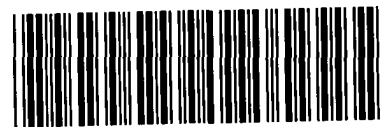


Company Registration No. 07336400 (England and Wales)

BROADWAY FINANCIAL TECHNOLOGY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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BROADWAY FINANCIAL TECHNOLOGY LIMITED

COMPANY INFORMATION

Directors	Mr I McKenzie Mr J Cameron Mr R Ashton
Secretary	Clark Howes Business Services Limited
Company number	07336400
Registered office	10 Brick Street Mayfair London UK W1J 7HQ
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 7 More London Riverside London SE1 2RT
Business address	Floor 32, Euston Tower 286 Euston Road London UK NW1 3DP

BROADWAY FINANCIAL TECHNOLOGY LIMITED

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BROADWAY FINANCIAL TECHNOLOGY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present the strategic report and audited financial statements for the year ended 31 August 2018.

Review of the business

The Company continues for the moment to have only one customer, which is its fellow group company Indigo Michael Limited. The Company provides software.

Turnover has increased by 599% during the year driven by increased numbers of active users and an increase in the user licence fee, from £1 to £5, to reflect the significant costs incurred in open banking transitioning. The increase in active users was driven by successful marketing campaigns and improved processes on acquiring new customers.

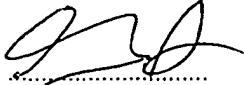
Description of principal risks and uncertainties

The key business risks and uncertainties affecting the business are considered to relate to competition for developers in the London jobs market and reliance on key suppliers and service providers as well as access to loans which are used to provide long term finance. The Board and management of the Company monitor these risks and potential mitigating actions on a regular basis.

Key Performance Indicators

Given the straightforward nature of its business the directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the Company.

On behalf of the board



Mr R Ashton
Director

22 February 2019

BROADWAY FINANCIAL TECHNOLOGY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2018

The directors present their annual report and audited financial statements for the year ended 31 August 2018.

Principal activities

The company's principal activity during the year continued to be that of software development for resale.

The company is domiciled in the United Kingdom.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £2,140,000. The directors do not recommend payment of a final dividend.

Going concern

The board of directors has produced detailed cash flow forecasts which indicate that the can meet its liabilities as they fall due and comply with covenants, excluding the impact of loan borrowings.

The Company, in conjunction with Indigo Michael Limited, has £47,000,000 of borrowings with Indigo Funding Luxembourg S.A.R.L. which expires on 30 June 2019. As at 31st August 2018 the facility had an outstanding balance of £58,700,000, including unpaid interest.

The Company is in discussions with a number of potential lenders to refinance these borrowings and the directors are confident the refinancing will be completed before the current borrowings fall due. Further, the existing lender has confirmed that should the refinancing not complete before the borrowings fall due it will extend the facility for a period of not less than twelve months from the date of signing these financial statements. This has been confirmed in writing by the existing lender.

On the basis of the detailed cash flow forecasts, the confidence that the refinancing will be completed and the written confirmation from the existing lender the directors have a reasonable expectation the Company has adequate resources to continue in operational existence for at least twelve months from the signing of these financial statements and therefore the directors consider it appropriate to prepare the financial statements for the Company on a going concern basis.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr I McKenzie

Mr J Cameron

Mr R Ashton

(Appointed 11 October 2017)

Directors' insurance

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year for the benefit of the directors.

Charitable donations

During the year the company made no charitable donations. No charitable donations were made in the prior year.

Financial risk management

The Company continually monitors the financial risk facing the organisation and the funding requirements support the growth of the business, through weekly cash flow meetings.

The Company itself does not hedge.

BROADWAY FINANCIAL TECHNOLOGY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Research and development

The Company is currently undertaking research and development activities in regards to the development of an online platform that has the aim of making credit scoring an entirely technological process, and developing processes to enrich "open banking".

Future developments

The directors anticipate the business environment will remain competitive. They believe that the Company is in a good financial position and will continue to grow.

Independent auditors

The auditors PricewaterhouseCoopers LLP are reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BROADWAY FINANCIAL TECHNOLOGY LIMITED

DIRECTORS' REPORT (CONTINUED)

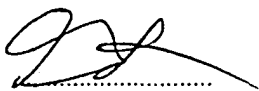
FOR THE YEAR ENDED 31 AUGUST 2018

Statement of disclosure to auditors

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

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The financial statements on pages 7 to 26 were approved by the Board of Directors in February 2019 and signed on its behalf by:



Mr R Ashton
Director

.....

Broadway Financial Technology Limited

Independent auditors' report to the members of Broadway Financial Technology Limited

Report on the audit of the financial statements

Opinion

In our opinion, Broadway Financial Technology Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 August 2018; the Profit and Loss account, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union, which is currently due to occur on 29 March 2019, are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Broadway Financial Technology Limited

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 August 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Responsibilities of the directors for the financial statements set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

Broadway Financial Technology Limited

Auditors' 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 auditors' 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 auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

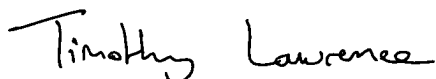
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Timothy Lawrence (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

23 February 2019

BROADWAY FINANCIAL TECHNOLOGY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Turnover	3	11,772,585	1,684,717
Cost of sales		(339,812)	(358,241)
Gross profit		11,432,773	1,326,476
Administrative expenses		(4,453,796)	(3,365,371)
Other operating income	4	-	6,200
Operating profit/(loss)	5	6,978,977	(2,032,695)
Interest receivable from group undertakings	8	666,884	101,728
Interest payable to group undertakings	9	(233,404)	(138,764)
Other interest payable and similar charges	9	(9,472)	(18,925)
Profit/(loss) on ordinary activities before taxation		7,402,985	(2,088,656)
Tax on profit/(loss) on ordinary activities	10	(1,573,244)	65,766
Profit/(loss) for the financial year	21	5,829,741	(2,022,890)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

BROADWAY FINANCIAL TECHNOLOGY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 AUGUST 2018

	2018	2017
	£	£
Profit/(Loss) for the financial year	5,829,741	(2,022,890)
Other comprehensive income	-	-
Total other comprehensive income for the year	-	-
Total comprehensive income/(expenses) for the year	5,829,741	(2,022,890)

BROADWAY FINANCIAL TECHNOLOGY LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2018

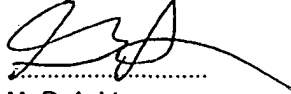
	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	492,058	452,389
Tangible fixed assets	13	21,481	19,682
		<u>513,539</u>	<u>472,071</u>
Current assets			
Debtors	15	4,554,753	192,810
Cash at bank and in hand		2,126	76,108
		<u>4,556,879</u>	<u>268,918</u>
Creditors: amounts falling due within one year			
Loans	16	-	141,090
Trade creditors and other payables	17	2,263,867	2,521,551
Taxation and social security		1,605,027	56,125
		<u>3,868,894</u>	<u>2,718,766</u>
Net current assets/(liabilities)		<u>687,985</u>	<u>(2,449,848)</u>
Total assets less current liabilities		<u>1,201,524</u>	<u>(1,977,777)</u>
Creditors: amounts falling due after more than one year			
Loans	16	-	510,440
Net assets/(liabilities)		<u>1,201,524</u>	<u>(2,488,217)</u>
Capital and reserves			
Called up share capital	20	900	900
Profit and loss account	21	1,200,624	(2,489,117)
Total equity		<u>1,201,524</u>	<u>(2,488,217)</u>

BROADWAY FINANCIAL TECHNOLOGY LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 AUGUST 2018

The financial statements were approved by the Board of directors and authorised for issue in February 2019.
Signed on its behalf by:



Mr R Ashton
Director

Company Registration No. 07336400

BROADWAY FINANCIAL TECHNOLOGY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 September 2016		900	(466,227)	(465,327)
Loss and total comprehensive expense for the year		-	(2,022,890)	(2,022,890)
Balance at 31 August 2017		900	(2,489,117)	(2,488,217)
Profit and total comprehensive income for the year		-	5,829,741	5,829,741
Dividends	11	-	(2,140,000)	(2,140,000)
Balance at 31 August 2018		900	1,200,624	1,201,524

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

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.

Company information

Broadway Financial Technology Limited is a company limited by shares incorporated in England and Wales. The registered office is 10 Brick Street, Mayfair, London, W1J 7HQ.

1.1 Basis of preparation

The financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The accounting policies have been applied consistently, other than where new policies have been adopted.

The Company has transitioned to Financial Reporting Standard 101, "Reduced Disclosure Framework (FRS 101) from previously extant UK Generally Accepted Accounting Practice for all periods presented. The financial statements have been prepared on the historical cost convention, on a going concern basis and in accordance with the Companies Act 2006.

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

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a) (iv) of IAS 1, (ii) paragraph 73(e) of IAS 16 Property Plant and Equipment (iii) paragraph 118 (e) of IAS 38 Intangibles Assets,
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40 ,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 of IAS 24 Related Party Disclosures; and
- 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

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of a cash flow statement, presentation of comparative information in respect of certain assets, standards not yet effective, impairment of assets, and related party transactions.

Where required, equivalent disclosures are given in the group financial statements of Account Technologies Limited. The group financial statements of Account Technologies Limited are available to the public and can be obtained as set out in note 22.

Broadway Financial Technology Limited is a wholly owned subsidiary of Account Technologies Limited and the results of Broadway Financial Technology Limited are included in the consolidated financial statements of Account Technologies Limited which are available from 10 Brick Street, Mayfair, London, W1J 7HQ.

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.2 Going concern

The board of directors has produced detailed cash flow forecasts which indicate that the can meet its liabilities as they fall due and comply with covenants, excluding the impact of loan borrowings.

The Company, in conjunction with Indigo Michael Limited, has £47,000,000 of borrowings with Indigo Funding Luxembourg S.A.R.L. which expires on 30 June 2019. As at 31st August 2018 the facility had an outstanding balance of £58,700,000, including unpaid interest.

The Company is in discussions with a number of potential lenders to refinance these borrowings and the directors are confident the refinancing will be completed before the current borrowings fall due. Further, the existing lender has confirmed that should the refinancing not complete before the borrowings fall due it will extend the facility for a period of not less than twelve months from the date of signing these financial statements. This has been confirmed in writing by the existing lender.

On the basis of the detailed cash flow forecasts, the confidence that the refinancing will be completed and the written confirmation from the existing lender the directors have a reasonable expectation the Company has adequate resources to continue in operational existence for at least twelve months from the signing of these financial statements and therefore the directors consider it appropriate to prepare the financial statements for the Company on a going concern basis.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. All turnover relates to amounts charged to a company under common control for the use of software developed by the company.

1.4 Intangible assets other than goodwill

Software development costs represent internally capitalised time that was spent specifically on software development in respect of the ClearAccount and SafetyNet technology and is capitalised at cost. Such assets are capitalised where there is a clearly defined project, the related expenditure is identifiable and where it relates to projects which are technically viable and commercially feasible. Amortisation has been charged on a straight line basis over their estimated useful lives of 3 years to the profit and loss account within cost of sales. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Plant and equipment	33% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.6 Impairment of tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

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

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

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

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13.

1.8 Cash and cash equivalents

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

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on 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 is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

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

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

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

1.14 Leases

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

1.15 Foreign exchange

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

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

2 Critical accounting estimates and judgements

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

The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and assumptions that would have a significant risk of causing a material adjustment to the carrying amount of the assets or the liabilities is only that of the recognition of capitalised development costs.

3 Turnover

An analysis of the company's turnover is as follows:

	2018 £	2017 £
By activity:		
Software sales	11,772,585	1,684,717
By geographical market		
	2018 £	2017 £
UK	11,772,585	1,684,717

4 Other operating income

During the year, the company generated rental income totalling £nil (2017: £6,200).

5 Operating profit/(loss)

	2018 £	2017 £
Operating profit/(loss) for the year is stated after charging:		
Net foreign exchange losses	598	6,948
Fees payable to the company's auditors for the audit of the company's financial statements	10,000	10,000
Depreciation of property, plant and equipment	18,399	15,692
Operating lease rentals - land and buildings	191,702	193,832
Amortisation of intangible assets	339,812	358,241
Provision against amounts due from related parties (see note 22)	2,370,754	1,950,271

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

6 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the company's financial statements	15,000	10,000
For other services		
Other services	25,000	-

7 Employees

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

	2018 Number	2017 Number
Administration	1	1
Development	16	10
	17	11

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	606,562	340,771
Social security costs	56,396	36,981
Other pension costs	6,097	3,428
	669,055	381,180

Directors:

The directors' remuneration was as follows:

	2018 £	2017 £
Aggregate remuneration	-	-
	-	-

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Employees

(Continued)

Highest paid director:

The highest paid director's remuneration was as follows:

	2018 £	2017 £
Aggregate remuneration	-	-
	-	-

The directors were paid by a fellow group undertaking

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Interest receivable from group companies	666,884	101,728

Total interest income for financial assets that are not held at fair value through profit or loss is £666,884 (2017 - £101,728).

9 Finance costs

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Interest payable to group undertakings	233,404	138,764
Interest on director loans	9,472	18,925
	242,876	157,689

10 Tax on loss on ordinary activities

	2018 £	2017 £
Current tax		
Current year taxation	1,574,000	756
Research and development tax credit	-	(84,880)
Prior year adjustment to corporation tax	(756)	-
	1,573,244	(84,124)

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

(Continued)

10 Tax on loss on ordinary activities

Deferred tax

Origination and reversal of temporary differences

-	18,358
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Total tax

1,573,244	(65,766)
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The rate of corporation tax decreased from 20% to 19% for accounting periods starting on or after 1st April 2017.

The credit for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2018 £	2017 £
Profit/(loss) on ordinary activities before taxation	7,402,985	(2,088,656)
Expected tax charge based on a corporation tax rate of 19% (2017: 19.58%)	1,406,567	(408,980)
Expenses not deductible in determining taxable profit	440,277	407,566
Utilisation of tax losses not previously recognised	(173,280)	-
Permanent capital allowances in excess of depreciation	-	2,170
R&D tax credit	(100,320)	(84,880)
Change in recognised deferred tax asset	-	18,358
Total tax credit for the year	1,573,244	(65,766)

11 Dividends

2018 per share	2017 per share	2018 £	2017 £
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Amounts recognised as distributions to equity holders:

Ordinary shares

Interim dividend paid	1.85	-	1,440,000	-
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Ordinary B shares

Interim dividend paid	5.83	-	700,000	-
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Total dividends paid

Final dividends paid	-	-	-	-
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Interim dividends paid	2,140,000	-	-	-
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2,140,000	-
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BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

12 Intangible assets

	Development costs £
Cost	
At 1 September 2017	1,374,233
Additions	379,481
At 31 August 2018	1,753,714
Accumulated Amortisation	
At 1 September 2017	921,844
Charge for the year	339,812
At 31 August 2018	1,261,656
Carrying amount	
At 31 August 2018	492,058
At 31 August 2017	452,389

13 Tangible assets

	Plant and equipment £
Cost	
At 1 September 2017	56,255
Additions	20,198
At 31 August 2018	76,453
Accumulated depreciation	
At 1 September 2017	36,573
Charge for the year	18,399
At 31 August 2018	54,972
Carrying amount	
At 31 August 2018	21,481
At 31 August 2017	19,682

14 Credit risk

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

15 Debtors

	Note	2018 £	2017 £
Other receivables		25,346	92,951
VAT recoverable		28,029	-
Amounts due from fellow group undertakings		4,427,803	-
Amounts due from related parties	22	-	-
Prepayments		73,575	99,859
		<u>4,554,753</u>	<u>192,810</u>

At the prior balance sheet date the company had an unrecognised deferred tax asset totalling £180,103. This was not recognised because the company was loss making with an uncertainty over when profits will arise and a tax benefit be generated.

Amounts due from fellow group undertakings are unsecured, repayable on demand and attract interest at 20%.

16 Loans and overdrafts

	2018 £	2017 £
Directors' loans	-	651,530
	<u>-</u>	<u>651,530</u>

Analysis of loans and overdrafts

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2018 £	2017 £
Due within one year liabilities	-	141,090
Due after one year liabilities	-	510,440
	<u>-</u>	<u>651,530</u>

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17 Trade creditors and other payables

	Due within one year	
	2018	2017
	£	£
Trade creditors	5,280	68,905
Amount due to parent undertaking	2,140,000	-
Amounts due to fellow group undertakings	-	2,384,254
Accruals	63,075	33,235
Other creditors	55,512	35,157
	<u>2,263,867</u>	<u>2,521,551</u>

Account Technologies Limited and its subsidiaries Indigo Michael Limited, Broadway Financial Technology Limited and Broadway Risk Management Limited have each entered into a debenture creating fixed and floating charges over all of its assets, property, business, undertaking and uncalled share capital as continuing security in favour of Indigo Funding Luxembourg S.A.R.L. as security for the obligations of the Obligor under the Facility Agreement entered into with Indigo Funding Luxembourg S.A.R.L. dated 31 December 2014. Under the Facility Agreement each company cross-guarantees the obligations of each other Obligor under the Facility Agreement.

Amounts due to parent and fellow group undertakings are unsecured, repayable on demand and attract interest at 20% (2017: 20%).

18 Deferred tax asset

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting year.

	ACAs £	Tax losses £	Total £
Deferred tax asset at 1 September 2016	5,787	(24,145)	(18,358)
Deferred tax movements in prior year			
Charge/(credit) to profit or loss	(5,787)	24,145	18,358
Deferred tax liability at 1 September 2017 and 31 August 2018	-	-	-

19 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £6,097, (2017 - £3,428).

At the balance sheet date the company had outstanding pension commitments totalling £3,297, (2017 - £710).

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20	Called up share capital	2018	2017
		£	£
	Called up ordinary share capital		
	<i>Issued and fully paid</i>		
	780,000 (2016: 780,000) Ordinary shares of £0.001 each	780	780
	120,000 (2016: 120,000) Ordinary B shares of £0.001 each	120	120
		<u>900</u>	<u>900</u>

The share classes have similar entitlements in respect of voting rights and dividends. The full details are outlined in the company's Articles of Association.

21	Profit and loss account	£
	At 1 September 2016	(466,227)
	Loss for the financial year	<u>(2,022,890)</u>
	At 31 August 2017	(2,489,117)
	Profit for the financial year	5,829,741
	Dividends	<u>(2,140,000)</u>
	At 31 August 2018	<u>1,200,624</u>

22 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the year in respect of operating lease arrangements are as follows:

	2018	2017
	£	£
Minimum lease payments under operating leases	<u>191,702</u>	<u>193,832</u>

Lessor

Rents recharged to related parties as other operating income in the year amounted to £nil, (2017: £6,200).

BROADWAY FINANCIAL TECHNOLOGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

23 Related party transactions

FRS 101.8(k) exempts the Company from disclosing transactions between this company and other members of the Account Technologies Group as it is a wholly owned subsidiary of the parent company.

The consolidated financial statements of Account Technologies Limited can be obtained from 10 Brick Street, Mayfair, London, W1J 7HQ.

Account Technologies Limited is the highest company that shows the company's financial statements in their consolidated financial statements.

The Company also entered into the following related party transactions:

AccountScore Limited
A company under common control

During the year the Company recharged rents totalling £nil (2017: £6,200). At the year end, the company was owed £4,321,025, (2017: £1,950,271). This amount was fully provided for as at 31 August 2018 due to uncertainty over the collectability of the amounts owed.

24 Directors' transactions

During the year the company entered into the follow transactions with Directors:

Mr I. McKenzie

At the balance sheet date the company owed the director a total of £nil from two loans (2017: £651,530). During the year £661,003 was repaid to the director. Interest of £7,988, (2017: £16,425) was charged at a rate of 6%, and interest of £1,485 (2017: £2,500) was charged for at a rate of 1%.

25 Controlling party

The ultimate controlling party is Mr I McKenzie by virtue of his majority shareholding in the parent company, Account Technologies Limited, a company incorporated in the United Kingdom.