

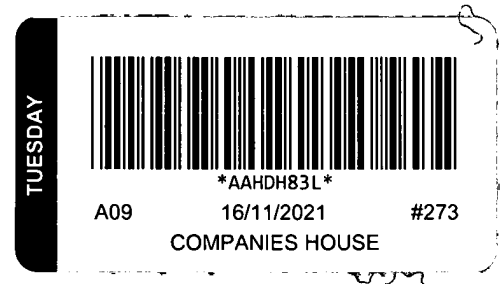
Tuxedo Moneyplus Limited

Annual Report and Financial Statements

Year Ended

31 December 2020

Company Number 05831827



Tuxedo Moneyplus Limited

Company Information

Directors	Omnio London Limited J L Cato
Registered number	05831827
Registered office	Floor 8 Waverley House 7-12 Noel Street Soho London W1F 8GQ
Independent auditor	PKF Littlejohn LLP 15 Westferry Circus London E14 4HD
Bankers	Barclays Bank Plc Leicester LE87 2BB

Tuxedo Moneyplus Limited

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 6
Statement of comprehensive income	7
Statement of financial position	8
Statement of changes in equity	9
Notes to the financial statements	10 - 21

Tuxedo Moneyplus Limited

Directors' Report For the Year Ended 31 December 2020

The directors present their annual report on the affairs of Tuxedo Moneyplus Limited ('the Company'), together with the financial statements and independent auditor's report, for the year ended 31 December 2020.

Principal activity

The principal activity of the Company continues to be as a prepaid solutions provider.

The Company provides prepaid payment solutions for consumer focused brands as well as tailored corporate solutions across a wide range of sectors. The group has developed and maintains its own proprietary technology platform, *account@*, that supports all of our products and services.

Directors

The directors who served during the year were:

S A Lanphere (resigned 30 June 2021)
Omnio London Limited
J L Cato

Going concern

The Company's business activities, together with facts likely to affect its future operations and financial and liquidity positions are set out in note 2.6. This also details further considerations made by the directors in respect of going concern, including an assessment of the possible impact on the Company arising from COVID-19.

The directors, having made due and careful enquiry, are of the opinion that the Company has or will have access to sufficient funding in order to execute its operations over the next 12 months. The directors therefore have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have adopted the going concern basis.

Tuxedo Moneyplus Limited

Directors' Report (continued) For the Year Ended 31 December 2020

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been produced in accordance with FRS101 as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

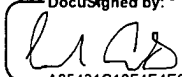
Auditor

The auditor, PKF Littlejohn LLP, will be proposed for appointment in accordance with section 485 of the Companies Act 2006.

Small companies exemption

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....A85431C10F4E4E6.....
Director - JOACHIM CATO

Date: 10/4/2021

Tuxedo Moneyplus Limited

Independent Auditor's Report to the Members of Tuxedo Moneyplus Limited

Opinion

We have audited the financial statements of Tuxedo Moneyplus Limited (the 'Company') for the year ended 31 December 2020 which comprise statement of comprehensive income, statement of financial position, statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

- 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 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.

Emphasis of matter – Recoverability of intercompany receivables

We draw your attention to note 2.6 of the financial statements, which describes the Company's assessment of the recoverability over the intercompany receivables of £93,698 which remains outstanding. The Company has explained their assessment over the recoverability, which includes a deferment of any intra group debts whilst the ultimate parent undertakes an intra group reorganisation process of novating and capitalising intra-co group debt and cancellation of shares. The directors have therefore concluded that there is no further impairment due at this stage while this process is ongoing. The financial statements do not include the adjustments that would result if the process was not completed or if the Company was unable to fully recover these intra group debts.

Our opinion is not modified in this respect.

Tuxedo Moneyplus Limited

Independent Auditor's Report to the Members of Tuxedo Moneyplus Limited (continued)

Material uncertainty related to going concern

We draw your attention to note 2.6 of the financial statements, which describes the Group company's assessment on its ability to continue as a going concern as a result of its support from its parent company. The Company have explained the support it has received from its parent company which includes further injection of funds and deferment of funds owed to it to ensure the Company and all its subsidiaries are able to settle their debts as they fall due. The Directors therefore believe that the use of the going concern basis of preparation is appropriate and it does not cast significant doubt about the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue. If Chronos Investment SARL does not fulfil its commitment to provide the funds required to Omnio London Limited and its subsidiaries, this event will indicate a material uncertainty. As stated in note 2.6, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

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 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 the audit:

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

Tuxedo Moneyplus Limited

Independent Auditor's Report to the Members of Tuxedo Moneyplus Limited (continued)

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or
- 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; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

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.

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 obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from the Companies Act 2006.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to:

Tuxedo Moneyplus Limited

Independent Auditor's Report to the Members of Tuxedo Moneyplus Limited (continued)

- o Discussion with management of any known, or suspected instances of non-compliance by the Company of those laws and regulations.
 - o Discussion with management of any, or suspected, incidence of fraud.
 - o Review of financial statements disclosure and testing supporting documentation to assess compliance with applicable law and regulation.
 - o Review of minutes of the board of directors and other correspondence as deemed appropriate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business that came to our attention and performing preliminary and final analytical review to identify any unusual or unexpected relationships or variances.

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 is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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.



Azhar Rana (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 15 October 2021

Tuxedo Moneyplus Limited

Statement of Comprehensive Income For the Year Ended 31 December 2020

	Note	2020 £	2019 £
Revenue	4	1,714,483	4,081,876
Cost of sales		(1,304,345)	(2,427,107)
Gross profit		410,138	1,654,769
Administrative expenses		(8,903,093)	(7,056,809)
Operating loss	5	(8,492,955)	(5,402,040)
Loss before tax		(8,492,955)	(5,402,040)
Tax on Loss	8	-	-
Loss for the financial year		(8,492,955)	(5,402,040)

All amounts relate to continuing operations

The notes on pages 10 to 21 form part of these financial statements.

Tuxedo Moneyplus Limited

Registered number: 05831827

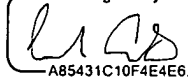
Statement of Financial Position

As at 31 December 2020

	Note	2020 £	2019 £
Current assets			
Inventories	9	63,545	72,986
Trade and other receivables	10	1,100,479	452,559
Cash and cash equivalents		15,121	187
		<u>1,179,145</u>	<u>525,732</u>
Trade and other payables	11	(34,551,971)	(25,405,603)
Net current liabilities		<u>(33,372,826)</u>	<u>(24,879,871)</u>
Net liabilities		<u>(33,372,826)</u>	<u>(24,879,871)</u>
Capital and reserves			
Called up share capital	12	1	1
Capital contribution	13	18,336,250	18,336,250
Accumulated losses	13	(51,709,077)	(43,216,122)
		<u>(33,372,826)</u>	<u>(24,879,871)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:



A85431C10F4E4E6...

Director - JOACHIM CATO

Date: 10/4/2021

The notes on pages 10 to 21 form part of these financial statements.

Tuxedo Moneyplus Limited

Statement of Changes in Equity For the Year Ended 31 December 2020

	Share capital	Capital contribution	Accumulated losses	Total equity
	£	£	£	£
At 1 January 2020	1	18,336,250	(43,216,122)	(24,879,871)
Loss for the year	-	-	(8,492,955)	(8,492,955)
Total comprehensive loss for the year	-	-	(8,492,955)	(8,492,955)
At 31 December 2020	1	18,336,250	(51,709,077)	(33,372,826)

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital	Capital contribution	Accumulated losses	Total equity
	£	£	£	£
At 1 January 2019	1	18,336,250	(37,814,082)	(19,477,831)
Loss for the year	-	-	(5,402,040)	(5,402,040)
Total comprehensive loss for the year	-	-	(5,402,040)	(5,402,040)
At 31 December 2019	1	18,336,250	(43,216,122)	(24,879,871)

The notes on pages 10 to 21 form part of these financial statements.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

1. General information

Tuxedo Moneyplus Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the Company information page and the nature of the Company's operations and principal activity are set out in the directors' report on page 1.

2. Accounting policies

2.1 Summary of significant accounting policies and key accounting estimates

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

2.2 Basis of preparation

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS 101") and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

2.3 Summary of disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.4 New standards, interpretations and amendments adopted from 1 January 2020

- IFRS 3 Business Combinations (Amendment - Definition of a Business)

Amendments to IFRS 3 were mandatorily effective for reporting periods beginning on or after 1 January 2020. The Company will apply the revised definition of a business for acquisitions occurring on or after 1 January 2020 in determining whether an acquisition is accounted for in accordance with IFRS 3 Business Combinations. The amendments do not permit the Company to reassess whether acquisitions occurring prior to 1 January 2020 met the revised definition of a business.

- IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material)
- Revised Conceptual Framework for Financial Reporting

2.5 New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendment is effective for periods beginning on or after 1 June 2020:

- COVID-19-Related Rent Concessions - Amendment to IFRS 16

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The practical expedient is not expected to have a material impact for the Company given the Company is not currently entered into any lease arrangements.

The following amendments are effective for periods beginning on or after 1 January 2021:

- Interest Rate Benchmark Reform – IBOR 'phase 2' (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

The following amendments are effective for periods beginning on or after 1 January 2022:

- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37);
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Annual Improvements to IFRS Standards 2018-2020 (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- References to Conceptual Framework (Amendments to IFRS 3).

In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current. These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument. The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Company is currently assessing the impact of these new accounting standards and amendments.

Other

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.6 Going concern

The Company incurred a net loss of £8,492,955 during the year ended 31 December 2020 (2019 - loss of £5,402,040), and, at that date, the Company's net liabilities totalled £33,372,826 (2019 - £24,879,871) along with net current liabilities of £33,372,826 (2019 - £24,879,871). The net liability position arises predominantly from a £34,300,361 (2019 - £24,987,104) intercompany loan owed to its ultimate parent company.

The Directors have received confirmation from Omnio SARL, the immediate parent company, that they will continue to support the operations of the Parent company and its subsidiaries for the foreseeable future to allow it to be able to meet its own liabilities as they fall due. Omnio SARL is basing this support from Chronos Investment SARL, the ultimate parent company, who have confirmed that they will provide Omnio London Limited and its subsidiaries additional funding as required up to an amount of £11.7m (€13.7m). The Directors of the Group have prepared their own budgets and forecast and have concluded that they have sufficient funds from Chronos Investment SARL to ensure that their liabilities are settled within payment terms.

Omnio SARL have also committed to ensure that all intra group debts owed to them or between fellow subsidiaries will not be called upon as a result of the Group being in the process of novating and capitalising all loans due to and from its fellow UK subsidiaries. This will ensure that the subsidiaries can settle any third party debts as they fall due without needing to seek repayment from intra group balances owed to them. The Directors have confirmed that this process should be completed by 31 December 2021.

The impact of the COVID-19 outbreak continues to evolve and will require continued assessment as the pandemic plays out. The rapid development of the COVID-19 virus makes it very difficult to estimate the ultimate impact at this stage, and due to the fluidity of the situation, it is currently not practical to either ascertain or quantify the impact on the Group.

On the basis of their assessment of the Group's financial position and of the confirmation received from the directors of Omnio SARL and Chronos Investment SARL, the Company's directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.7 Revenue

Revenue is stated net of VAT and trade discounts. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

Revenue is earned mainly from the following technology services and goods:

- Set up fees for new digital banking and payments contracts
- Change requests to system requirements
- Monthly service fees
- Transactional revenue from the use of prepaid cards, debit cards and bank accounts
- Sales of card plastics

Goods and services may be sold separately or in packages. Where goods and services are part of a package then the Company accounts for these separately where they are distinct.

The set up fees and change requests are accounted for when the product being acquired by the client is in a position to be used by them by their customers. Monthly service fee income is taken in the month in which the services are provided and the transactional revenue is accounted for in the month in which the transaction took place. Income from the sale of card plastics is only accounted for when goods are received in to stock.

Costs associated with set up fees or change requests are expensed when incurred although where costs are incurred for development of a new product that can be sold to future customers then costs are capitalised in the month and amortised over a period of time. Monthly service fee costs and card plastic costs are incurred in the month in which the revenue is recognised. Costs relating to transactional revenue is expensed in the same month as the transactional revenue.

2.8 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.10 Inventories

Inventory comprised of finished packs. Packs consist of a number of elements and those individual elements are held in stock at various stages of completeness. Inventory is stated at the lower of cost or net realisable value.

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Financial instruments

Financial assets

The company classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. The company's accounting policy for each category is as follows:

Fair value through profit or loss

The company does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

Amortised Cost

These assets arise principally from the provision of goods and services to customers (eg trade debtors), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current and non-current trade debtors are recognised based on the simplified approach within IFRS 9 using a provision matrix in the determination of the lifetime expected credit losses. During this process the probability of the non-payment of the trade debtors is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for the trade debtors. For trade debtors, which are reported net, such provisions are recorded in a separate provision account with the loss being

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.12 Financial instruments (continued)

recognised within cost of sales in the statement of comprehensive income. On confirmation that the trade debtor will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

From time to time, the company elects to renegotiate the terms of trade debtors due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the statement of comprehensive income (operating profit).

The company's financial assets measured at amortised cost comprise trade and other debtors and cash and cash equivalents in the balance sheet. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within 'Creditors: amounts falling due within one year' on the balance sheet.

Financial liabilities

- The company classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. The company does not have any liabilities held for trading nor does it voluntarily classify any financial liabilities as being at fair value through profit or loss. The company's accounting policy for each category is as follows:
- Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the balance sheet. Interest expense in this context includes initial transaction costs and premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.
- Trade creditors and other short-term monetary liabilities, which are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

2. Accounting policies (continued)

2.12 Financial instruments (continued)

The company's ordinary shares are classified as equity instruments.

Dividends payable

Dividends are recognised when they become legally payable. In the case of interim dividends to equity shareholders, this is when they are paid. In the case of final dividends, this is when approved by the shareholders at the AGM.

Provisions

The company has recognised provisions for liabilities of uncertain timing or amount including those for warranty claims, leasehold dilapidations and legal disputes. The provision is measured at the best estimate of the expenditure required to settle the obligation at the reporting date, discounted at a pre tax rate reflecting current market assessments of the time value of money and risks specific to the liability.

Provisions for dilapidation costs are recognised on a lease-by-lease basis taking into account the potential that the properties in question may be sublet for some or all of the remaining lease term.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The following significant management judgements have been made in applying the accounting policies of the Company which have the most effect on the financial statements.

Management judgement

The following estimates and assumptions have been applied in preparing the financial statements which have the most significant effect on the recognition of assets, liabilities, income and expenses.

i. Revenue recognition

Management recognise revenue for set-up fees and change control by stage of completion. Stage of completion is determined based on management's estimation of service performed to date as a percentage of total services to be performed.

ii. Impairment of non-financial assets

In assessing impairment, management estimates the recoverable amount of each asset or cash generating unit based on fair value less costs to sell or value in use.

Estimation uncertainty relates to the assumptions about future operating results and the determination of a suitable discount rate.

iii. Recoverability of receivables

The Company recognises Expected Credit Losses on receivables as per IFRS 9, further detail on the specifics of judgement can be found in note 2.12.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

4. Revenue

An analysis of revenue by class of business is as follows:

	2020 £	2019 £
Pack sales	18,092	241,106
Card fee income	1,625,658	3,626,607
Other income	70,733	214,163
	<u>1,714,483</u>	<u>4,081,876</u>

All revenue arose within the United Kingdom.

5. Operating loss

The operating loss is stated after charging:

	2020 £	2019 £
Intercompany management fees payable	8,820,888	7,073,288
Exchange differences	5,177	-
	<u>8,826,065</u>	<u>7,073,288</u>

6. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	37,000	14,000
	<u>37,000</u>	<u>14,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration in the year ended 31 December 2020 (2019 - £Nil).

8. Taxation

	2020 £	2019 £
Total current tax	-	-
	<u>-</u>	<u>-</u>

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

8. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(8,492,955)</u>	<u>(5,402,040)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	<u>(1,613,661)</u>	<u>(1,026,388)</u>
Effects of:		
Deferred tax not recognised	2,387,461	827,610
Adjustments to tax charge in respect of prior periods	-	9,135
Changes in tax rates	(773,800)	98,441
Group relief	-	91,202
Total tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

At the balance sheet date, the Company has an unrecognised deferred tax asset of £9.0m being unutilised tax losses of £47.2m (2019: £6.6m being £38.7m) relating to tax losses available for offset against future profits.

No deferred tax asset has been recognised due to the unpredictability of future profit streams. All of the tax losses may be carried forward indefinitely. The main rate of corporation tax is 19% and will increase to 25% with effect from 1 April 2023.

9. Inventories

	2020 £	2019 £
Finished packs	<u>63,545</u>	<u>72,986</u>

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

10. Trade and other receivables

	2020 £	2019 £
Trade receivables	969,085	378,188
Amounts owed by group undertakings	93,698	51,766
Other receivables	-	1,341
Prepayments and accrued income	37,696	21,264
	<u>1,100,479</u>	<u>452,559</u>

Receivables from group undertakings are unsecured, interest free and repayable on demand.

11. Trade and other payables

	2020 £	2019 £
Trade payables	187,625	268,219
Amounts owed to group undertakings	34,300,361	24,987,104
Other taxation and social security	28,201	-
Accruals	24,073	127,994
Deferred income	11,711	22,286
	<u>34,551,971</u>	<u>25,405,603</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1 Ordinary share of £1.00	<u>1</u>	<u>1</u>

13. Reserves

Accumulated losses

Accumulates losses represents cumulative profits or losses, net of dividends paid and other adjustments.

Capital contribution

The capital contribution is the result of a waived inter-company loan in the year ended 31 March 2010.

Tuxedo Moneyplus Limited

Notes to the Financial Statements For the Year Ended 31 December 2020

14. Related party transactions

Included in other receivables are amounts of £93,698 (2019 - £51,766) due to group undertakings.

Included in other payables are amounts of £34,300,361 (2019 - £24,987,104) due from group undertakings.

Amounts owed to and from group undertakings are unsecured, interest free and repayable on demand.

15. Post balance sheet events

Subsequent to the year end, the Ultimate Parent have also commenced a group reorganisation process of novating and capitalising these intercompany debts and whilst this process is ongoing, they have concluded that no impairment is required at 31 December 2020.

16. Controlling party

The Company's immediate parent company and controlling party is Tuxedo Money Solutions Limited, a company registered in England and Wales. The ultimate parent company at the balance sheet date was Omnio Holdings SARL, a company registered in Luxembourg, whose registered address is 4-6 rue de la Boucherie, Luxembourg, L-1247. In the view of the directors, Omnio Holdings SARL is controlled by Erik Fallstrom.

The largest and smallest group into which the results of the Company have been consolidated is the report and financial statements of Omnio London Limited whose registered address is Floor 8, Waverley House 7-12 Noel Street, Soho, London, United Kingdom, W1F 8GQ. Copies of the group financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.