Company Registration No. 05031907 (England and Wales)

ONE MONEY MAIL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ONE MONEY MAIL LIMITED

COMPANY INFORMATION

Director	P Mes
Company number	05031907
Registered office	c/o PKF Littlejohn 15 Westferry Circus Canary Wharf London E14 4HD England W5 1DT
Auditor	Azets Audit Services 2nd Floor Regis House 45 King William Street London EC4R 9AN

ONE MONEY MAIL LIMITED

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Introduction

The director presents the strategic report for the year ended 31 March 2021. The principal activity of the Group in the year under review was remittance services for the Polish Community in the United Kingdom (C2C, B2B) under One Money Mail Limited. 1MM Media Ltd is the publisher of the oldest Polish magazine in the United Kingdom, "Goniec Polski - The Polish Times", and the Polish community news website Goniec.com. DSS provides IT related services to Group companies and 1MM Real Estate deals in the business of property renting.

Fair review of the business

The Group has experienced a downturn in its turnover of 14% from the prior year, due to the ongoing impact of COVID-19 and due to Brexit. Another vital factor contributing to downturn of turnover was the decision to lower the margins to help the community through these difficult times. Control over expenditure has been effective as administrative expenses have decreased significantly by 29%. Overall profit before tax for the year was £680,148. The director is satisfied with the performance of the Group amid the overall state of the economy and business challenges over the year and believes that the Group has a profitable year ahead.

Principal risks and uncertainties

Operational risk

The Group maintains robust policies and procedures to control and mitigate risk in all its operations. The senior management team monitors operational risks on an appropriate basis with key information reported to the director.

Regulatory compliance risk

The Parent Company has continued to maintain compliance with the Payment Services Regulations and the Electronic Money Regulations.

Liquidity risk

The Parent Company has systems, procedures and working capital facilities in place to monitor and mitigate significant liquidity events.

Cybersecurity risk

The Parent Company's IT systems are subject to tried and tested systems and policies to prevent security incidents. The system comprises of security elements like physical security devices, antivirus, anti-malware, incident security monitoring, 2FA access control restrictions including passwords and permissions policies. All issues are recorded and resolved within the incident security management system. The Parent Company has in place backup and Business Continuity arrangements to make sure that crucial transactions platforms are under High Availability architecture.

Credit facilities risk

The Group continues to maintain good relationships with its banking facility providers.

Future developments

The Board has considered the ongoing impact of COVID-19 on the Group's business. Its conclusion is that, whilst it has created uncertainty on overall business activity, the Group's working capital base is sufficiently strong to enable the Board to be confident that the Group is well positioned and will continue to be once some stability returns to financial markets.

ONE MONEY MAIL LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Key performance indicators

The Board monitors the activities and performance of the Group on a regular basis. The Board uses financial indicators based on budget versus actual performance. Indicators used by the Board to assess performance during the year have included turnover, gross profit margin and operating profit margin and a regular review of operating expenses.

Promoting the success of the company

The Director considers, that the business is conducted in a such a way, to be in good faith, which would most likely promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172 (1)(a-f) of the Act) in the decisions taken during the year ended 31 March 2021; and in so having regard, amongst other matters to:

(a) the likely consequences of any decision in the long term;
(b) the interests of the company's employees
(c) the need to foster the company's business relationships with suppliers, customers and others;
(d) the impact of the company's operations on the community and the environment,
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the company.

The Director understands the importance of engaging with all its stakeholders and regularly discusses issues concerning clients, suppliers, community and environment, regulators and shareholders which inform its decision making processes.

On behalf of the board

P Mesc
Director
17 December 2021

ONE MONEY MAIL LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The director presents his annual report and financial statements for the year ended 31 March 2021.

Principal activities
The principal activity of the company and group continued to be that of money remittance services for the Polish Community in the United Kingdom.

Results and dividends
The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £75,000 (2020: £300,000). The director does not recommend payment of a further dividend.

Director
The director who held office during the year and up to the date of signature of the financial statements was as follows:

P Mes

Auditor
Azets Audit Services were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report
As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the director individually has taken all the necessary steps that they ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board

P Mes
Director

17 December 2021

ONE MONEY MAIL LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ONE MONEY MAIL LIMITED

Opinion

We have audited the financial statements of One Money Mail Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 and 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 director with respect to going concern are described in the relevant sections of this report.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

We have nothing to report in respect of the following matters where 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 director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the parent company's ability to continue as a going concem, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities 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.

ONE MONEY MAIL LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ONE MONEY MAIL LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we 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. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the entity through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. 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.

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.

Azets Audit Services

Anil Kapoor (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

17 December 2021

Chartered Accountants
Statutory Auditor

2nd Floor
Regis House
45 King William Street
London
United Kingdom
EC4R 9AN

ONE MONEY MAIL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 as restated £
Turnover	3	3,207,081	3,745,978
Cost of sales		(1,054,618)	(1,009,270)
Gross profit		2,152,463	2,736,708
Administrative expenses		(1,483,940)	(2,079,758)
Other operating income		51,852	2,387
Operating profit	5	720,375	659,337
Interest payable and similar expenses	8	(4,538)	(25,662)
Fair value movements on investment properties	9	(35,689)	(66,684)
Profit before taxation		680,148	566,991
Tax on profit	10	(35,986)	(1,797)
Profit for the financial year	26	644,162	565,194
Other comprehensive income			
Currency translation differences		(133,595)	11,570
Total comprehensive income for the year		510,567	576,764

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

ONE MONEY MAIL LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Intangible assets	12		1,951		6,780
Tangible assets	13		264,134		267,422
Investment properties	14		756,643		792,332
			1,022,728		1,066,534
Current assets					
Debtors	17	1,295,559		1,495,285	
Cash at bank and in hand		7,768,282		7,684,304	
		9,063,841		9,179,589	
***Creditors:* amounts falling due within one year**	18	(1,084,010)		(1,686,616)	
Net current assets			7,979,831		7,492,973
Total assets less current liabilities			9,002,559		8,559,507
Provisions for liabilities					
Provisions	19	10,200		2,425	
Deferred tax liability	20	75,893		76,183	
			(86,093)		(78,608)
Net assets			8,916,466		8,480,899
Capital and reserves					
Called up share capital	22		300,000		300,000
Other reserves			(133,800)		(205)
Investment property reserve	25		299,338		335,027
Profit and loss reserve	26		8,450,928		7,846,077
Total equity			8,916,466		8,480,899

The financial statements were approved and signed by the director and authorised for issue on 17 December 2021

P Mes
Director

ONE MONEY MAIL LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	13		2,111		1,393
Investments	16		1,164,467		31,910
			1,166,578		33,303
Current assets					
Debtors	17	1,280,908		2,565,973	
Cash at bank and in hand		7,555,920		7,549,321	
		8,836,828		10,115,294	
Creditors: amounts falling due within one year	18	(1,328,439)		(1,926,647)	
Net current assets			7,508,389		8,188,647
Net assets			8,674,967		8,221,950
Capital and reserves					
Called up share capital	22		300,000		300,000
Profit and loss reserve	26		8,374,967		7,921,950
Total equity			8,674,967		8,221,950

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £528,016 (2020 - £285,169 profit).

The financial statements were approved and signed by the director and authorised for issue on 17 December 2021

P Mes
Director

Company Registration No. 05031907

ONE MONEY MAIL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Profit and loss reserve £	Total £
Balance at 1 April 2019		300,000	7,936,781	8,236,781
Year ended 31 March 2020:				
Profit and total comprehensive income for the year		-	285,169	285,169
Dividends	11	-	(300,000)	(300,000)
Balance at 31 March 2020		300,000	7,921,950	8,221,950
Year ended 31 March 2021:				
Profit and total comprehensive income for the year		-	528,017	528,017
Dividends	11	-	(75,000)	(75,000)
Balance at 31 March 2021		300,000	8,374,967	8,674,967

ONE MONEY MAIL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital	Foreign exchange translation reserve	Investment property reserve	Profit and loss reserve	Total
		£	£	£	£	£
Balance at 1 April 2019		300,000	(11,775)	401,711	7,514,199	8,204,135
Year ended 31 March 2020:						
Profit for the year		-	-	(66,684)	631,878	565,194
Other comprehensive income:						
Currency translation differences		-	11,570	-	-	11,570
Total comprehensive income for the year		-	11,570	(66,684)	631,878	576,764
Dividends	11	-	-	-	(300,000)	(300,000)
Balance at 31 March 2020		300,000	(205)	335,027	7,846,077	8,480,899
Year ended 31 March 2021:						
Profit for the year		-	-	(35,689)	679,851	644,162
Other comprehensive income:						
Currency translation differences		-	(133,595)	-	-	(133,595)
Total comprehensive income for the year		-	(133,595)	(35,689)	679,851	510,567
Dividends	11	-	-	-	(75,000)	(75,000)
Balance at 31 March 2021		300,000	(133,800)	299,338	8,450,928	8,916,466

ONE MONEY MAIL LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Cash flows from operating activities					
Cash generated from operations	31		233,282		1,143,614
Interest paid			(4,538)		(25,662)
Income taxes paid			(71,071)		(567,561)
Net cash inflow from operating activities			157,673		550,391
Investing activities					
Purchase of tangible fixed assets		(1,928)		(688)	
Receipts arising from loans made		-		(1,679)	
Net cash used in investing activities			(1,928)		(2,367)
Financing activities					
Dividends paid to equity shareholders		(75,000)		(300,000)	
Net cash used in financing activities			(75,000)		(300,000)
Net increase in cash and cash equivalents			80,745		248,024
Cash and cash equivalents at beginning of year			7,675,248		7,427,224
Cash and cash equivalents at end of year			7,755,993		7,675,248
Relating to:					
Cash at bank and in hand			7,768,282		7,684,304
Bank overdrafts included in creditors payable within one year			(12,289)		(9,056)

1 Accounting policies

Company information

One Money Mail Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is PKF Littlejohn LLP, 15 Westferry Circus, Canary Wharf, London, E14 4HD.

The Group consists of One Money Mail Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a Group where the parent of that Group prepares publicly available consolidated financial statements, including this Company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Basis of consolidation

The consolidated Group financial statements consist of the financial statements of the Parent Company One Money Mail Limited together with all entities controlled by the Parent Company (its subsidiaries) and the Group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

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

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1 Accounting policies **(Continued)**

1.3 Going concern

The impacts of the COVID-19 virus are having a serious effect on the world economy. It is difficult to estimate both the severity and longevity of these impacts which may be mitigated to an extent by government economic policy and as well as success in stopping the spread of the virus. Although, indications are that the Group is not significantly affected by the COVID-19 virus, nevertheless there are material uncertainties created that relate to unemployment levels, income levels and movement of people across borders that may impact the business.

Taking into account the uncertainties mentioned in the foregoing paragraph, the director has a reasonable expectation that the Group will generate sufficient profits and cash flow to enable making payments to creditors as they fall due for a period of at least one year from the date of approval of these financial statements. The Group has a strong balance sheet with £8.9m net assets which includes a cash position of £7.6m at the reporting date. As such, the financial statements have been prepared on a going concern basis.

1.4 Turnover

Commission income on remittance transactions is recognised when the beneficiary of a payment order is paid.

Advertising income is recognised on the date on which a magazine is published. Amounts invoiced before the magazines are published are recognised as deferred income.

Festival income relates to hiring out exhibition, catering and advertising space. The income is recognised on the date on which the festival takes place. Amounts invoiced before the festival takes place are recognised as deferred income.

Revenue in respect of IT support services are recognised when performance of these obligations have been completed.

Rental income is recognised over the rental period which it relates.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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 no exceed ten years.

1.6 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, are stated as historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold property	2.5% per annum
Fixtures and fittings	25% straight line
Office equipment	25% straight line
Motor vehicles	25% straight line
Other fixed assets	2.5 - 30% straight line

1 Accounting policies **(Continued)**

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.7 Investment properties

The Group owns a property that is part occupied by itself, part by third parties and part unoccupied awaiting tenants. The element that is let to third parties or awaiting letting is accounted for on a fair value basis in accordance with FRS 102 section 16 and is not depreciated. Fair value gains and losses on the investment property are recognised in the statement of comprehensive income and reported separately within equity under the Investment property reserve.

1.8 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the Parent Company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the Company has significant influence. The Group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the Group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the Parent Company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the Group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1 Accounting policies **(Continued)**

1.9 Impairment of fixed assets

At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial Instruments

The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Group's balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies **(Continued)**

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1 Accounting policies **(Continued)**

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

1.12 Equity instruments

Equity instruments issued by the Group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1 Accounting policies **(Continued)**

1.14 Provisions

Provisions are recognised when the Group has a legal or constructive present obligation as a result of a past event, it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.18 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the year-end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income'.

2 *Judgements and key sources of estimation uncertainty*

In the application of the Group's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Valuation of investment property

The value of investment property is determined by a third party valuation.

The valuation method used is a combination of the net investment method, that involves estimating cash flows that can be generated from the property and discounting these to arrive at a present value and the comparison method, which uses recent market transactions in the vicinity of the investment.

Trade debtor impairment

Management use judgment based on available financial information regarding debtors to determine recoverability of customer debtors and whether a provision is required.

3 *Turnover and other revenue*

	2021	2020
	£	£
Turnover analysed by class of business		as restated
Money remittance	3,139,391	3,640,977
Miscellaneous income	3,101	3,710
Advertisement income	42,004	53,739
Rent receivable	22,585	47,552
	3,207,081	3,745,978

	2021	2020
	£	£
Other significant revenue		
Grants received	27,146	-

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Turnover analysed by geographical market		as restated
United Kingdom	3,184,496	3,698,426
Rest of Europe	22,585	47,552
	3,207,081	3,745,978

4 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	23,750	22,500
Audit of the financial statements of the company's subsidiaries	4,500	4,500
	28,250	27,000
For other services		
Taxation compliance services	3,500	3,500

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging:		as restated
Exchange differences	34,317	4,386
Depreciation of owned tangible fixed assets	5,216	11,835
Amortisation of intangible assets	4,829	28,477
Operating lease charges	87,575	114,304

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Management	3	3	2	1
Finance	5	4	2	1
Branches	7	11	7	11
E-commerce	16	16	-	1
Marketing	5	2	3	1
Anti-Money Laundering	4	3	1	1
Human Resources	1	1	1	1
Information Technology	8	10	-	-
Journalist	2	2	-	-
Administration	2	1	-	-
Total	53	53	16	17

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	674,892	808,407	343,776	487,982
Social security costs	64,028	87,636	23,374	41,352
Pension costs	10,415	4,456	4,875	4,875
	749,335	900,499	372,025	528,935

7 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	31,400	162,500
Company pension contributions to defined contribution schemes	942	4,875
	32,342	167,375

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

8 Interest payable and similar expenses

	2021	2020
	£	£
Other interest	4,538	25,662

9 Fair value gains/(losses)

	2021	2020
	£	£
Changes in the fair value of investment properties	(35,689)	(66,684)

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	35,986	1,797

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	680,148	566,991
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	129,228	107,728
Unutilised tax losses carried forward	-	21,376
R&D relief	(100,023)	(139,977)
Effect of change in investment property fair value	6,781	12,670
Taxation charge	35,986	1,797

11 Dividends

	2021	2020
Recognised as distributions to equity holders:	£	£
Dividends issued on equity shares	75,000	300,000

12 Intangible fixed assets

Group	Concessions, patents, licenses
	£
Cost	
At 1 April 2020 and 31 March 2021	121,462
Amortisation and impairment	
At 1 April 2020	114,682
Amortisation charged for the year	4,829
At 31 March 2021	119,511
Carrying amount	
At 31 March 2021	1,951
At 31 March 2020	6,780

The company had no intangible fixed assets at 31 March 2021 or 31 March 2020.

13 Tangible fixed assets

Group	Freehold property	Fixtures and fittings	Office equipment	Motor vehicles	Other fixed assets	Total
	£	£	£	£	£	£
Cost						
At 1 April 2020	275,525	65,130	164,013	3,110	67,989	575,767
Additions	-	-	1,928	-	-	1,928
At 31 March 2021	275,525	65,130	165,941	3,110	67,989	577,695
Depreciation and impairment						
At 1 April 2020	26,143	63,774	147,329	3,110	67,989	308,345
Depreciation charged in the year	-	793	4,423	-	-	5,216
At 31 March 2021	26,143	64,567	151,752	3,110	67,989	313,561
Carrying amount						
At 31 March 2021	249,382	563	14,189	-	-	264,134
At 31 March 2020	249,382	1,356	16,684	-	-	267,422

13 Tangible fixed assets (Continued)

Company	Fixtures and fittings	Motor vehicles	Other fixed assets	Total
	£	£	£	£
Cost				
At 1 April 2020	154,633	3,110	67,989	225,732
Additions	1,928	-	-	1,928
At 31 March 2021	156,561	3,110	67,989	227,660
Depreciation and impairment				
At 1 April 2020	153,240	3,110	67,989	224,339
Depreciation charged in the year	1,210	-	-	1,210
At 31 March 2021	154,450	3,110	67,989	225,549
Carrying amount				
At 31 March 2021	2,111	-	-	2,111
At 31 March 2020	1,393	-	-	1,393

The carrying value of land and buildings comprises:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Freehold	249,382	249,382	-	-

14 Investment property

	Group	Company
	2021	2021
	£	£
Fair value		
At 1 April 2020 and 31 March 2021	792,332	-
Net gains or losses through fair value adjustments	(35,689)	-
At 31 March 2021	756,643	-

The fair value of the investment property has been arrived at on the basis of a valuation carried out in 2021 by Estim Consultancy, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

15 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

15 Subsidiaries (Continued)

Name of undertaking	Registered office	Class of shares held	% Held Direct
1 MM Media Limited	UK	Ordinary	100.00
1 MM Real Estate Sp. z.o.o	Poland	Ordinary	100.00
Dia Damych Swolch Sp. z.o.o	Poland	Ordinary	100.00

16 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	15	-	-	1,164,467	31,910

Movements in fixed asset investments

Company

	Shares in subsidiaries £
Cost or valuation	
At 1 April 2020	827,053
Additions	1,284,372
At 31 March 2021	2,111,425
Impairment	
At 1 April 2020	795,143
Impairment losses	151,815
At 31 March 2021	946,958
Carrying amount	
At 31 March 2021	1,164,467
At 31 March 2020	31,910

17 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	646,993	747,796	637,919	726,389
Corporation tax recoverable	270,143	220,143	270,143	220,143
Amounts owed by group undertakings	-	-	37,604	1,168,588
Other debtors	297,772	475,963	270,003	415,395
Prepayments and accrued income	80,651	51,383	65,239	35,458
	1,295,559	1,495,285	1,280,908	2,565,973

18 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Bank loans and overdrafts		12,289	9,056	12,289	9,056
Trade creditors		184,068	99,429	170,924	79,510
Amounts owed to group undertakings		-	-	388,578	355,181
Corporation tax payable		15,630	4,766	-	-
Other taxation and social security		70,461	162,172	22,269	113,625
Other creditors		754,888	1,375,875	701,379	1,340,325
Accruals and deferred income		46,674	35,318	33,000	28,950
		1,084,010	1,686,616	1,328,439	1,926,647

19 Provisions for liabilities

	Group 2021 £	2020 £	Company 2021 £	2020 £
	10,200	2,425	-	-

Movements on provisions:

Group	**£**
At 1 April 2020	2,425
Additional provisions in the year	7,775
At 31 March 2021	10,200

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

Group	Liabilities 2021 £	Liabilities 2020 £
Revaluations of investment property to fair value	76,183	76,183
Revaluations	(290)	-
	75,893	76,183

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2021 £	Company 2021 £
Liability at 1 April 2020	76,183	-
Credit to profit or loss	(290)	-
Liability at 31 March 2021	75,893	-

21 Retirement benefit schemes

Defined contribution schemes	2021 £	2020 £
Charge to profit or loss in respect of defined contribution schemes	10,415	4,456

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
Ordinary shares of £1 each	300,000	300,000	300,000	300,000

23 Revaluation reserve

The revaluation reserves represents the fair value gains/(losses) on revaluation of the investment property.

24 Foreign exchange reserve

The foreign exchange reserve represents the accumulated unrecognised gains/(losses) on the translation of foreign subsidiaries upon consolidation.

25 Investment property reserve

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
At the beginning of the year	335,027	401,711	-	-
Non distributable profits in the year	(35,689)	(66,684)	-	-
At the end of the year	299,338	335,027	-	-

26 Profit and loss reserve

The retained earnings account represents accumulated profits and losses.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Within one year	55,000	84,219	45,000	44,219
Between two and five years	117,041	172,795	117,041	162,822
	172,041	257,014	162,041	207,041

28 Related party transactions

At the year end was £265,000 (2020: £175,000) owed to the company from VarsoviaFX Limited, a related party by virtue of the director's wife having a controlling interest. The amount due to the company relates to advanced working capital funds. The balance is included within other debtors.

29 Directors' transactions

Dividends totalling £75,000 (2020 - £300,000) were paid in the year in respect of shares held by the company's directors.

Included in note 18 is an amount of £3,345 (2019: £1,666) due from the director to the company.

30 Controlling party

The ultimate controlling party of the Group and Company is the director, Pawel Mes.

The consolidated financial statements are prepared by One Money Mail Limited and are available at companies house.

31 Cash generated from group operations

	2021	2020
	£	£
Profit for the year after tax	644,162	565,194
Adjustments for:		
Taxation charged	35,986	1,797
Finance costs	4,538	25,662
Amortisation and impairment of intangible assets	4,829	28,477
Depreciation and impairment of tangible fixed assets	5,216	11,835
Other gains and losses	35,689	66,684
Increase/(decrease) in provisions	7,775	(40,593)
Movements in working capital:		
Decrease in debtors	249,726	1,063,651
Decrease in creditors	(754,639)	(579,004)
Decrease in deferred income	-	(89)
Cash generated from operations	233,282	1,143,614

32 Analysis of changes in net funds - group

	1 April 2020	Cash flows	31 March 2021
	£	£	£
Cash at bank and in hand	7,684,304	83,978	7,768,282
Bank overdrafts	(9,056)	(3,233)	(12,289)
	7,675,248	80,745	7,755,993

33 Prior period adjustment

The prior period adjustment relates to a reduction of turnover and rental costs by £59,481. The reduction relates to income and expenditure that should have been presented net within operating costs. The adjustment has had no impact upon profit after tax or net assets as previously reported. Turnover reported in year ended 31 March 2020 has changed from £3,805,459 to £3,745,978. Administrative expenses have changed from £2,139,239 to £2,079,758.