

Company Registration No. 08491211 (England and Wales)

MOORWAND LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2020

MOORWAND LIMITED

COMPANY INFORMATION

Directors	Mrs V Gladstone Mr L Gueriane Mr B J Lawlor	{Appointed 1 January 2020} {Appointed 26 March 2020} {Appointed 16 October 2020}
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Company number	08491211
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Registered office	Irongate House 28-30 Dukes Place London EC3A 7LP
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Auditor	Haines Watts New Derwent House 69-73 Theobalds Road London WC1X 8TA
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Business address	Irongate House 28-30 Dukes Place London EC3A 7LP
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Bankers	ING Belgium Avenue Marnixlaan 24 1000 Brussels Belgium Santander UK 2nd Floor 100 Ludgate Hill London EC4M 7RE ClearBank Ltd Level 4 133 Houndsditch London EC3A 7BX Deutsche Handelsbank AG Elsenheimerstraße 41 80687 Munich Germany Bank of Lithuania Totorių g. 4 LT-01121 Vilnius
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MOORWAND LIMITED

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MOORWAND LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present the strategic report for the year ended 31 October 2020.

Fair review of the business

The principal activity of Moorwand Limited ("the Company") during the year under review was that of an issuer of electronic money ("e-money") as well as a BIN Sponsor to programmes for the issuance of payment instruments licenced for the European Economic Area ("EEA").

'BIN Sponsorship' is the provision of access to card schemes by a regulated principle member, to a non- member, to issue card-based payment instruments. The Company is regulated by the Financial Conduct Authority ("FCA") as an Authorised Electronic Money Institution ("EMI") and has been given permission to issue e-money and provide payment services (Register Ref No. 900709). In addition, the Company is a principal member of a range of major card schemes, which enables it to issue scheme branded cards and acquire scheme branded transactions for merchants.

The Company has continued to refocus its business model in the year ended 31 October 2020 to concentrate on providing BIN Sponsorship to Programme Managers ("PMs") seeking to create varied and innovative payment products and bring these to the market. Using this model, it enables companies to offer their bespoke payment products in a relatively fast and inexpensive way, with the support and experience of an existing scheme member.

Digital Banking went live

During the year under review the new product Digital Banking was added to the existing BIN Sponsorship product that expects to increase turnover and provide sustainable opportunities for growth in the future.

The rest of 2020 continued with further growth in developed markets such as the UK and other markets within the EEA. The Company built up a strong pipeline of customers and went live with two digital banking clients. The current pipeline has more than 30 new customers that the Company anticipated would go "live" during the next twelve months.

The competitive landscape of issuing processors has further increased demand for progressive BIN Sponsors, like the Company, that are processor agnostic.

The Company prides itself on its regulatory expertise, agility, impartiality and deep market knowledge. In the short time since the Company moved away from running its own programme to focus on BIN Sponsorship, it has earned the respect of key stakeholders within the industry such as card schemes, processors and programme managers. The business is continuing to develop with an ever-growing pipeline fuelled by its growing reputation in the market. Company growth is also within the existing client base, who can grow their own products with the range of innovative services offered by the Company.

Employees

The Company had 13 staff, contractors and board members during the year in question and is committed to gender equality. The overall make up was 8 males and 5 females. The Board in 2020 is 1 female (2019: 1) and 2 males (2019: 1 male).

MOORWAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Principal risks and uncertainties

Brexit Implications

Due to the United Kingdom ("UK") opting to leave the European Union ("EU") there is a possibility that EMIs in the UK could lose their passporting rights in the EU in accordance with the 2nd Payment Services Directive (PSD2). When the UK left the EU on the 31 January 2020, it in effect entered a "transition period" where current rules regarding passporting and other rights would continue in operation until the 31 December 2020. There has not been any updated guidance since February 2020 on this matter and management continue to monitor the situation regularly.

Management have recognised the impact that such an event could have on the business and taken steps to mitigate the risks to the Company should passporting rights be revoked after the transition period.

COVID-19 pandemic implications

The full impact of COVID-19 on the Company is largely unknown at this time. The Company's customers are in a diverse range of sectors which should offer some protection. The majority of the Company's income, following the sale of its own e-money issuing programme, comes from set monthly minimum fees which are collected regardless of any decreases in transactional volumes. The transactional volumes across all sectors of Company's customer decreased, however this was an opportunity for Company's customers to modify their offering (i.e. travel product to be repositioned as general spend product with adding of virtual cards) to stabilise their portfolios. That said the Company endeavours to support their PMs during this difficult time to encourage future growth of its customers' businesses. Moorwand faced no operational impact as a result of the pandemic and transitioned seamlessly into remote working.

Wirecard

The recent financial troubles at Wirecard AG is seen by the Company as both a risk and an opportunity. It is probable that the FCA (and other UK and European Regulators) will seek to increase the regulatory standards of the sector, which may reduce margins, increase the level of regulatory capital and nature of controls over the safeguarding of client funds.

This event also presents the opportunity for the Company to attract previous clients of Wirecard AG, and those who would have used their services in the future. The raising of regulatory standards will be a further barrier to entry acting as a disincentive to new entrants. It is likely that smaller players may decide not to continue to trade allowing the Company to expand further.

Financial Performance

Turnover decreased during the year from £4,683,689 to £1,757,568 largely due to the discontinuation of the company's own e-Wallet business during April 2019. However the company's BIN sponsorship income has increased from £565,758 to £1,757,568 during the year. Profit before taxation has fallen from £574,638 to a £605,085 loss before taxation as a result of the fall in turnover. During the year there was also a large loan write off, resulting in a gain of £1,391,304.

Product Development

The Company's core product is BIN Sponsorship in the UK and EEA for major card schemes. The Company can work with unregulated businesses who want to offer cards and use the Company to issue e-money; or with regulated entities who simply want a scheme branded card to add to their accounts. The Company has a level of specialism in working with multiple card schemes for young businesses.

The product that went live during the financial year is Digital Banking solution for UK and Europe offering IBANs with Faster Payments through ClearBank and SEPA transfers, through its direct relationship with the Central Bank of Lithuania and Centrolink.

MOORWAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Key performance indicators

The company uses key performance indicators ("KPIs") to measure itself against past performance as well as the performance of its competitors.

Internal KPIs

Management continue to monitor basic KPI's including turnover, expenditure, working capital and debt and use these as benchmarks to ascertain how the business is performing against historical results and the results of our competitors.

Underlying KPIs are then analysed by management to understand the reasons for the movements to be able to identify opportunities or threats to the business model. These underlying KPIs include average time in implementation, average time to close complaints, incident management resolution times, marketing, PR targets, programme volume and various others.

The use of internal KPIs are preferable as the results can be reliably measured and are not subject to external fluctuations in reporting.

External KPIs

The purpose of monitoring and analysing external data is to allow management to measure the performance of the business against the performance of competitors and the market as a whole.

Primarily external KPIs are used by management to plot trends in the market, across products and in relation to regulatory controls in territories impacting product developments which assist the business in targeting areas of growth in the FinTech industry. By using KPIs such as average consumer spend by sector, cross border spending activity and changes in rates of foreign currencies and cryptocurrencies management can see which areas are in growth or in decline and allocate resources accordingly.

Other External Impacts

Environmental Impact

The Company actively looks at ways of reducing its carbon footprint and the amount of waste it generates during its course of business. It has introduced a number of policies to enable this to happen, such as recycling all "recyclables"; "fines" for the use of disposable cutlery with the money going to local charities; and digital document signatures to reduce print volumes.

The Company has introduced the "On Your Bike" cycle to work scheme for those staff who are resident in the United Kingdom. It also has a policy of minimising travel, especially air travel, where possible and encourages the use of video conferencing.

Social Impact

The Company has been involved in several initiatives recently to support the wider community. These include the provision of 300 K Rings for NHS staff as a show of appreciation for their hard work fighting the coronavirus pandemic. Having a K Ring means that the 300 essential workers can purchase goods and services safely and securely up to the value of £45 per transaction with a simple 'fisting gesture' over a card reader.

The Company has been supporting the charity sector by offering, at cost, a banking like solution to charities via For Good Causes, a financial technology company that converts unused loyalty points into cash to benefit charities. For Good Causes aims to raise £500m for UK charities over the next five years by empowering generosity through its innovative financial services platform. 'Donate my Rewards' is the world's first service enabling consumers to convert unused loyalty points from multiple reward schemes into cash donations to any of 14,000 UK registered charities.

MOORWAND LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Future Developments

In 2021, the Company is continuing to invest in making BIN Sponsorship an efficient and scalable operation as well as the roll out of Digital Banking services, both as an extension to BIN Sponsorship services in and as a standalone offering.

On behalf of the board

Mrs V Gladstone

Director

28 October 2021

MOORWAND LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2020

The directors present their annual report and financial statements for the year ended 31 October 2020.

Principal activities

The principal activity of the Company continued to be that of a global digital payments company licenced by the Financial Conduct Authority ("FCA") of the United Kingdom to issue electronic money ("e-money") and provide other payment services.

Directors

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

Mr R E Courtneidge	(Resigned 6 March 2020)
Mrs V Gladstone	(Appointed 1 January 2020)
Mr L Gueriane	(Appointed 26 March 2020)
Mr B J Lawlor	(Appointed 16 October 2020)

Results and dividends

The results for the year are set out on page 12.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Principal Risks and Uncertainties

The Company's main risks can, broadly speaking, be split into two areas; risks associated with financial instruments and commercial risks. Firstly, risks associated with financial instruments include market risk, interest rate risk, credit risk, liquidity risk and capital management risk. Secondly, commercial risks include customer fraud risk, technology risk and competition risk. The Directors review and agree policies for managing each of these risks included within their risk register and these policies are summarised below:

Liquidity risk

The Company manages financial risk by ensuring sufficient liquid funds are available to meet foreseeable liabilities. The Company is financed through equity and at the balance sheet date had a positive net cash balance of own funds of £1,662,446 (2019: £183,455).

Market & Interest rate risk

The Company issues e-money in numerous different currencies but mainly settles in Sterling, US Dollars and Euros. This exposes the Company to fluctuations in foreign exchange movements. Although the Company did not use hedging instruments during the year to reduce this risk, it did monitor these fluctuations on a daily basis to ensure that its potential exposure did not exceed the FCA's requirement for e-money issuers.

Since the sale of the Company's own e-money issuing programme this risk has significantly reduced as customers for the BIN sponsorship product are invoiced in one of the three currencies listed above, and the money is collected in those currencies thus mitigating this risk.

The majority of e-money is held in non-interest bearing accounts with a number of financial institutions, and therefore there is minimal exposure to movements in interest rates.

Credit risk

The Company has a small amount due from customers in relation to its BIN sponsorship business activity, along with strict credit terms. The Company does however hold a significant amount of cash, on behalf of its programme managers ("PMs"), with various financial institutions which is monitored by the Company to ensure reliance is not placed on a single counterparty.

MOORWAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

Capital management risk

The Company is bound by its licensing agreement with the FCA, the regulatory body that provides the licence to the Company, which includes certain requirements including the management of capital or other resources. The Company continues to monitor the terms and conditions of its licence to ensure that all requirements as set out by the FCA are adhered to. Failure to adhere to these requirements could result in a material adverse effect on the Company's business, financial condition and operations.

Customer fraud risk

The Company faces the risk of fraud from its customers and from the customers of its PMs that seek to abuse the payment methods it, or its PMs, offer. Accordingly, the Company has adopted strict policies and procedures which are in place from the pre-acceptance stage through to when a programme goes live, which assists the Company and its PMs in identifying suspicious transactions to prevent significant levels of fraud occurring. Management continually review these policies and procedures and adapt these when new threats are identified.

Technology risk

The nature of the Company's business activities and operations are highly dependent on technology and advanced information systems. As such there is risk of material adverse effect on the Company and its operations which can be caused by any number of issues including human error, unauthorised access, computer viruses, sabotage or other malicious attacks on the network, natural disasters, software and hardware failures. Management take every precaution against such threats by having in place regular data and system recovery backups, system maintenance and support, security measures and business continuity plans in the event of failure or disruption to the Company's technology or information systems.

Competition risk

Presently there are around 192 Authorised Electronic Money Institutions ("EMIs") which include 24 Small EMIs. These pose a threat to the Company and could adopt more aggressive pricing strategies, have faster onboarding processes or undertake more extensive marketing campaigns which, in turn, could have a negative impact on the Company's revenues or profit margins in the future. The Company monitors the industry closely and is confident that its highly compliant, advanced product offering and strong infrastructure provide the Company with a competitive advantage.

Employees

The Company is committed to promoting the best employment practice and equal opportunities. The Company operates a framework of employee information and consultation. During the year, the policy of providing employees with information about the Company has been continued through a weekly newsletter. Regular meetings are held between management and employees to allow the free flow of information and ideas.

Future developments

These are disclosed in the Strategic Report shown on page 4.

Auditor

Haines Watts were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is 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 auditor is aware of that information.

MOORWAND LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

On behalf of the board

Mrs V Gladstone
Director

28 October 2021

MOORWAND LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2020

The directors are responsible for preparing the annual 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 (United Kingdom Accounting Standards 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 applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

MOORWAND LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF MOORWAND LIMITED

Opinion

We have audited the financial statements of Moorwand Limited (the 'company') for the year ended 31 October 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

Other information

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

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

MOORWAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF MOORWAND LIMITED

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 strategic report and the directors' report.

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

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

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 assessed the risk of material misstatement in the financial statements, including fraud, by:

1. Obtaining an understanding of internal control relevant to the audit in order to design procedures which are appropriate;
2. Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures;
3. Concluding on the appropriateness of the directors' use of the going concern basis; and
4. Evaluating the overall presentation, structure and content of the financial statements, including disclosures as to whether a true and fair view is presented.

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

Other matters which we are required to address

There are no other matters to disclose.

MOORWAND LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF MOORWAND LIMITED

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Mr Chris Evans (Senior Statutory Auditor)
for and on behalf of Haines Watts

29 October 2021

Chartered Accountants
Statutory Auditor

New Derwent House
69-73 Theobalds Road
London
WC1X 8TA

MOORWAND LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	Continuing operations £	Discontinued operations £	31 October 2020 £	Continuing operations £	Discontinued operations £	31 October 2019 £
Turnover	4	1,757,568	-	1,757,568	565,758	4,117,931	4,683,689
Cost of sales		(183,939)	-	(183,939)	(26,294)	(414,922)	(441,216)
Gross profit		1,573,629	-	1,573,629	539,464	3,703,009	4,242,473
Administrative expenses		(3,162,826)	-	(3,162,826)	(283,971)	(3,102,039)	(3,386,010)
Other operating income		13,114	-	13,114	-	-	-
Operating (loss)/profit	5	(1,576,083)	-	(1,576,083)	255,493	600,970	856,463
Interest receivable and similar income	9	715	-	715	-	-	-
Interest payable and similar expenses	10	(421,021)	-	(421,021)	(281,825)	-	(281,825)
Amounts written off loans	11	1,391,304	-	1,391,304	-	-	-
(Loss)/profit before taxation		(605,085)	-	(605,085)	(26,332)	600,970	574,638
Tax on (loss)/profit	12	109,111	-	109,111	5,557	(119,526)	(113,969)
(Loss)/profit for the financial year		(495,974)	-	(495,974)	(20,775)	481,444	460,669

MOORWAND LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2020

	2020	2019
	£	£
(Loss)/profit for the year	(495,974)	460,669
Other comprehensive income	-	-
Total comprehensive income for the year	<u><u>(495,974)</u></u>	<u><u>460,669</u></u>

MOORWAND LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	13	-		129,230	
Tangible assets	14	6,803		17,781	
Investments	15	280,418		2,157	
			287,221		149,168
Current assets					
Debtors falling due after more than one year	18	90,375		5,245,532	
Debtors falling due within one year	18	2,314,839		905,837	
Qualifying liquid assets	20	12,375,560		10,072,925	
Cash at bank and in hand		1,662,446		183,455	
			16,443,220		16,407,749
Creditors: amounts falling due within one year	19	(15,038,703)		(11,049,808)	
Net current assets			1,404,517		5,357,941
Total assets less current liabilities			1,691,738		5,507,109
Creditors: amounts falling due after more than one year	21		(437,027)		(3,756,522)
Provisions for liabilities	23		(98)		-
Net assets			1,254,613		1,750,587
Capital and reserves					
Called up share capital	26	100,000		100,000	
Share premium account		692,308		692,308	
Profit and loss reserves		462,305		958,279	
Total equity			1,254,613		1,750,587

The financial statements were approved by the board of directors and authorised for issue on 28 October 2021 and are signed on its behalf by:

Mrs V Gladstone
Director

Company Registration No. 08491211

MOORWAND LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 OCTOBER 2020

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 November 2018	100,000	692,308	497,610	1,289,918
Year ended 31 October 2019:				
Profit and total comprehensive income for the year	-	-	460,669	460,669
Balance at 31 October 2019	100,000	692,308	958,279	1,750,587
Year ended 31 October 2020:				
Loss and total comprehensive income for the year	-	-	(495,974)	(495,974)
Balance at 31 October 2020	100,000	692,308	462,305	1,254,613

MOORWAND LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	32				
		6,525,185		(3,206,920)	
Interest paid		(421,021)		(281,825)	
Income taxes paid		(113,961)		(66,037)	
Net cash inflow/(outflow) from operating activities		5,990,203		(3,554,782)	
Investing activities					
Purchase of tangible fixed assets		(2,840)		(4,162)	
Purchase of subsidiaries		(278,261)		(2,156)	
Interest received		715		-	
Net cash used in investing activities		(280,386)		(6,318)	
Financing activities					
Proceeds from borrowings		-		3,321,739	
Repayment of borrowings		(1,928,191)		434,783	
Net cash (used in)/generated from financing activities		(1,928,191)		3,756,522	
Net increase in cash and cash equivalents		3,781,626		195,422	
Cash and cash equivalents at beginning of year		10,256,380		10,060,958	
Cash and cash equivalents at end of year		14,038,006		10,256,380	
Relating to:					
Cash at bank and in hand		1,662,446		183,455	
Qualifying liquid assets held in segregated accounts		12,375,560		10,072,925	

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

Company information

Moorwand Limited is a private company limited by shares incorporated in England and Wales. The registered office is Irongate House, 28-30 Dukes Place, London, EC3A 7LP.

1.1 Accounting convention

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

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

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

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Moorwand Limited is a wholly owned subsidiary of Moorwand Holdings Limited and the results of Moorwand Limited are included in the consolidated financial statements of Moorwand Holdings Limited which are available from their registered address: Xanthis 22, Kato Deftera, Nicosia, Cyprus, 2460.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation from producing forecasts that the company will have adequate resources to continue in operational existence for the foreseeable future. In addition, the beneficial owner has pledged his support if required. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for 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.

Revenue from contracts for the provision of services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably, as is the case for BIN sponsorship setup fees. The stage of completion for BIN sponsorship fees is determined by the signing of the heads of terms and then again at the signing of the final agreement. Other income for services including BIN sponsorship monthly fees and income from the company's own e-money issuing programme are calculate monthly in arrears in reference to the volume of transactions that have occurred. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Intangible fixed assets other than goodwill

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Amortisation 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:

Software	over 5 years
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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:

Fixtures and fittings	33% on cost
Computers	33% on cost
Motor vehicles	25% reducing balance

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 credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

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

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

1.7 Impairment of fixed assets

At each reporting period 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.

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

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

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

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

1.8 Cash and cash equivalents

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

1.9 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

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

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Equity instruments

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

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

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

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

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

1.13 Retirement benefits

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

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

1 Accounting policies

(Continued)

1.14 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Capital management

The company defines capital in accordance with regulations prescribed by the FCA. The company's capital consists of:

	2020 £	2019 £
Share capital (paid)	100,000	100,000
Share premium account	692,308	692,308
Profit and loss reserves	462,305	958,279
Total capital resources	1,254,613	1,750,587
Total capital requirement (€350,000)	(301,854)	(311,115)
Capital surplus	952,759	1,439,472

4 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
The company's own e-wallet business (discontinued Apr 19)	-	4,117,931
The company's BIN sponsorship income	1,757,568	565,758
	1,757,568	4,683,689

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

4 Turnover and other revenue (Continued)

	2020	2019
	£	£
Other significant revenue		
Interest income	715	-

	2020	2019
	£	£
Turnover analysed by geographical market		
Europe (including UK)	1,753,198	1,991,301
Asia	-	296,063
North America	-	1,058,338
Rest of the World	4,370	1,337,987
	<u>1,757,568</u>	<u>4,683,689</u>

5 Operating (loss)/profit

	2020	2019
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(150,692)	(15,103)
Depreciation of owned tangible fixed assets	7,557	5,927
Loss on disposal of tangible fixed assets	6,261	-
Amortisation of intangible assets	129,230	160,907
(Profit)/loss on disposal of intangible assets	-	33,254

6 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>18,150</u>	<u>20,000</u>

7 Employees

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

2020	2019
Number	Number
<u>11</u>	<u>7</u>

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

7 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	700,643	491,041
Social security costs	80,761	60,112
Pension costs	16,220	8,623
	<u>797,624</u>	<u>559,776</u>

8 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	175,958	198,413
Company pension contributions to defined contribution schemes	3,101	2,465
	<u>179,059</u>	<u>200,878</u>

9 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	340	-
Other interest income	375	-
	<u>715</u>	<u>-</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	340	-
	<u>340</u>	<u>-</u>

10 Interest payable and similar expenses

	2020 £	2019 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,005	2,820
Other interest on financial liabilities	420,016	279,005
	<u>421,021</u>	<u>281,825</u>

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

11	Loans written off	2020 £	2019 £
	Amounts written off loans	1,391,304	-

During the year part of the loan owed to Appertain Ltd was written off.

12	Taxation	2020 £	2019 £
	Current tax		
	UK corporation tax on profits for the current period	(109,209)	113,969
	Deferred tax		
	Origination and reversal of timing differences	98	-
	Total tax (credit)/charge	(109,111)	113,969

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

	2020 £	2019 £
(Loss)/profit before taxation	(605,085)	574,638
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	(114,966)	109,181
Tax effect of expenses that are not deductible in determining taxable profit	4,865	4,773
Change in unrecognised deferred tax assets	990	-
Permanent capital allowances in excess of depreciation	-	(1,111)
Depreciation on assets not qualifying for tax allowances	-	1,126
Taxation (credit)/charge for the year	(109,111)	113,969

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

13 Intangible fixed assets

	Software £
Cost	
At 1 November 2019 and 31 October 2020	692,308
Amortisation and impairment	
At 1 November 2019	563,078
Amortisation charged for the year	129,230
At 31 October 2020	692,308
Carrying amount	
At 31 October 2020	-
At 31 October 2019	129,230

14 Tangible fixed assets

	Fixtures and fittings £	Computers £	Motor vehicles £	Total £
Cost				
At 1 November 2019	-	20,959	13,913	34,872
Additions	620	2,220	-	2,840
Disposals	-	-	(13,913)	(13,913)
At 31 October 2020	620	23,179	-	23,799
Depreciation and impairment				
At 1 November 2019	-	9,439	7,652	17,091
Depreciation charged in the year	68	7,489	-	7,557
Eliminated in respect of disposals	-	-	(7,652)	(7,652)
At 31 October 2020	68	16,928	-	16,996
Carrying amount				
At 31 October 2020	552	6,251	-	6,803
At 31 October 2019	-	11,520	6,261	17,781

15 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	16	280,418	2,157

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

15 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings
	£
Cost or valuation	
At 1 November 2019	2,157
Additions	278,261
	<hr/>
At 31 October 2020	280,418
	<hr/>
Carrying amount	
At 31 October 2020	280,418
	<hr/>
At 31 October 2019	2,157
	<hr/>

16 Subsidiaries

Details of the company's subsidiaries at 31 October 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
UPC Consulting Ltd	30 St Mary Axe, London, EC3A 8BF	Ordinary Shares	100.00
Moorwand Lithuania UAB	Vilniaus g. 31, Vilnius 01402, Lithuania	Ordinary Shares	100.00
Moorwand-M SRL	mun. Chisinau, sec. Centru, str. Kogalniceanu Mihail, 66, ap.(of.) 3	Ordinary Shares	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves	Profit/(Loss)
	£	£
UPC Consulting Ltd	1	-
Moorwand Lithuania UAB	83,060	111,925
Moorwand-M SRL	278,261	-

The investments in subsidiaries are all stated at cost.

17 Financial instruments

	2020	2019
	£	£
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	12,375,560	10,072,925
	<hr/>	<hr/>

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

18 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	1,152,227	626,718
Corporation tax recoverable	109,209	-
Other debtors	183,838	279,119
Prepayments and accrued income	869,565	-
	<u>2,314,839</u>	<u>905,837</u>
Amounts falling due after more than one year:		
	£	£
Other debtors	<u>90,375</u>	<u>5,245,532</u>
Total debtors	<u>2,405,214</u>	<u>6,151,369</u>

19 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,789,454	168,485
Corporation tax	-	113,961
Other taxation and social security	39,112	23,034
Other creditors	12,839,926	10,445,323
Accruals and deferred income	370,211	299,005
	<u>15,038,703</u>	<u>11,049,808</u>

20 Qualifying liquid assets

In compliance with the Financial Conduct Authority (FCA) rules and regulations, the company holds qualifying liquid assets at least equal to the amounts owing to clients and businesses. These amounts are maintained in accounts which are segregated from operating funds. A legal right to offset exists between the balances owing to the clients and businesses and the cash balances segregated in the client designated accounts:

	Notes	2020	2019
		£	£
Qualifying liquid assets held for clients in segregated accounts		12,375,560	10,072,925
Client wallet balances (included within other creditors)	19	<u>(12,375,560)</u>	<u>(10,072,925)</u>
Surplus at year end		<u>-</u>	<u>-</u>

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

21 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Other borrowings	22	437,027	3,756,522

22 Loans and overdrafts

	2020 £	2019 £
Other loans	437,027	3,756,522
Payable after one year	437,027	3,756,522

The long-term loans carry no security.

The loans above are repayable by the 30 September 2021 and carry fixed interest at either 15% or 2% according to each agreement.

23 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	24	98	-

24 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	98	-
Movements in the year:		2020 £
Liability at 1 November 2019		-
Charge to profit or loss		98
Liability at 31 October 2020		98

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

24 Deferred taxation (Continued)

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

25 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	16,220	8,623

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.

26 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100,000 Ordinary of £1 each	100,000	100,000

The company has one class of ordinary shares which have attached to them full voting, dividend and capital distribution (including on winding up) rights.

27 Financial commitments, guarantees and contingent liabilities

Contingent Liabilities

The company does not have any contingent liabilities.

28 Operating lease commitments

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

	2020	2019
	£	£
Within one year	106,400	24,000

29 Events after the reporting date

Moorwand Lithuania UAB, a 100% subsidiary of Moorwand Ltd is in liquidation at the reporting date.

UPC Consulting Ltd, a related party of Moorwand Ltd was dissolved on 4 May 2021.

Mr Wael Almaree acquired 100% of the share capital in Moorwand Ltd from Moorwand Holdings Ltd on 4 December 2020.

Moorwand-M SRL a 100% subsidiary of Moorwand Ltd was put in liquidation on 11 December 2020, closed 26 February 2021.

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2020	2019
	£	£
Aggregate compensation	-	418,779

Transactions with related parties

During the year the company entered into the following transactions with related parties:

UPC Media SrL- Related party under common control:-

During the year under review, the company traded with UPC Media SrL under normal commercial terms and purchased services amounting to £204,783 (2019 £506,466). As at the balance sheet date, the company owed £nil.

PAP Onpoint Services - Related by virtue of significant financial interests in the company, as one of the biggest clients (ceased in April 2020):-

During the year under review, the company traded with PAP Onpoint Services under normal commercial terms and sold services amounting to £125,000. As at the balance sheet date, the company was owed £1,692,059.

31 Ultimate controlling party

The smallest and largest undertaking for which the company is a member and for which group financial statements are prepared is Moorwand Holdings Ltd, who is considered the ultimate parent company. The consolidated financial statements are available to the public and can be requested from the registered office address of Moorwand Holdings Ltd at Xanthi 22, Kato Deftera, Nicosia, Cyprus, 2460.

The ultimate controlling party is considered to be Mr Wael Sulaiman Almaree who is the ultimate beneficial owner of Moorwand Holdings Ltd.

MOORWAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2020

32 Cash generated from/(absorbed by) operations

	2020 £	2019 £
(Loss)/profit for the year after tax	(495,974)	460,669
Adjustments for:		
Taxation (credited)/charged	(109,111)	113,969
Finance costs	421,021	281,825
Investment income	(715)	-
Loss on disposal of tangible fixed assets	6,261	-
(Gain)/loss on disposal of intangible assets	-	33,254
Amortisation and impairment of intangible assets	129,230	160,907
Depreciation and impairment of tangible fixed assets	7,557	5,927
Amounts written off investments	(1,391,304)	-
Movements in working capital:		
Decrease/(increase) in debtors	3,855,364	(5,730,340)
Increase in creditors	4,102,856	1,466,869
Cash generated from/(absorbed by) operations	6,525,185	(3,206,920)

33 Analysis of changes in net funds

	1 November 2019 £	Cash flows £	31 October 2020 £
Cash and cash equivalents	10,256,380	3,781,626	14,038,006
Borrowings excluding overdrafts	(3,756,522)	3,319,495	(437,027)
	6,499,858	7,101,121	13,600,979

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.