

Registration number 05395024 (England and Wales)

ToLuna Group Limited

Directors' report and financial statements

for the year ended 31 December 2020

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ToLuna Group Limited

Company information

Directors	Frédéric-Charles Petit Tonmoy Mukherjee
Company number	05395024 (England and Wales)
Registered office	Ealing Cross 85, Uxbridge Road London W5 5TH
Auditor	Constantin 25 Hosier Lane London EC1A 9LQ United Kingdom

Contents

	Page
Strategic Report	1-3
Directors' Report	4-6
Independent Auditors' Report	7-9
Statement of Comprehensive Income	10
Balance sheet	11
Statement of Cash Flows	12
Statement of Changes in Equity	13
Notes to the Financial Statements	14-26

Strategic Report
For the year ended 31 December 2020

Introduction

This Strategic report has been prepared solely to provide additional information to shareholders to assess ToLuna Group Limited's strategies and the potential for those strategies to succeed.

The Strategic report contains certain forward-looking statements. These statements are made by the directors in good faith based on the information available to them up to the time of their approval of this report and such statements should be treated with caution due to their inherent uncertainties, including both economic and business risk factors, underlying such forward-looking information.

The directors, in preparing this Strategic report, have complied with s414C of the Companies Act 2006.

Principal activity of the business and objectives

ToLuna Group Limited ("the Company") holds investments in entities which provide online panel and technology services to the market research industry.

Business review

The results of the Company for the year, as set out on page 9, show a loss on ordinary activities before tax of £487k (2019: Loss of £1,203k).

Summary of key performance indicators

The Company's key financial performance indicators are other income, and financial loss.

Principal risks and uncertainties

Principal risks and uncertainties	Group's mitigating actions/plan
Level of repeat business from clients	ToLuna Group Limited's subsidiaries seek to reduce this risk by both making sure the existing clients are highly satisfied and by investing in new tools and new markets.
Ability to attract and retain panellists	ToLuna Group Limited's subsidiaries reduce this risk by offering a unique community approach and by constantly innovating in order to provide a better panellist experience.
Fluctuation in global foreign exchange rates	ToLuna Group Limited's subsidiaries' philosophy is to limit to the bare necessity the amount of the transactions processed in a currency that is not the functional currency of the local entity.
Exposure to reduced demand for services due to the level of activity in the global economy	ToLuna Group Limited's subsidiaries believe that innovation will allow gaining market share at a higher speed than the demand for service may decrease. This applies, under other things, in converting off-line market research to on-line so that the nominal value of the activity globally increases.

As ToLuna Group is a holding company, no impact is expected following the Brexit.

ToLuna Group Limited

Strategic Report (continued) For the year ended 31 December 2020

Key performance indicators

The Company's key financial and other performance indicators during the year were as follows:

	2020	2019	Change	Change
	£'000	£'000	£'000	
Income	2 981	112	+ 2 869	2562%
Operating profit/(loss)	1 223	269	+ 954	-355%
Cash	452	1 996	- 1 544	-77%
Financial results	(1 711)	(1 471)	- 240	-16%

Operating profit has increased due to intercompany billing of employees under Toluna Group payroll and dividends received from Toluna India through Toluna Cyprus.

The bank balance has decreased mainly due to the additional investment in Toluna SAS capital increase in 2020.

The financial loss comes from the holding activity of ToLuna Group with interest payments on intercompany loans and banking fees.

Strategy

The Company's strategy is to support the growth of the operational business by supporting the creation of new legal entities in terms of shareholding and financing.

Toluna Holdings Group was impacted by COVID 19 epidemic in early 2020 but remains confident in its capacity to continue to deliver steady business performance.

Future developments

No major change is expected in terms of business for the Company and its subsidiaries in 2021. Brexit is effective in 2021 but due to the nature of services offered by the Group and the way it operates, the impacts on our business are expected to be limited.

Shareholding

Interests in the ordinary share capital of the Company are the following:


Name of holders	31 December 2020		31 December 2019	
	Number of shares	% held	Number of shares	% held
Toluna Holdings Limited*	55 404 340	100%	55 404 340	100%

*formerly ITWP Acquisition Limited, renamed on July 24th, 2020)

Toluna Group Limited

Strategic Report (continued)
For the year ended 31 December 2020

This report was approved by the Board of Directors on December 14th, 2021 and signed on behalf of the board by:


Tonmoy Mukherjee (Dec 14, 2021 11:24 GMT)

Tonmoy Mukherjee
Director

Directors' Report
For the year ended 31 December 2020.

The Directors present their report and the audited financial statements for the year ended 31 December 2020.

Results and dividends

The results for the year are set out on page 10.

Strategic Report

The following details are disclosed within the strategic report:

- The company's principal activity of the business and objectives;
- The company's principal risks and uncertainties;
- The company's key performance indicators;
- The company's strategy;
- The company's future development.

Post balance sheet events

Toluna Group Ltd is a holding company whose revenues are based on intercompany cost recharges therefore there is no particular impact expected following the Brexit.

Subsequent COVID 19 related lockdowns decided in 2021 have had no further impact on the entity and in the Director's assessment of the going concern.

Directors

The Directors who served throughout the year and up to the date of signing the accounts were:

F-C Petit	Director and Chief Executive Officer
Tonmoy Mukherjee	Director and Global Head of Legal (appointed 30 th September 2020)
P Camagne	Director and Chief Financial Officer (resigned 30 th September 2020)

Statement of Directors' responsibilities

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have to prepare the Company's financial statements in accordance with International Financial Reporting Standards as adopted by the European Union. Under that 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 the affairs of the Company and of the profit or loss of the Company for that year.

In preparing those financial statements, the Directors are required to:

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

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

Directors' Report (continued)
For the year ended 31 December 2020

time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for the system of internal control, for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ownership

Since 19 April 2011, ToLuna Group Limited has been entirely privately owned by ITWP Acquisitions Limited, incorporated in the United Kingdom. ITWP Acquisitions Limited was renamed Toluna Holdings Limited on August 12th, 2020.

As at 31 December 2020 and as at prior year-end, ToLuna Group Limited was exempt from preparing consolidated accounts as it met the conditions of not presenting consolidated financial statements under IFRS 10.

At that date, Toluna Holdings Limited fully consolidated ToLuna Group Limited and issued consolidated financial statements which comply with International Financial Reporting Standards. These consolidated accounts are available at the registered office of Toluna Holdings Limited: 85, Uxbridge Road, Ealing Cross London W5 5TH.

Employees' involvement

Employees are kept informed of the performance of the Company through personal briefings, regular meetings and e-mails. The financial and economic factors affecting the Company's performance are also communicated by senior management through informal briefings.

Employment of disabled persons

It is the policy of the Company to give full and fair consideration to the employment of disabled persons in jobs suited to their individual circumstances and, as appropriate, to consider them for recruitment opportunities, career development and training. Where possible, arrangements are made for the continuing employment of employees who have become disabled whilst in the Company's employment.

Small Company Provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Going concern

These financial statements have been prepared on a going concern basis. The Company's business activities, together with the factors likely to affect its future development and position, are set out above.

The Directors are therefore confident that the Company will continue in operational existence for the foreseeable future. On this basis, the Directors continue to adopt the going concern basis for the preparation of the annual financial statements.

The directors of Toluna Holdings, the immediate parent company, have confirmed that they will support the company to enable it to meet its third-party liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial

Directors' Report (continued)
For the year ended 31 December 2020

statements. The directors took into account the impact of the covid-19 crisis and the impact of Brexit in making their assessment of going concern.

Toluna Group Ltd is a holding company whose revenues are based on intercompany cost recharges therefore there is no real impact of Covid-19.

Auditor

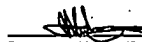
Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

The auditors, Constantin, have expressed their willingness to continue in office.

Date: December 14th, 2021



Tonmoy Mukherjee (Dec 14, 2021 11:24 GMT)

Tonmoy Mukherjee
Director

Independent auditor's report to the members of ToLuna Group Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of ToLuna Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss 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 International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law, and international accounting standards in conformity with the requirements of the Companies Act 2006 and IFRSs as issued by the IASB.

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 Financial Reporting Council's (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 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information 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

Independent auditor's report to the members of ToLuna Group Limited (continued)

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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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

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, 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 considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements: These included UK Companies Act, and tax legislation etc; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as tax, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are

Independent auditor's report to the members of ToLuna Group Limited (continued)

indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

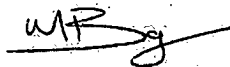
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

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.



Mark Bathgate FCA (Senior Statutory Auditor)

For and on behalf of Constantin

Chartered Accountants and Statutory Auditor

25 Hosier Lane

London EC1A 9LQ

United Kingdom

Date: December 14th, 2021

ToLuna Group Limited

**Statement of Comprehensive Income
For the year ended 31 December 2020**

Continuing operations		Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
	Note		
Other operating income		66	3
Other income	2	2 915	109
Other operating expenses	3	(724)	753
Staff costs	4	(1 033)	(591)
Operating profit before amortisation		1 224	274
Amortisation		(1)	(5)
Operating profit		1 223	269
Finance income	5	87	41
Finance costs	5	(1 798)	(1 512)
Loss before tax		(487)	(1 203)
Taxation	6	-	-
Loss for the financial year		(487)	(1 203)
Write off fixed assets revaluation		-	-
Total comprehensive loss for the year		(487)	(1 203)

There are no recognised gains or losses other than the profit for the financial year.

Turnover and operating profit are all derived from continuing operations.

The notes on pages 14 to 26 form an integral part of these financial statements.


ToLuna Group Limited

**Balance sheet
As at 31 December 2020**

		31 December 2020 £'000	31 December 2019 £'000
	Note		
Non-current assets			
Intangible assets	8	-	-
Tangible assets	7	1	1
Investment in subsidiary undertakings	9	61,837	57,169
		<u>61,838</u>	<u>57,170</u>
Current assets			
Trade & other receivables	10	1,588	2,419
Loans & cash advances	11	10,864	11,177
Cash & cash equivalents		452	1,996
		<u>12,904</u>	<u>15,592</u>
Current liabilities			
Trade & other payables	12	3,665	3,598
Loans & cash advances	14	21,280	7,780
		<u>24,945</u>	<u>11,378</u>
Net current assets/(liabilities)		<u>(12,041)</u>	<u>4,214</u>
Total assets less current liabilities		<u>49,797</u>	<u>61,384</u>
Non-current liabilities			
Loans	15	-	11,100
Net assets		<u>49,797</u>	<u>50,283</u>
Equity			
Share capital	16	554	554
Share premium account		44,271	44,271
Retained earnings		4,971	5,458
Total equity		<u>49,796</u>	<u>50,283</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements of ToLuna Group Limited (registered number 05395024) were approved by the board of directors and authorised for issue on December 14th, 2021. They were signed on its behalf by


Tonmoy Mukherjee (Dec 14, 2021 11:24 GMT)

Tonmoy Mukherjee
Director

The notes on pages 14 to 26 form an integral part of these financial statements.

ToLuna Group Limited

Statement of Cash Flows
For the year ended 31 December 2020

	2020 £'000	2019 £'000
Operating activities		
Operating profit before amortisation	1,224	274
Decrease/(Increase) in receivables	831	(1,214)
(Decrease)/Increase in payables	67	(980)
Change in Working Capital	898	(2,194)
Taxation	-	-
Net cash (used)/generated from operating activities	2,122	(1,920)
Investing activities		
Capital increase in Toluna SAS	(4,658)	-
Capital increase in Toluna Brazil	-	(10)
(Purchase)/Sales of intangible and tangible assets	-	-
Net cash (used)/generated from investing activities	(4,668)	(10)
Financing activities		
Interests	(1,711)	(1,471)
New borrowings	(11,100)	2,350
Loans granted by/(to) subsidiaries and shareholder	313	1,331
Loans granted (to)/by subsidiaries and shareholder	13,500	1,458
Net cash inflow/(outflow) from financing activities	1,002	3,668
(Decrease)/Increase in cash and cash equivalents	(1,544)	1,738
Net cash and cash equivalents at start of the year	1,996	259
Net cash/(overdraft) at end of the year	452	1,996

ToLuna Group Limited

**Statement of Changes in Equity
For the year ended 31 December 2020**

	Share capital	Share premium account	Retained earning	Total
	£'000	£'000	£'000	£'000
At 1 January 2019	554	44 271	6 661	51 486
Total comprehensive loss	-	-	(1 203)	(1 203)
At 31 December 2019	554	44 271	5 458	50 283
Total comprehensive loss	-	-	(487)	(487)
At 31 December 2020	554	44 271	4 972	49 796

Notes to the Financial Statements
For the year ended 31 December 2020

1 Statement of significant accounting policies

The principal accounting policies are summarised below. All accounting policies are unchanged from the previous year and have been applied consistently throughout the current year and the previous year.

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union with those parts of the Companies Act 2006 applicable to companies reporting under IFRS and under the historic cost convention of historic cost.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the Company operates.

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Toluna Holdings Limited. The group accounts of Toluna Holdings Limited are available to the public and can be obtained as set out in note 19.

New standards and interpretations not yet adopted

The following accounting standards and interpretations are in issue but have not yet been adopted by the Company:

- Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7 (postponed)*

The Directors do not intend to apply any of these standards and interpretations early and the potential impact of these standards on the Group's financial statements is still being reviewed.

Going concern

The financial statements have been prepared using the going concern basis of accounting. The directors have concluded that it is appropriate to prepare the accounts on a going concern basis as the company had adequate cash resources and financial projections indicate that the company will continue to trade within its existing bank facilities.

ToLuna Group Ltd is a holding company whose revenues are based on intercompany cost recharges therefore there is no real impact of Covid-19.

The directors of Toluna Holdings, the immediate parent company, have confirmed that they will support the company to enable it to meet its third-party liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. Accordingly, the directors continue to adopt the going concern basis of accounting in preparing the financial statements. The directors took into account the impact of the covid-19 crisis and the impact of Brexit in making their assessment of going concern.

Intangible assets

Software is stated at cost less accumulated amortisation. Amortisation is charged so as to write off the cost over the estimated useful lives using the straight-line method over 3 to 4 years and commences when the asset is complete and put into use.

Notes to the Financial Statements
For the year ended 31 December 2020

1 Statement of significant accounting policies (continued)

Tangible assets

Office equipment is stated at cost less accumulated depreciation. Depreciation is charged so as to write off the cost over the estimated useful lives using the straight line method over 36 months for laptops, and commences when the asset is complete and put into use.

Investments in subsidiary undertaking

Subsidiary undertakings are recorded at cost to the Group. Their carrying value is subject to impairment testing where indicators of impairment exist.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred taxation is the tax that is expected to be payable or recoverable on material differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the Statement of Financial Position liability method. Deferred tax liabilities are generally recognised for all material taxable temporary differences except on initial recognition of goodwill and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated on an undiscounted basis using tax rates that have been enacted or substantively enacted by the balance sheet date that are expected to apply in the year when the liability is settled or the asset realised.

The company and its fellow group undertakings are able to relieve their tax losses by surrendering them to other group companies within the UK where capacity to utilise those losses exists. There is no requirement for the receiving companies to make any payment for these losses.

Foreign currency translation

The Company's functional currency is pounds sterling. The functional currencies of significant subsidiaries are the pounds sterling, the Euro and the US dollar.

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the balance sheet date. Gains and losses arising on retranslation are included in the statement of comprehensive income.

Financial assets

Financial assets consist of cash, loans and receivables and investments.

Cash and cash equivalents include cash at bank and in hand and short-term deposits. Bank overdrafts are shown within borrowings in current liabilities on the Statement of Financial Position.

Notes to the Financial Statements
For the year ended 31 December 2020

1 Statement of significant accounting policies (continued)

Financial assets (continued)

For cash flow purposes cash and cash equivalents are stated net of bank overdrafts.

Trade receivables are recognised and carried at original invoice amount less an allowance for uncollectible amounts. An estimate of uncollectible amounts is made when collection of the full amount is no longer probable. Uncollectible amounts are written off to the Statement of Comprehensive Income when identified.

Subsidiary undertakings are recorded at cost. Their carrying value is subject to impairment testing where indicators of impairment exist.

Income relating to financial assets is recognised as finance income in the Statement of Comprehensive Income.

Financial liabilities

Financial liabilities consist of trade and other payables and bank overdrafts.

Financial liabilities are recognised when the Company becomes party to the contractual arrangements of the instrument.

Trade and other payables and bank loans are recognised initially at their fair value, net of transaction costs, and subsequently measured at amortised cost less settlement payments, using the effective interest method.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Where the contractual obligations of financial instruments, including share capital, are equivalent to a similar debt instrument, those instruments are classed as financial liabilities. Financial liabilities are classified as such in the Statement of Financial Position.

Interest payable from financial instruments is recorded as a finance cost within the Statement of Comprehensive Income.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classified as an equity instrument.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Notes to the Financial Statements
For the year ended 31 December 2020

1 Statement of significant accounting policies (continued)

Impairment of assets (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Equity and dividends

Equity instruments issued by the Company are recorded at proceeds received net of direct issue costs.

Share capital is determined using the nominal value of shares that have been issued.

The share premium account any premiums received on the initial issuing of the share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account to the extent of the premium on that issue, net of any related income tax benefits.

Foreign currency translation differences are included in the translation reserve.

Retained earnings include all current and prior period results as disclosed in the Statement of Comprehensive Income.

Final equity dividends to the shareholders of ToLuna Group Limited are recognised in the period that they are approved by the shareholders. Interim equity dividends are recognised in the period that they are paid.

Share-based payment

The Company issues equity-settled share options and cash-settled share appreciation rights to certain employees of the Company. Equity-settled share-based payment transactions are measured at fair value (excluding the effect of non-market-based vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of shares that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

Key accounting estimates and judgements

Many of the amounts included in the financial statements involve the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

Notes to the Financial Statements
For the year ended 31 December 2020

1 Statement of significant accounting policies (continued)

Key accounting estimates and judgements (continued)

Critical judgement in applying the Company's accounting policies:

Judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax treatment is uncertain. The Group recognises liabilities for

anticipated tax issues based on estimates of whether additional taxes are likely to be due. The Group recognises deferred tax assets and liabilities based on estimates of future taxable income and recoverability. Where a change in circumstance occurs, or the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax balances in the year in which that change or outcome is known.

2 Other income

Other income is the result of the management service agreement signed between ToLuna Group and the other legal entities of the Toluna Holdings Group. This relates to the recharge of the Group CEO Salary and travel expenses according to specific allocations. In 2020, The Company received dividends for a net amount of £ 1,587K from Toluna India via Toluna Cyprus.

3 Other operating expenses

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Operating loss is stated after charging/(crediting)		
Exchange loss	147	(39)
Auditors' remuneration :		
- Audit of the parent, Group and individual companies*		140
- Audit of the parent, Group and individual companies recharged		(59)
Amortisation and depreciation	1	5

* supported by Toluna Holdings in 2020

There has been no auditors' remuneration for non-audit services in 2020 and in 2019.

The other operating expenses line from the statement of comprehensive income is a net income of £753k in 2019 due to intercompany recharges to Toluna Holdings (Ex ITWP Acquisitions Ltd) for a total of £939k.

4 Staff costs

The aggregate payroll costs were as follows:

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Wages and salaries	321	339
Bonus	559	103
Social security costs	136	71
Pension contribution costs	17	78
	<u>1033</u>	<u>591</u>

Notes to the Financial Statements
For the year ended 31 December 2020

4 Staff costs (continued)

In 2019, the bonus and pension contribution costs lines respectively include accrual reversals of £ 276k and £ 6k which explain the difference between staff costs in the P&L and Director's remuneration.

5 Net finance costs

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Finance income	87	41
Finance costs	(1 798)	(1 512)
	<u>(1 711)</u>	<u>(1 471)</u>

The company received dividends detailed in Note 1 and classified as Operating income (2019: £ nil).

6 Taxation

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Current tax		
UK Corporation tax		
Total tax charge for the year		

The differences between the total tax charge shown above and the amount calculated by applying the effective rate of UK corporation tax for 2020 of 19.00% (2019: 19%) to the loss before tax are as follows:

Loss before tax	(487)	(1 203)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(93)	(229)
Effects of:		
Movement in unrecognised deferred tax	93	229
Total tax charge for the year		

A potential deferred tax asset of £2,822k (2019 - £2,194k) relating to tax losses carried forward, fixed asset timing differences and short-term timing differences has not been recognised on the grounds that there is uncertainty over its recoverability.

**Notes to the Financial Statements
For the year ended 31 December 2020**

7 Tangible assets

	Office equipment
	£'000
Costs	
At 1 January 2020	5
Additions	
At 31 December 2020	<u>5</u>
Amortisation	
At 1 January 2020	(4)
Charge	(1)
At 31 December 2020	<u>(4)</u>
Net book amount	
At 31 December 2020	1
At 31 December 2019	<u>1</u>

8 Intangible assets

	Software
	£'000
Costs	
At 1 January 2020	148
Additions	
At 31 December 2020	<u>148</u>
Amortisation	
At 1 January 2020	(148)
Charge	
At 31 December 2020	<u>(148)</u>
Net book amount	
At 31 December 2020	-
At 31 December 2019	<u>-</u>

ToLuna Group Limited

Notes to the Financial Statements For the year ended 31 December 2020

9 Investments in subsidiary undertakings

	Year ended 31 December 2020 £'000	Year ended 31 December 2019 £'000
Costs		
At 1 January	57 169	57 159
Additions	4 668	10
At 31 December	61 837	57 169

In 2020, ToLuna Group has increased the Toluna SAS capital by £4,669k.
The Company's interest in principal subsidiaries entirely comprises 100% ownership of the ordinary equity shares:

Subsidiary undertakings	Country of incorporations	Principal activity
ToLuna USA Inc.	USA	On-line data collection services
ToLuna Canada Ltd	Canada	On-line data collection services
ToLuna UK Limited	England	On-line data collection services
ToLuna Netherlands BV	Netherlands	On-line data collection services
ToLuna SAS	France	On-line data collection services
ToLuna Germany GmbH	Germany	On-line data collection services
ToLuna Romania SRL	Romania	On-line data collection services
ToLuna Australia Pty Ltd	Australia	On-line data collection services
ToLuna Hong Kong Ltd	Hong Kong	On-line data collection services
ToLuna Japan Ltd	Japan	On-line data collection services
ToLuna India Private Ltd*	India	On-line data collection services
Touna Spain SL	Spain	On-line data collection services
ToLuna Technologies Ltd*	Israel	Research and development
ToLuna Jersey Ltd	Jersey	Holding company
Toluna Cyprus Ltd	Cyprus	Holding company
Toluna Italy	Italy	On-line data collection services
Toluna Dubai	UAE	On-line data collection services
Toluna Brazil	Brazil	On-line data collection services
Toluna Malaysia	Malaysia	On-line data collection services

* The investment in these companies is partially or totally held through subsidiary undertakings.

All subsidiaries have coterminous accounting reference dates except for:

- ToLuna India Private Limited which has a 31 March accounting reference date,
- ToLuna Australia Proprietary Limited which has a 30 June accounting reference date.

**Notes to the Financial Statements
For the year ended 31 December 2020**

10 Trade and other receivables

	At 31 December 2020 £'000	At 31 December 2019 £'000
Current		
Amounts owed by Group undertaking	1 542	2 419
Other receivables	46	-
	<u>1 588</u>	<u>2 419</u>

Amounts owed by Group undertakings are as follows:

	At 31 December 2020 £'000	At 31 December 2019 £'000
ToLuna Holdings Ltd (formerly ITWP Acquisitions Ltd)	3	1 975
ToLuna Brazil	16	16
ToLuna Cyprus Ltd	82	53
ToLuna Germany GmbH	0	
ToLuna Jersey Ltd	61	49
ToLuna Hong Kong Ltd	0	0
ToLuna UK Ltd	233	23
ToLuna Italy Srl		
ToLuna SAS	822	63
ToLuna Malaysia		
ToLuna Dubai	215	229
Harris Interactive UK LTD	109	8
ToLuna USA		3
	<u>1 542</u>	<u>2 419</u>

Amounts due from group undertakings are unsecured, interest free and are repaid in accordance with the terms specified in the governing distribution agreements.

Notes to the Financial Statements
For the year ended 31 December 2020

11 Current loans and cash advances – Assets

	At 31 December 2020 £'000	At 31 December 2019 £'000
Current		
Toluna Holdings Ltd (formerly ITWP Acquisitions Ltd) *	10 769	10 550
ToLuna USA Inc.	-	479
ToLuna SAS	0	54
ToLuna Brazil	95	93
ToLuna Italy Srl	-	-
	<u>10 864</u>	<u>11 177</u>

(*) On 12 August 2011, the Company lent £10,449,755 to Toluna Holdings Limited as per the loan agreement dated 27 April 2011. This loan bears an interest rate of 5% and is repayable at any time. Loan has been increased by £5,855,000 in 2017

12 Trade and other payables

	At 31 December 2020 £'000	At 31 December 2019 £'000
Current		
Trade payables	190	61
Amounts owed to Group undertakings	2 822	3 484
Accruals	653	53
	<u>3 665</u>	<u>3 598</u>

Notes to the Financial Statements
For the year ended 31 December 2020

12 - Trade and other payables (continued)

Amounts owed to Group undertakings are as follows:

	At 31 December 2020 £'000	At 31 December 2019 £'000
ToLuna SAS	908	247
ToLuna Jersey Ltd	414	428
ToLuna UK Ltd	1 500	2 725
ITWP Acquisitions Ltd	-	55
Harris Interactive UK Ltd	-	1
ToLuna Romania	-	0
ToLuna USA Inc	-	28
	<u>2 822</u>	<u>3 484</u>

13 Financial instruments

The Company uses financial instruments, other than derivatives, comprising cash, bank overdrafts and various items, such as trade receivables and trade payables that arise directly from its operations. The main purpose of these financial instruments is to finance the Company's subsidiaries' operations. The Company's financial instruments are summarised below.

	2020 Book value £'000	2020 Fair value £'000	2019 Book value £'000	2019 Fair value £'000
Trade and other receivables	1 588	1 588	2 419	2 419
Current loans - Assets	10 864	10 864	11 177	11 177
Cash and cash equivalents	452	452	1 996	1 996
Trade and other payables	3 665	3 665	3 598	3 598
Bank overdraft	-	-	-	-
Current loans - Liabilities	21 280	21 280	18 880	18 880

The Company's financial assets are all current and classified as loans and receivables under IAS 39 and are held at an amortised cost.

Current loan assets include accrued interest of £10k and Current Loan Liabilities include accrued interest of £ 4,892k.

At 31 December 2020, the Company had cash resources of £452K (2019: £1,996K).

Notes to the Financial Statements
For the year ended 31 December 2020

14 Current loans and cash advances - Liabilities

	At 31 December 2020 £'000	At 31 December 2019 £'000
Current		
ToLuna Cyprus Ltd (a)	771	718
ToLuna Jersey Ltd (b)	548	539
ToLuna UK Ltd (c)	4 581	3 912
Verlinvest SA (d)	15 380	2 611
	<u>21 280</u>	<u>7 780</u>

- (a) Loan of EUR 800,000 with a maturity date of December 31st 2021 and an interest rate of EURIBOR 1 Year plus 200 base points. Any amount of the loan then outstanding shall be repaid in full at the maturity date. The Company can prepay all or any part of the loan at any time without any premium or penalty other than breakage costs, if any.
- (b) Promissory note of USD 632,800 with a maturity date of October 1st 2020 and an interest rate of 5.5% per annum.
- (c) Loan of GBP 3,250,000 with a maturity date of December 31st 2020 and an interest rate of LIBOR GBP 1 Year plus 200 base points. Any amount of the loan then outstanding shall be repaid in full at the maturity date. The Company can repay all or any part of the loan at any time without any premium or penalty other than breakage costs, if any.
- (d) On December 21st, 2017, Verlinvest issued a £11,100,000 financing facility to ToLuna Group at an interest rate of 15 per cent per annum, interests have been accrued since. The loan has a maturity date set on December 20th, 2021 and was therefore reclassified from non-current term to current term at 2020 year-end.

15 Non-current Liabilities

	At 31 December 2020 £'000	At 31 December 2019 £'000
Verlinvest SA	<u>-</u>	<u>11 100</u>
	<u>-</u>	<u>11 100</u>

Loan of GBP 11,100,000 with a maturity date of 20th December 2021 was reclassified in current term at 2020 year-end.

**Notes to the Financial Statements
For the year ended 31 December 2020**

16 Share capital

	Shares	£'000
Authorised		
Ordinary shares of 1p each		
At 1 January 2020 and 31 December 2020	<u>100 000 000</u>	<u>1 000</u>
Allotted, called up and fully paid		
Ordinary shares of 1p each		
At 1 January 2020 and 31 December 2020	<u>100 000 000</u>	<u>1 000</u>

All shares rank pari-passu in all respect.

17 Off balance sheet commitment

ToLuna Group Limited is part of guarantors/obligors for a £15,000,000 term loan facility (provided by Natwest Bank UK) to Toluna Holdings Limited pursuant to the Coronavirus Business Interruption Loan Scheme ("CLBILS"). In consideration of Natwest making the CLBILS Facility available, ToLuna Group Limited and other entities of the Group would grant security and guarantees in favour of Natwest (as defined in the CLBILS Facility Agreement) which would include fixed and floating charges over all its property, assets and undertakings.

18 Post balance sheet events

ToLuna Group Ltd is a holding company whose revenues are based on intercompany cost recharges therefore there is no particular impact expected following the Brexit. Subsequent COVID 19 related lockdowns decided in 2021 have had no further impact on the entity and in the Director's assessment of the going concern.

19 Ultimate parent company and controlling party

The Company's immediate parent company and controlling party is Toluna Holdings Limited (formerly ITWP Acquisitions Limited), incorporated in England and Wales.

As at 31 December 2020 and as at prior year-end, ToLuna Group Limited was exempt from preparing consolidated accounts and just issued the present individual financial statements. At that date, Toluna Holdings Limited fully consolidated ToLuna Group Limited and issued consolidated financial statements which comply with International Financial Reporting Standards.

Toluna Holdings is the smallest and largest group in which the company's financial statements are consolidated and these consolidated accounts are available at the registered office of Toluna Holdings Limited: 85 Uxbridge Road, London W5 5TH.