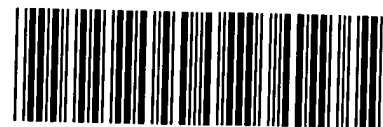

AVILA HOUSE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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AVILA HOUSE LIMITED

COMPANY INFORMATION

Director	J A Happe
Registered number	09609407
Registered office	T H JELF LLP The Old Rectory Addington Buckingham Buckinghamshire MK18 2JR
Independent auditor	Haysmacintyre LLP Chartered Accountants & Statutory Auditor 10 Queen Street Place London EC4R 1AG

AVILA HOUSE LIMITED

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AVILA HOUSE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021, with the comparative period being the 7-months ended 31 December 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Directors

The directors who served during the year were:

J A Happe
D G Mason (resigned 31 March 2022)

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Haysmacintyre LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

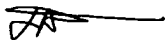
AVILA HOUSE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Small companies note

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

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



.....
J A Happe
Director

Date: 29 June 2022

AVILA HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVILA HOUSE LIMITED

Opinion

We have audited the financial statements of Avila House Limited ("the Company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2021 and of its profit 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the Company is supported by other members of the Group and that this wider Group is not in a position where it is self-financing and will require further funding which has not yet been secured. Therefore as disclosed in the Going Concern Accounting policy, a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Company were unable to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

AVILA HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVILA HOUSE LIMITED (CONTINUED)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

AVILA HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVILA HOUSE LIMITED (CONTINUED)

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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the company and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with the FCA and HMRC;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing accounting journal entries, in particular those journal entries which exhibited the characteristics we had identified as possible indicators of irregularities; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

AVILA HOUSE LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AVILA HOUSE LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Simon Wilks (Senior Statutory Auditor)

for and on behalf of
Haysmacintyre LLP

Chartered Accountants
Statutory Auditor

10 Queen Street Place
London
EC4R 1AG
Date: 29 June 2022

AVILA HOUSE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

		Year ended 31 December 2021 £	<i>Period ended 31 December 2020 £</i>
Turnover	4	197,996	-
Administrative expenses		(195,578)	(3,822)
Operating profit/(loss)		2,418	(3,822)
Tax on profit/(loss)		-	-
Profit/(loss) for the financial year/period		2,418	(3,822)

There was no other comprehensive income for the year ended 31 December 2021 (period ended 31 December 2020: £nil).

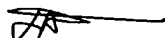
The notes on pages 10 to 17 form part of these financial statements.

AVILA HOUSE LIMITED
REGISTERED NUMBER: 09609407

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Current assets			
Debtors: amounts falling due within one year	8	189,392	-
Cash at bank and in hand	9	47	-
Creditors: amounts falling due within one year	10	(192,761)	(5,740)
Net liabilities		<u>(3,322)</u>	<u>(5,740)</u>
Capital and reserves			
Called up share capital	11	27,083	27,083
Profit and loss account	12	(30,405)	(32,823)
		<u>(3,322)</u>	<u>(5,740)</u>

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



.....
J A Happe
Director
29 June 2022

The notes on pages 10 to 17 form part of these financial statements.

AVILA HOUSE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 June 2020	27,083	(29,001)	(1,918)
Loss for the period	-	(3,822)	(3,822)
At 1 January 2021	27,083	(32,823)	(5,740)
Profit for the year	-	2,418	2,418
At 31 December 2021	27,083	(30,405)	(3,322)

The notes on pages 10 to 17 form part of these financial statements.

AVILA HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Avila House Limited is a private company, limited by shares, registered in England and Wales. The address of the company's registered office is T H JELF LLP, The Old Rectory, Addington, Buckingham, Bucks, United Kingdom, MK18 2JR.

The Company's principal place of business is 1 Poultry, London, EC2R 8EJ.

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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Cornerstone FS Plc as at 31 December 2021 and these financial statements may be obtained from Companies House.

AVILA HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis which assumes the ability of the Company to continue its activities for the foreseeable future, being a period of not less than twelve months from the date of approval of these accounts.

During the year ended 31 December 2021, the Company made a profit of £2,418, supported by revenue generation under a white label agreement with its parent company Cornerstone Payment Solutions Ltd (formerly FXPress Payment Services Ltd) and the Company had a net liability position as at 31 December 2021 of £3,332. The Company benefits from the support of its shareholder, Cornerstone Payment Solutions Ltd and its ultimate parent Company, Cornerstone FS plc, which have continued to support the Company's working capital requirements.

The Directors have prepared a cash flow forecast covering a period extending 18 months from the date of approval of these financial statements, i.e., to 31 December 2023, taking into account projected increase in revenues and continued support from its parent company Cornerstone FS plc.

During the year ended 31 December 2021 the financial standing of Cornerstone FS plc was significantly strengthened with the raising of gross proceeds of £2.2m via a placing of new ordinary shares following its admission to AIM. Post year end, Cornerstone FS plc also raised gross proceeds of £0.9m through the placing of, and subscription for, new ordinary shares, which was partly used to fund the initial cash consideration and integration costs for the acquisition of Capital Currencies Limited. Cornerstone FS plc also has convertible loan note facilities of a further £0.45m that are available to be called on 20-days' notice (£0.1m of which cannot be called until 13 January 2023). However, the cash flow forecasts of Cornerstone FS plc assume that further equity fundraising will be necessary over the coming months in order to implement Cornerstone's growth strategy which include continuing to support the working capital needs of the Company.

Although Cornerstone FS plc has had past success in fundraising and continues to attract interest from investors, making the Board confident of fundraising success, there can be no guarantee that such fundraising will be available.

These circumstances indicate the existence of a material uncertainty, impacting the Company's ability to continue as a going concern. The financial statements do not include any adjustments that would result if the Company was unable to continue as a going concern.

After careful consideration, the Directors consider that they have reasonable grounds to believe that Cornerstone FS plc can continue to support the working capital needs of the Company and therefore the Company can be regarded as a going concern. For this reason they continue to adopt the going concern basis in preparing the Company's financial statements.

2.4 Turnover

Turnover represents commission on foreign exchange transactions under a white label agreement with Cornerstone Payment Solutions Ltd and represents a turnover share of the foreign exchange commission earned (being the difference between the premiums offered to clients and the premium Cornerstone Payment Solutions Ltd receives from its banking counterparties) by Cornerstone Payment Solutions Ltd from clients introduced and managed by employees of the Company.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

AVILA HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.5 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.6 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.

2.7 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.

2.8 Creditors

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

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

The preparation of the Company's financial statements requires management to make estimates, judgements and assumptions about the carrying amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. In the process of applying the Company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements:

Intercompany debtors

The recoverability of intercompany debtors has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all available information. At the balance sheet date, the carrying amount of intercompany debtors was £189,392 (2020: £nil).

AVILA HOUSE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

4. Turnover

The directors consider that there is only one activity undertaken by the Company, that of foreign exchange services. All of this activity was undertaken in the United Kingdom under the Company's white label agreement with its parent company Cornerstone Payment Solutions Ltd.

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

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Turnover	197,996	-

5. Auditor's remuneration

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	7,800	3,600

AVILA HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Employees

Staff costs were as follows:

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Wages and salaries	150,707	-
Social security costs	19,251	-
Cost of defined contribution scheme	1,823	-
	<u>171,781</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year/period was as follows:

	Year ended 31 December 2021	Period ended 31 December 2020
Employees	<u>3</u>	<u>2</u>

7. Taxation

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

AVILA HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Taxation (continued)

Factors affecting tax charge for the year/period

The tax assessed for the year/period is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Profit/(loss) on ordinary activities before tax	<u>2,418</u>	<u>(3,822)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	459	(726)
Effects of:		
Utilisation of tax losses	(459)	-
Unrelieved tax losses carried forward	-	726
Total tax charge for the year/period	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

As at 31 December 2021, the Company had tax losses carried forward of £27,849 (31 December 2020: £32,090). Deferred tax has not been recognised in relation to these tax losses. The standard rate of corporation tax applicable to the Company for the year ended 31 December 2020 was 19.0%. The UK government has announced, with effect from 1 April 2023, an increase in the corporation tax main rate from 19% to 25% for companies with profits over £250,000 and the introduction of a small profits rate of 19% applicable to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

8. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	<u>189,392</u>	<u>-</u>

AVILA HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Cash and cash equivalents

	2021	2020
	£	£
Cash at bank and in hand	47	-
Less: bank overdrafts	-	(6)
	<u>47</u>	<u>(6)</u>

10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank overdrafts	-	6
Trade creditors	4,518	-
Amounts owed to group undertakings	150,041	1,234
Other taxation and social security	11,102	-
Accruals and deferred income	27,100	4,500
	<u>192,761</u>	<u>5,740</u>

11. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
27,083 (2020 - 27,083) Ordinary shares of £1.00 each	<u>27,083</u>	<u>27,083</u>

12. Reserves

Profit and loss account

This reserve comprises all current and prior years' retained profits and losses.

13. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,823 (2020 - £nil). Contributions totalling £nil (2020 - £nil) were payable to the fund at the reporting date and are included in creditors.

AVILA HOUSE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Related party transactions

The company has taken advantage of the exemption in FRS 102 from the requirements of Section 33 Related Party Disclosures paragraph 33.7, to disclose transactions with group companies on the basis that consolidated financial statements are prepared by the ultimate controlling party.

15. Controlling party

The immediate parent company is Cornerstone Payment Solutions Limited. The ultimate parent undertaking is Cornerstone FS plc which owns 100% of the share capital of Cornerstone Payment Solutions Limited.

The smallest and largest group in which the results were consolidated was headed by Cornerstone FS plc. The registered office of the ultimate parent company is The Old Rectory, Addington, Buckinghamshire, MK18 2JR. There is no ultimate controlling party.

There is no ultimate controlling party.