<b>-</b>	<b>3,393,537</b>

Liquidity risk – 31 March 2020	On demand	Less than one year	Between one and five years	More than five years	Total
	£	£	£	£	£
Trade and other payables	-	3,393,678	-	-	3,393,678
	<b>-</b>	<b>3,393,678</b>	<b>-</b>	<b>-</b>	<b>3,393,678</b>

## Notes (continued)

### 14. Financial Instruments – Risk Management (continued)

#### d) Liquidity risk (continued)

##### Financial instruments by Category

Financial assets	Amortisation cost 2021	Amortisation cost 2020
	£	£
Trade and other receivables	–	–
Cash and cash equivalents	–	141
	<b>–</b>	<b>141</b>

Financial Liabilities	Amortisation cost 2021	Amortisation cost 2020
	£	£
Trade and other payables	3,393,537	3,393,678
	<b>3,393,537</b>	<b>3,393,678</b>

The carrying values of the Company's financial instruments are reasonable approximations of fair value.

### 15. Ultimate Parent Company

The Company is a subsidiary undertaking of Contis Group Limited which is the immediate and ultimate parent company, incorporated in England.

The largest group in which the results of the Company are consolidated is that headed by Contis Group Limited. The consolidated financial statements are available from Navigation House, Belmont Wharf, Skipton, BD23 1RL.

### 16. Post balance sheet events

No material subsequent events have been noted.