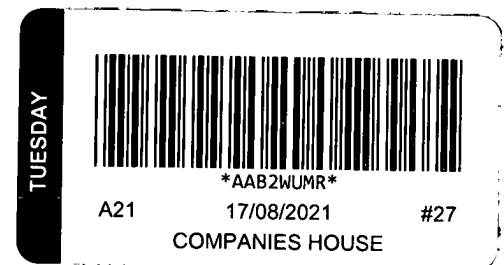


Registered number: 07425899

VIVO REWARDS LIMITED
UNAUDITED FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020



LUBBOCK FINE LLP
Chartered Accountants
Paternoster House
65 St Paul's Churchyard
London EC4M 8AB

**BALANCE SHEET
AS AT 31 AUGUST 2020**

	Note	2020 £	2019 £
Current assets			
Stocks		-	2,733
Debtors: amounts falling due within one year	4	371,679	313,916
Cash at bank and in hand	5	130,029	2,403
		<u>501,708</u>	<u>319,052</u>
Creditors: amounts falling due within one year	6	(3,366,467)	(3,242,210)
Total assets less current liabilities		<u>(2,864,759)</u>	<u>(2,923,158)</u>
Creditors: amounts falling due after more than one year	7	(167,708)	-
Net liabilities		<u>(3,032,467)</u>	<u>(2,923,158)</u>
Capital and reserves			
Called up share capital	9	1,111	1,111
Profit and loss account		(3,033,578)	(2,924,269)
		<u>(3,032,467)</u>	<u>(2,923,158)</u>

The director considers that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

George Grima

George Grima
Director

Date: 12 August 2021

VIVO REWARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

Vivo Rewards Limited is a private company limited by shares incorporated in England and Wales, registration number 07425899. Its registered office is 85 First Floor, Great Portland Street, London, W1W 7LT. The financial statements are presented in Sterling which is the functional currency of the company and rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The director believes that with the availability of the Government initiatives and the continued support of the director the company remains a going concern as the deferred income balances give a false negative view of the company, due to the nature of the Vivo points redemption history.

In the UK's first attempt to contain the spread of the virus a lockdown was imposed and schools closed for several months. March through May 2020 were key months for Vivo as this is the time schools decide whether or not to renew for the September term. The Covid-19 Pandemic exposed the many inadequacies and inequities in the UK's education system - from access to the broadband and computers needed for online education, and the supportive environments needed to focus on learning, up to the misalignment between resources and needs. As a consequence turnover dropped by over 85% as schools chose to not renew and instead review in 2021. An in-school rewards platform, such as Vivo was ineffective with the new way of schooling brought on by Covid-19.

Although the full effects of the unexpected Covid-19 pandemic on the company's business are not yet known the director believes that it is appropriate to prepare the financial statements on a going concern basis, which assumes that the company will continue in operational existence.

VIVO REWARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.3 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Turnover represents sales to external customers at invoiced amounts, excluding VAT, made during the year and derives from the provision of goods and services falling within the company's ordinary activities and includes licence fees and Vivo credits.

Turnover from the sale of Vivo credits is accounted for as deferred credit income until such Vivo credits are redeemed or expired.

Vivo credits are initially purchased by schools who award the credits to students for performance and behavioural achievements. The students redeem their Vivo credits to purchase products that the company has supplied, products that the school has supplied or donate the monetary value of the Vivo credits to a charitable cause.

The company has various reseller contracts with third parties to sell annual licences on behalf of the company, with the reseller invoicing the customer directly for the licence fee and the company invoicing the reseller at a discounted rate. The company recognises the gross value of the invoices sold by the reseller, i.e. the reseller buy price and the reseller margin.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

VIVO REWARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.6 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 Taxation

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

VIVO REWARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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.

2.14 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

3. Employees

The average monthly number of employees, including directors, during the year was 3 (2019 - 4).

VIVO REWARDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2020****4. Debtors**

	2020 £	2019 £
Trade debtors	250,289	198,036
Other debtors	121,390	115,880
	<u>371,679</u>	<u>313,916</u>

5. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	130,029	2,403
Less: bank overdrafts	(7,432)	(591)
	<u>122,597</u>	<u>1,812</u>

6. Creditors: Amounts falling due within one year

	2020 £	2019 £
Bank overdrafts	7,432	591
Bank loans	7,292	-
Trade creditors	454,512	480,458
Amounts owed to group undertakings	-	12,884
Other taxation and social security	4,034	13,495
Other creditors	25,956	51,346
Accruals and deferred income	2,867,241	2,683,436
	<u>3,366,467</u>	<u>3,242,210</u>

7. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	<u>167,708</u>	<u>-</u>

VIVO REWARDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2020**

8. Loans

Analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year		
Bank loans	7,292	-
Amounts falling due 1-2 years		
Bank loans	87,504	-
Amounts falling due 2-5 years		
Bank loans	80,204	-
	<u>175,000</u>	<u>-</u>

The above loan relates to the Bounce back loan received as part of a government initiative to support businesses through the COVID-19 pandemic. The loan is secured by way of a fixed and floating charge over the assets of the Company.

9. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
1,111 (2019 - 1,111) Ordinary shares of £1.00 each	<u>1,111</u>	<u>1,111</u>

VIVO REWARDS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 31 AUGUST 2020****10. Share based payments**

During the year ended 31 August 2020, the company had one share-based payment arrangement, which is described as below:

	Weighted average exercise price (pence) 2020	Number 2020	Weighted average exercise price (pence) 2019	Number 2019
Outstanding at the beginning of the year	1	1	1	1
Outstanding at the end of the year	1	1	1	1

The options outstanding at 31 August 2020 had an exercise price of £1. They are part of an EMI share scheme.

The estimated fair value was calculated by applying the Black-Scholes option pricing model.

The model inputs were:

	2020	2019
Weighted average share price (pence)	100	100
Exercise price (pence)	100	100
Weighted average contractual life (days)	365	365
Expected volatility	75	75
Expected dividend growth rate	-	-
Risk-free interest rate	5%	5%

The company has a share option scheme for certain employees. Options are exercisable at a price equal to the estimated fair value of the company's shares on the date of the grant. The vesting period is 3 years. If the option remains unexercised after a period of 10 years from the date of the grant, 27 March 2012, the options expire. The number granted was 55. Options are forfeited if the employee leaves the company before the options vest. There were no options granted in the year ended 31 August 2020.

11. Commitments under operating leases

At 31 August 2020 the company had future minimum lease payments under non-cancelable operating leases totaling £nil (2019 - £8,666).

VIVO REWARDS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

12. Related party transactions

At the balance sheet date £104,451 (2019 - £117,326) was due to a associated company. This amount was unsecured, interest free and repayable on demand. During the year the company incurred management fees of £nil (2019 - £105,000) from this associated company.

13. Post balance sheet events

On 11 March 2020 the World Health Organisation declared a global pandemic.

The extent of the impact of the coronavirus ("COVID-19") outbreak on the financial performance of the company will depend on future developments, including the duration and spread of the outbreak and related restrictions and the impact of COVID-19 on the overall economy, all of which are highly uncertain and cannot be predicted. If the overall economy is impacted for an extended period, the company may be adversely affected.

During the year the company took advantage of the government's Bounce Back Loan Scheme which aims to provide businesses impacted by the pandemic with financial aid.

14. Controlling party

Until March 2020 the parent company was Vivo Technology Inc., a company registered in the United States of America.

In March 2020 the shares were transferred to the director of this company.