Company registration No. 10417552

MIR LIMITED UK LTD
AUDITED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2021

COMPANY INFORMATION

Directors	Israel Rosenthal Christian Mark Sperring Paul Eduardo Gent	 (resigned 31 January 2021)
Company Number	10417552	
Registered Office	Signature by Regus Berkeley Square Berkeley Square House 2nd Floor, London England W1J 6BD	
Auditor	KPMG Audit LLC Heritage Court 41 Athol Street Douglas Isle of Man IM1 1LA	
Business Address	Signature by Regus Berkeley Square Berkeley Square House 2nd Floor, London England W1J 6BD	

MIR LIMITED UK LTD
PERIOD ENDED 31 DECEMBER 2021

CONTENTS

STRATEGIC REPORT

The Directors of MIR Limited UK Ltd ("the Company") present their Strategic Report for the period ended 31 December 2021.

Review of the business

The principal activity of the MIR Limited UK Ltd is the provision of a digital wallets service. It has been authorised and regulated by the Financial Conduct Authority ("FCA"), to operate as a e-money issuer. This e-wallet enables customers to make online payments conveniently and securely, and to send and receive money transfers cost effectively. It is anticipated that the Company will continue to operate its core businesses in the same way over the forthcoming year.

Business review

The Company continued to deliver positive cash flows, despite the headwinds from the Covid-19 pandemic. The focus of the Company remains to achieve the right balance between continuing to meet the needs and expectations of our customers, shareholder, and other stakeholders while making sufficient returns to support our growth plans by controlling out costs and managing our cash efficiently. The Directors continue to lead the Company, in line with strategic objectives.

Results:

	2021 £ 000's	2020 £ 000's
Revenue	10,460	11,595
Gross profit	5,088	8,593
Gross profit margin	49%	74%

During the year revenue decreased to £10.46 million (2020 £11.6 million). This decrease was due to the transfer of the EEA business to a related company as part of Brexit. The transfer of the EEA business on 1st Jan 2021 resulted in the loss of £10.1 million revenue in the Company for 2021.

Principal risks and uncertainties

The Company uses financial instruments as detailed in note 19. The Company does not use derivative financial instruments. The main purpose of these financial instruments is to raise finance for the Company's operations. The main risks arising from the Company's financial instruments are credit risk, market risk liquidity risk. In addition, the Company has commercial risks surrounding competition, suppliers, customer fraud and technology. The Directors review and agree policies for managing each of these risks and they are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a consumer or merchant counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents and trade and other receivables.

In order to mitigate this risk, cash and cash equivalents and restricted cash in respect of customer accounts, are deposited with different banking partners with a variety of credit ratings and credit exposure are regularly monitored and managed by the Company's safeguarding and treasury function. Management considers low risk of losses from these financial instruments.

Receivables held on behalf of payment service providers are closely monitored on a regular basis and are not considered to arise in material credit risk. Having a significant number of payment service providers which are geographically widespread helps mitigate the exposure to concentration risk.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

Market risk

Market risk is the risk that changes in market prices – e.g., foreign exchange rates and interest rates– will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's primary exposure to market risk is in the form of foreign exchange risk explained below.

Foreign exchange risk

The Company is exposed to currency risk due to financial assets and liabilities denominated in a currency other than the functional currency. The Company's policy is, where possible, to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency. The Company manages the exposure to currency risk by limiting the use of other currencies for operating expenses, wherever possible, thereby minimising the realised and unrealised foreign exchange gain or loss

Liquidity risk

Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. Management controls and monitors the Company's cash flow on a regular basis, including forecasting future cash flows. The Company's objective to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet the liabilities when they become due. Liquidity risk is monitored on a daily basis and is maintained in accordance with FCA requirements for e-money issuers.

Customer fraud risk

The Company is vulnerable to the compliance and fraud threats faced by all businesses. Management is aware of the importance of having robust KYC procedures and on-going monitoring of suspicious transactions in place. Fraud risk is mitigated by both the compliance and internal security and risk department utilising fraud detection technologies in tandem with robust procedures relating to customer fraud risk.

Supplier risk

The nature of the Company's business requires it to enter into numerous commercial and contractual relationships with banks, card networks, issues and financial institutions. The Company's success depends on these relationships to operate in a day-to-day basis to enable the efficient delivery of its services. This risk is mitigated through maintaining an extensive network of banking and payment partners.

Technology risk

The availability of the Company's services depends on the continuing operation of its information technology and communication systems. The systems may be subject to damage or interruption, some of with may not be covered by the Company's extensive disaster recovery planning. In order to mitigate these risks, the Company has separate server locations with and replicates transactional data in real time to databases in separate sites. This allows for Company's services to be switched over from the primary data centre to the disaster recovery site.

Future developments

The Company continues to make significant investments to broaden the functionality and jurisdiction offered by its platform and regularly introduces new product features as part of its strategy to enter into adjacent markets using its digital wallet technology. The Directors believe that the Company is well positioned to grow current market share and improve its profitability in the future.

ISRAEL ROSENTHAL
On behalf of the board

Date: 22/09/2022

DIRECTOR'S REPORT

The Directors present this annual report and audited financial statements of MIR Limited UK Ltd ("the Company") for the 13 month period from 1 December 2020 to 31 December 2021. The prior period of account was for the year ended 30 November 2020.

Principal activities

The principal activity of the Company is that of the provision of a digital wallets service.

Results and dividends

The Company's results for the period ended 31 December 2021 are set out on page 8. The Directors do not recommend the payment of a dividend.

Directors

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

Israel Rosenthal
Christian Mark Sperring
Paul Eduardo Gent (resigned 31 January 2021)

Auditor

KPMG Audit LLC, being eligible, has expressed their willingness to continue in office as the Company's auditor in accordance with section 485 of the Companies Act 2006.

Statement of Directors' responsibilities

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

The Directors are required to prepare financial statements for each financial year. They have elected to prepare the financial statements in accordance with UK adopted International Accounting Standards, and applicable Isle of Man 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 Company and of their profit or loss for that year. In preparing the Company's financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

DIRECTOR'S REPORT

Statement of disclosure to auditor

So far as each of the Directors are aware, there is no relevant audit information of which the auditor of the Company is unaware. Additionally, each Director individually has taken all the necessary steps that they ought to have taken as a Director in order to make themselves aware of all relevant audit information and to establish that the auditor of the Company is aware of that information.

Post reporting date events

There have been no significant events subsequent to the reporting date.

Political and charitable donations

No political or charitable donations were made during the reporting period.

Israel
ISRAEL ROSENTHAL
On behalf of the board

Date: 22/09/2022

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MIR LIMITED UK LTD**

Our opinion

We have audited the financial statements of MIR Limited UK Ltd (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statements of profit or loss and other comprehensive income, changes in equity and cash flows for the period from 01 December 2020 to 31 December 2021, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the Company's loss for the period from 01 December 2020 to 31 December 2021;
- are properly prepared in accordance with UK-adopted international accounting standards; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MIR LIMITED UK LTD

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- testing controls over the revenue process, tests of details and reconciliations to operating systems.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, if any, and discussed with management the policies and procedures regarding compliance with laws and regulations. As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The directors' report and strategic report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and

- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Kelly (Senior Statutory Auditor)
For and on behalf of KPMG Audit LLC
Chartered Accountants
Heritage Court
41 Athol Street
Douglas, Isle of Man
IM1 1LA

Date: 23 September 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2021

	Notes	Period ended 2021 £ 000's	Year ended 2020 Restated* £ 000's
Revenue	5	10,460	11,595
Cost of sales		(5,372)	(3,002)
Gross profit		**5,088**	**8,593**
Operating expenses	6	(5,109)	(8,541)
Operating (loss)/profit		(21)	52
Finance costs	9	(20)	(5)
Finance income	10	-	1
(Loss)/profit before taxation		(41)	48
Income tax expense	11	-	(9)
(Loss)/profit for the period		**(41)**	**39**
Other comprehensive expense		-	-
Total comprehensive (loss)/income		**(41)**	**39**

*The comparative information has been restated on account of the Company's first-time adoption of IFRS. See note 23 for details.

The company statement of profit and loss and other comprehensive income has been prepared on the basis that all operations are continuing operations.

The notes on pages 12 to 33 are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSTITON AS AT 31 DECEMBER 2021

	Notes	2021 £ 000's	2021 £ 000's	2020 £ 000's Restated*	2020 £ 000's Restated*	2019 £ 000's Restated*	2019 £ 000's Restated*
Non-current assets							
Right of use asset	13		41		6		14
Investment in subsidiary undertakings	14		318		2		-
Property and equipment	12		-		5		-
Other receivables	15		59		64		60
			418		77		74
Current assets							
Trade and other receivables	15	19,763		8,639		5,284	
Cash and cash equivalents	16	18,548		17,047		5,784	
		38,311		25,686		11,068	
Current liabilities							
Lease liability	13	(15)		(6)		(8)	
Trade and other payables	17	(36,608)		(23,636)		(9,046)	
		(36,623)		(23,642)		(9,054)	
Net current assets			1,688		2,044		2,014
Non-current liabilities							
Lease liability	13		(26)		-		(6)
			(26)		-		-
Net assets			**2,080**		**2,121**		**2,082**
Capital and reserves							
Share capital	18		2,000		2,000		2,000
Retained earnings			80		121		82
Equity shareholders funds			**2,080**		**2,121**		**2,082**

*The comparative information has been restated on account of the Company's first-time adoption of IFRS. See note 23 for details.

The financial statements were approved and signed by the Directors and authorised for issue on

Israel

ISRAEL ROSENTHAL
Director

CHRISTIAN MARK SPERRING
Director

Date: 22/09/2022

The notes on pages 12 to 33 are an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2021

	Share capital £ 000's Restated*	Retained earnings £ 000's Restated*	Total £ 000's Restated*
Balance as at 1 December 2019	2,000	82	2,082
Comprehensive income for the year			
Profit for the year		39	39
Other comprehensive income	-	-	-
Dividend for the year	-	-	-
Balance at 30 November 2020	**2,000**	**121**	**2,121**
Balance at 1 December 2020	2,000	121	2,121
Comprehensive loss for the period			
Loss for the period	-	(41)	(41)
Other comprehensive expense	-	-	-
Dividend for the period	-	-	-
Balance at 31 December 2021	**2,000**	**80**	**2,080**

*The comparative information has been restated on account of the Company's first-time adoption of IFRS. See note 23 for details.

The notes on pages 12 to 33 are an integral part of these financial statements

STATEMENT OF CASHFLOWS AS AT 31 DECEMBER 2021

	Notes	2021 £ 000's Restated*	2021 £ 000's Restated*	2020 £ 000's Restated*	2020 £ 000's Restated*
Cash flows from operating activities					
Cash generated from operations	21		1,842		11,292
Net cash inflow from operating activities			1,842		11,292
Investing activities					
Acquisition of property and equipment	12	-		(5)	
Disposal of property and equipment	12	5		-	
Acquisition of investments	14	(316)		(2)	
Finance income	10	-		1	
Finance cost	9,13	(19)		(5)	
Net cash used in investing activities			**(330)**		**(11)**
Financing activities					
Payments of lease liabilities	13	(11)		(9)	
Income tax expense		-		(9)	
Net cash generated from financing activities			**(11)**		**(18)**
Net increase in cash and cash equivalents			1,501		11,263
Cash and cash equivalents at beginning of period			17,047		5,784
Cash and cash equivalents at end of period			**18,548**		**17,047**

*The comparative information has been restated on account of the Company's first-time adoption of IFRS. See note 23 for details.

The notes on pages 12 to 33 are an integral part of these financial statements

1 Company information

MIR Limited UK Ltd ("the Company") is a private company limited by shares and incorporated in the United Kingdom. The registered office is Signature by Regus Berkley Square, Berkely Square House, 2nd Floor, London, England, W1J 6BD.

The period of account for these financial statements is the 13-month period from 1 December 2020 to 31 December 2021.The prior period of account is the year ended 30 November 2020.

The principal activity of the Company is that of the provision of a digital wallets service.

2 Significant accounting policies

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

These financial statements have been prepared in accordance with UK-adopted International accounting standards and the Companies Act 2006.

These financial statements are the first the Company has prepared under International Financial Reporting Standards (IFRS), having been previously prepared under FRS 102. An explanation of the effects of this transition has been included in note 23.

The financial statements of the Company are prepared in Pound Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest thousand, unless otherwise stated.

Basis of preparation
The financial statements have been prepared under the historical cost convention.

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

Going concern
Notwithstanding a loss for the period ended 31 December 2021 of £41,000 for the Company (2020: Profit of £39,000), the financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons:

- As at 31 December 2021, the Company had cash balances of £18,458,000 (2020: £17,047,000) and is in a net current asset position of £1,688,000 (2020: £2,044,000). In addition, the Company was in a net asset position of £2,080,000 (2020: £2,121,000) as at the period then ended. The Company therefore has sufficient liquid assets to provide liquidity support as required to enable the Company to meet its obligations as they fall due.
- The Directors have considered the ongoing conflict in Ukraine, and its impact on the Company's operations and information included in these financial statements. The Company only derives a small percentage of revenue from Russia and Ukraine which largely limits the impacts of the conflict.

Foreign exchange
The financial statements of the Company are prepared in the currency of the primary economic environment in which the entity operates (its functional currency). For the purpose of the financial statements, the results and the financial position is expressed in Pound Sterling, which is the functional currency of the Company, and the presentational currency of the financial statements.

2 Significant accounting policies (continued)

Foreign exchange (continued)

In preparing the financial statement, transactions in currencies other than the entity's functional currency are recorded at the rates of exchange prevailing on the date of the transactions. At each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in foreign currencies are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are included in the statement of profit and loss and other comprehensive income.

Leases

The Company acts as a lessee. It assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right of use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments) less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date; and
- Payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The right-of-use assets are presented as a separate line in the statement of financial position. They comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. To the extent that the costs relate to a right of use asset, the costs are included in the related right of use asset.

Right of use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Company applies IAS 36 to determine whether a right of use asset is impaired and accounts for any identified impairment loss as described in the Impairment policy.

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 trade and other payables.

2 Significant accounting policies (continued)

Employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay the amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Pensions

The Company operates a defined contribution plan for its employees. Payments to defined contribution plans are recognised as an expense when employees have rendered the service entitling them to the contributions.

Cost of sales

Cost of sales primarily relate to fees incurred by the Company relating to the issuance of cards and wearable technology, offered as part of the digital wallets service provided by the Company and its subsidiaries.

Financial Instruments

The Company classifies its financial assets at either fair value through profit of loss or as at amortised cost.

Financial assets measured at amortised cost are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently measured at amortised cost using the effective interest rate method, less expected credit loss allowances as stipulated in IFRS 9. Financial assets at amortised cost include cash and cash equivalents and other receivables.

Financial liabilities that are not measured at fair value through profit or loss are classified as at amortised cost. Financial liabilities designated as at amortised cost are initially measured at their fair value (net of issue costs in the case of loans and borrowings) and subsequently measured at their amortised cost using the effective interest rate method and mainly comprise trade and other payables.

Finance costs are charged to the statement of profit and loss and other comprehensive Income using the effective interest rate method.

Financial liabilities are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Offsetting

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legally enforceable right to set off the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted by the accounting standards.

Equity

Equity comprises the following:

- Share capital represents the nominal value of equity shares.
- Retained earnings represents retained profits.

Accounting policies included elsewhere in the financial statements

The following accounting policies are included within the relevant note to the financial statements:

- Revenue from contracts with customer (note 5)
- Taxation, including deferred tax (note 11)
- Property and equipment (note 12)
- Investment in subsidiary undertakings (note 14)
- Trade and other receivables (note 15)

3 Adoption of new and revised Standards

New and amended IFRS Standards that are effective for the current period

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2021 (unless otherwise stated). The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. The adoption of the below standard has not had a material impact on the financial statements of the Company.

IAS 39 Financial Instruments: Recognition and Measurement Amendments regarding replacement issues in the context of the IBOR reform.	Effective for annual periods beginning on or after 1 January 2021

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective

IFRS 16 Leases Amendment to extend the exemption from assessing whether a COVID-19-related rent concession is a lease modification.	Effective for annual periods beginning on or after 1 April 2021
IAS 1 Presentation of Financial Statements Amendments regarding the classification of liabilities. Amendment to defer the effective date of the January 2020 amendments. Amendments regarding the disclosure of accounting policies.	Effective for annual periods beginning on or after 1 January 2023
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors Amendments regarding the definition of accounting estimates.	Effective for annual periods beginning on or after 1 January 2023
IAS 12 Income Taxes Amendments regarding deferred tax on leases and decommissioning obligations.	Effective for annual periods beginning on or after 1 January 2023
IAS 16 Property, Plant and Equipment Amendments prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use.	Effective for annual periods beginning on or after 1 January 2022

4 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Company's financial statements requires management to make estimates and judgements that affect the reported amounts of assets, liabilities, contingencies and the accompanying disclosures at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimated. By their nature, these estimates and judgements are subject to estimation uncertainty and the effect on the financial statements of changes in estimates in future periods could be significant.

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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

5 Revenue from contracts with customers

The Company provides payment services through the provision of its Digital Wallet service. The Digital Wallets revenue streams are comprised of revenues from charging customers on a transactional basis for using the Company's digital wallets offering, revenues from currency exchanges and merchant revenues. As a result of these concentrations, the Company does not disaggregate revenue below this level. The Company acts as the principal in all of its contracts with customers.

Contracts with customers have different durations depending on the business line and whether the contracts are with consumers or merchants. The Company's primary consumer facing revenue stream is the Digital Wallets business line. In this business the consumer facing contracts are online terms and conditions that the consumers agree on as terms of business; these are typically open ended and can be terminated without penalty by either party. Therefore, contracts in this business line are essentially defined at the transaction level and there is no commitment to provide further services beyond the services already provided. Merchant contracts in the Digital Wallets business are formal written contractual agreements with merchants who use the Digital Wallets service. These contracts are longer-term relationships structured as open-ended contracts and are typically cancellable by either party within 90 days written notice.

The Company has determined that the primary services offered to its customers comprise a series of distinct performance obligations, that are substantially similar with the same pattern of transfer. Hence, these services are considered a single performance obligation. The Company recognises revenue as it satisfies a performance obligation by transferring control over the service to a customer for which the timing and quantity of transactions to be processed is not determinable at the inception of the contract.

The majority of the Company's payment services are priced as a percentage of transaction value or a specified fee per transaction. The Company's also charges other fixed fees based on specific services that may be unrelated to the number of transactions or transaction value. Given the nature of the promise and those the underlying transaction fees are based on unknown quantities of transactions or outcomes of services to be performed over the contract term, the total consideration for each primary source of revenue is determined to be variable. The Company allocates the variable fees to the individual day in which the services were wholly performed, and for which it has the contractual right to bill those wholly performed services under the contract. Therefore, revenue for our payment service is measured daily based on the services that are performed on that day.

Other revenue
Other revenue includes interest income which is earned on the funds held on behalf of customers and is accrued on a monthly basis, by reference to the principal outstanding and at the effective interest rate applicable. While this is not revenue earned from contracts with customers, such interest income is presented in revenue as it is earned on funds that are held as part of the Company's revenue generating activities.

	2021	**2020**
	£	**£**
	000's	**000's**
Revenue from contracts with customers		
Digital Wallets	10,235	11,502
Other revenue	225	93
Total revenue	**10,460**	**11,595**

The Company has no single customer contributing 10% or more of the Company's revenue in the period.

5 Revenue from contracts with customers (continued)

Disaggregation from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical market and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Company's reportable segments.

	2021	2020
	£	£
Disaggregation of revenue	000's	000's
Primary geographical markets		
European Union	-	6,338
UK and rest of world	10,460	5,257
	10,460	**11,595**

All revenues of the Company, aside from some elements of other income, are generated through the provision of Digital wallet services being the Company's primary activity.

All revenues generated by the Company relate to services transferred at a point in time and as such no contract receivables, assets or liabilities have been recognised as at 31 December 2021.

The Company applies the practical expedient in paragraph 121 of IFRS 15 and does not disclose information about the remaining performance obligations that have original expected durations of one year or less.

6 Operating expenses

The Company's loss from operating activities is stated after charging:

	2021	2020
	£	£
	000's	000's
Staff costs (note 8)	588	240
Marketing and promotion	625	328
Auditor's renumeration (note 7)	44	36
Professional and government fees	130	57
Licences and subscriptions	68	5
Commissions paid	190	72
Office and rental costs	125	103
Depreciation of right of use assets (note 13)	11	8
Net foreign exchange losses	568	36
Bank charges and sundry expenses	475	338
Management recharges (note 20)	2,285	6,930
Irrecoverable VAT	-	388
	5,109	**8,541**

7 Auditor's renumeration

	2021 £ 000's	2020 £ 000's
Fees payable to the Company's auditor and their associates		
For audit services		
Audit of financial statements of Company	44	36

8 Staff costs

	2021 £ 000's	2020 £ 000's
The average monthly number of employees (including executive directors) was:	13	3
Their aggregate remuneration comprised:		
Wages and salaries	520	212
Social security costs	60	16
Other pension costs	8	12
Total	588	240
Directors renumeration comprised:		
Wages and salaries	81	-
Social security costs	10	-
Other pension costs	-	-
Total	91	-

During the prior year, Directors renumeration was suffered by the Company's previous controlling entity with no liability in respect of these falling due on the Company. In the current period, Directors where remunerated directly by the Company.

Other pension costs within aggregate remuneration relate to the Company's contribution to the Company's defined contribution plan.

9 Finance cost

	2021 £ 000's	2020 £ 000's
Interest expense on lease liabilities	1	-
Bank interest paid	19	5
Total finance costs	20	5

10 Finance income

	2021 £ 000's	2020 £ 000's
Bank interest received	-	1

11 Taxation

Income tax expense comprises current and deferred tax. During the period ended 31 December 2021, the prevailing rate of corporation tax in the United Kingdom was 19% (2020: 19%).

		2021 £ 000's		2020 £ 000's
(Loss)/profit before tax from continuing operations		(41)		49
Current-year losses for which no deferred tax asset is recognised		7		-
Recognition of previously unrecognised tax losses		(7)		-
Tax using Company's domestic tax rate	19%	-	19%	9
Taxation (loss)/charge	**19%**	**-**	**19%**	**9**

Current tax

Current tax and deferred tax are recognised in the statement of profit and loss and other comprehensive income except to the extent that they relate to a business combination, or items recognised directly in equity or in other comprehensive income.

The current tax charge is calculated on the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on amounts expected to be paid to the tax authorities.

Taxable profit differs from net profit as reported in the statement of profit and loss and other comprehensive income because it excludes items of income or expense that are taxable, or deductible 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 date.

Deferred tax

The Company uses the comprehensive balance sheet liability method of accounting for income taxes. Temporary differences arising from the difference between the tax basis of an asset or liability and its carrying amount on the Statement of Financial Position are used to calculate deferred tax assets or liabilities. Deferred tax assets or liabilities are calculated using tax rates anticipated to exist in the periods that the temporary differences are expected to reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised, or the deferred tax liability is settled.

11 Taxation (continued)

Deferred tax (continued)

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that there is sufficient taxable temporary differences or sufficient future taxable profit against which they can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, except for any deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised on deductible temporary differences arising from investments in subsidiaries only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities and there is an intention to settle the balances on a net basis.

12 Property and equipment

Property and equipment 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 estimated residual values using a straight line method over the useful lives on the following bases:

Fixtures and fittings	5 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is recognised in the statement of profit and loss and other comprehensive income.

12 Property and equipment (continued)

	Fixtures and fittings £ 000's
Cost	
At 1 December 2020	5
Disposals	(5)
At 31 December 2021	-
Accumulated depreciation	
At 1 December 2020	-
Depreciation charged in the period	1
Disposals during the period	(1)
At 31 December 2021	-
Carrying amount	
At 31 December 2021	-
Cost	
At 1 December 2019	-
Additions during the year	5
At 30 November 2020	5
Accumulated depreciation	
At 1 December 2019	-
Depreciation charged in the year	-
At 30 November 2020	-
Carrying amount	
At 30 November 2020	5

13 Leases

The Company has operating leases for offices and considers the lease term to establish the right-of-use assets and lease liabilities. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function.

	2021 £ 000's	2020 £ 000's Restated*	2019 £ 000's Restated*
Right of use asset			
Balance brought forward	6	14	-
Transition to IFRS (note 23)	-	-	15
Additions to right of use assets	46	-	-
Depreciation charge for the period	(11)	(8)	(1)
Balance at period end	**41**	**6**	**14**

13 Leases (continued)

	2021 £ 000's	2020 £ 000's Restated*	2019 £ 000's Restated*
Amounts recognised in profit and loss			
Interest on lease liabilities	1	-	-
Depreciation of right of use assets	11	8	1
Total profit and loss charges	**12**	**8**	**1**
Amounts recognised in statement of cashflows			
Payments of lease liabilities	(11)	(9)	(9)
Total cash outflow for leases	**(11)**	**(9)**	**(9)**

	2021 £ 000's	2020 £ 000's Restated*	2019 £ 000's Restated*
Lease liability			
Current	15	6	8
Non-current	26	-	6
Total lease liabilities	**41**	**6**	**14**

Maturity analysis of lease liabilities is a follows:

Year 1	16	6	8
Year 2	15	-	6
Year 3	10	-	-
Total undiscounted lease liabilities at period end	**41**	**6**	**14**

*The comparative information has been restated on account of the Company's first-time adoption of IFRS. See not 23 for details.

14 Investment in subsidiary undertakings

	2021 £ 000's	2020 £ 000's	2019 £ 000's
MIR - MuchBetter EDE S.L	316	-	-
UAB MIR Lithuania	2	2	-
Total Investments	**318**	**2**	**-**

The principal subsidiaries of the Company are as follows:

Name of undertaking	**Registered office**	**Class of shares held**	**% Held Direct**
UAB MIR Lithuania	Lithuania	Ordinary Shares	100%
MIR – MuchBetter EDE S.L	Spain	Ordinary Shares	100%

14 Investment in subsidiary undertakings (continued)

During the period the Company acquired 100 per cent of the issued share capital of MIR – MuchBetter EDE S.L, a private limited company registered in Spain with a registered office of Francisco Silvela 106, 28002, Madrid, Spain.

15 Trade and other receivables

	2021 £ 000's	2020 £ 000's	2019 £ 000's
Amounts falling due within one year:			
Trade receivables	-	-	4
Other receivables	10,539	4,854	2,088
Prepayments and accrued income	385	364	233
Amounts owed from group undertakings (note 20)	8,839	3,421	2,959
	19,763	8,639	5,284
Amounts falling due after more than one year:			
Other receivables	59	64	60
Total trade and other receivables	**19,822**	**8,703**	**5,344**

The carrying value of trade and other receivables classified at amortised cost approximates fair value.

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

16 *Cash and cash equivalents*

	2021 £ 000's	2020 £ 000's	2019 £ 000's
Cash at bank	8,307	9,289	2,833
Cash held in segregated accounts	10,241	7,758	2,951
Total cash and cash equivalents	**18,548**	**17,047**	**5,784**

Segregated account funds represent amounts held in segregated bank accounts which represent funds held on behalf of clients. These segregated bank accounts are segregated from operating funds. In compliance with the safeguarding provisions of the Electronic Money Regulations 2011 and Payment Services Regulations 2017 issued by the Financial Conduct authority ("FCA"), the Company is required to hold qualifying liquid assets in segregated bank accounts at least equal to the amount of electronic money (e-money) that has been issued to members.

17 Trade and other payables

	2021 £ 000's	2020 £ 000's	2019 £ 000's
Trade payables	83	35	10
Amounts owed to group undertakings (note 20)	22,516	-	-
Payable to clients and merchants and other payables	13,815	23,488	9,000
Accruals and deferred income	194	113	36
Total trade and other payables	**36,608**	**23,636**	**9,046**

The carrying value of trade and other payables classified as financial liabilities measured at amortised cost approximates fair value.

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

18 Share capital

	2021 £ 000's	2020 £ 000's	2019 £ 000's
Ordinary share capital			
Allotted, called up and fully paid			
2,000,0000 ordinary shares of £1	2,000	2,000	2,000

Ordinary shares

Holders of these shares are entitled to dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All rights attached to the Company's shares held by the group are suspended until those shares are reissued.

19 Financial instruments

Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the Directors assess the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

19 Financial instruments (continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

The Company has not disclosed the fair values of financial instruments such as short-term trade receivables and payables, because their carrying amounts are a reasonable approximation of fair value.

	2021 £ 000's Carrying Value	2021 £ 000's Fair Value Level 2	2020 £ 000's Carrying Value	2020 £ 000's Fair Value Level 2	2019 £ 000's Carrying Value	2019 £ 000's Fair Value Level 2
Financial assets not measured at fair value						
Trade and other receivables	-	-	-	-	4	-
Other receivables	10,598	**10,578**	4,918	**4,913**	2,148	**2,125**
Accrued income	350	-	359	-	232	-
Cash and cash equivalents	18,548	-	17,047	-	5,784	-
Amounts owed to group undertakings	8,839	**8,839**	3,421	**3,421**	2,959	**2,959**
	38,335		**25,745**		**11,127**	
Financial liabilities not measured at fair value						
Trade payables	83	-	35	-	10	-
Payable to clients and merchants and other payables	13,815	**13,815**	23,488	**23,488**	9,000	**9,000**
Accruals and deferred income	194	-	113	-	36	-
Amounts owed to group undertakings	22,516	**22,516**	-	-	-	-
	36,608		**23,636**		**9,046**	

Due to their short-term nature, the carrying value of cash and cash equivalents, other receivables, and trade and other payables approximates their fair value.

The Company is exposed through its operations to the following financial risks:

- Credit risk
- Market risk
- Liquidity risk.

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

19 Financial instruments (continued)

Principal financial instruments
The principal financial instruments used by the Company, from which financial instrument risk arises, are as follows:

- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables

Financial instruments by category	2021 £ 000's Amortised cost	2020 £ 000's Amortised cost	2019 £ 000's Amortised cost
Financial assets			
Trade and other receivables	19,787	8,698	5,343
Cash and cash equivalents	18,548	17,047	5,784
	38,335	**25,745**	**11,127**
	Amortised cost	**Amortised cost**	**Amortised cost**
Financial liabilities			
Trade and other payables	**36,608**	**23,636**	**9,046**

General objectives, policies and processes
The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk
Credit risk is the risk of financial loss to the Company if a consumer or merchant counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's cash and cash equivalents and other receivables.

The cash and cash equivalents and restricted cash in respect of customer accounts are deposited with different banking partners with a variety of credit ratings and credit exposure are regularly monitored and managed by the Company's safeguarding and treasury function. Management considers low risk of losses from these financial instruments.

Receivables held on behalf of payment service providers are closely monitored on a regular basis and are not considered to arise in material credit risk. Having a significant number of payment service providers which are geographically widespread helps mitigate the exposure to concentration risk.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

The exposure to credit risk for other receivables by geographic region was as follows

19 Financial instruments (continued)

	2021 £ 000's	2020 £ 000's	2019 £ 000's
Credit risk by geographic region			
European Union	1,277	251	282
UK and Rest of World	18,510	8,447	5,061
	19,787	**8,698**	**5,343**

As at 31 December 2021, the exposure to credit risk for other receivables and contract assets by type of counter party was a follows:

	2021 £ 000's	2020 £ 000's	2019 £ 000's
Credit risk by type of counter party			
End-user customers	350	359	236
Tax authorities	20	-	23
Payment service providers	10,520	4,849	2,065
Group undertakings	8,839	3,421	2,959
Other	58	69	60
	19,787	**8,698**	**5,343**

Market risk
Market risk is the risk that changes in market prices – e.g. foreign exchange rates and interest rates– will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Company's primary exposure to market risk is in the form of foreign exchange risk explained below.

Foreign exchange risk
The Company is exposed to currency risk due to financial assets and liabilities denominated in a currency other than the functional currency. The Company's policy is, where possible, to settle liabilities denominated in their functional currency) with the cash generated from their own operations in that currency. The Company manages the exposure to currency risk by limiting the use of other currencies for operating expenses, wherever possible, thereby minimising the realised and unrealised foreign exchange gain or loss. The Company's exposure to foreign currency at the reporting date was as follows:

	Cash and cash equivalents 2021 £ 000's	Other receivables 2021 £ 000's	Trade and other payables 2021 £ 000's	Net foreign currency financial assets/liabilities 2021 £ 000's
AUD	-	-	60	**60**
BRL	-	3,096	(1)	**3,095**
CAD	3,114	527	(2,629)	**1,012**
CHF	-	545	(30)	**515**
EUR	8,572	8,531	(24,002)	**(6,899)**
GBP	9,525	4,373	(3,702)	**10,196**
INR	-	-	(10)	**(10)**
JPY	-	22,242	(21,734)	**508**
NOK	-	357	(5,905)	**(5,548)**
PLN	-	3,635	(7,774)	**(4,139)**

19 Financial instruments (continued)

	Cash and cash equivalents 2021 £ 000's	Other receivables 2021 £ 000's	Trade and other payables 2021 £ 000's	Net foreign currency financial assets/liabilities 2021 £ 000's
RUB	-	668	(57,006)	**(56,338)**
SEK	-	295	(7)	**288**
USD	-	8,374	(11,677)	**(3,303)**
ZAR	-	-	1	**1**

	Cash and cash equivalents 2020 £ 000's	Other receivables 2020 £ 000's	Trade and other payables 2020 £ 000's	Net foreign currency financial assets/liabilities 2020 £ 000's
BRL	-	526	-	**526**
CAD	7	1,262	(1,170)	**99**
CHF	-	16	(11)	**5**
EUR	5,870	6,533	(17,756)	**(5,353)**
GBP	5,490	437	(3,178)	**2,749**
INR	-	-	(11)	**(11)**
JPY	595	15,983	(3,046)	**13,532**
NOK	53	2,942	(36)	**2,959**
PLN	406	1,195	(308)	**1,293**
RUB	1,756	3,370	(2,335)	**2,791**
SEK	-	95	-	**95**
USD	8,058	2,819	(6,310)	**4,567**

	Cash and cash equivalents 2019 £ 000's	Other receivables 2019 £ 000's	Trade and other payables 2019 £ 000's	Net foreign currency financial assets/liabilities 2019 £ 000's
BRL	-	332	-	**332**
CAD	-	636	(699)	**(63)**
CHF	-	55	(6)	**49**
EUR	3,614	2,529	(7,018)	**(875)**
GBP	823	4,864	(4,123)	**1,564**
NOK	388	805	(2)	**1,191**
PLN	7	394	(37)	**366**
RUB	900	1,025	(1,077)	**848**
USD	2,378	915	(1,973)	**1,320**

The following significant exchange rates have been applied

GBP 1 = 1	Average rate	Period end spot rate
AUD	0.540	0.537
BRL	0.134	0.133
CAD	0.585	0.584
CHF	0.801	0.810
EUR	0.850	0.840
INR	0.010	0.010
JPY	0.007	0.006
NOK	0.085	0.084

19 Financial instruments (continued)

GBP 1 = 1	Average rate	Period end spot rate
PLN	0.185	0.183
RUB	0.010	0.010
SEK	0.084	0.082
USD	0.738	0.739
ZAR	0.049	0.046

As at 31 December 2021, had Pound Sterling strengthened by 10% in relation to all the other currencies, with all other variables held constant, the net assets of the Company would have been decreased in both profit and equity by £165,726. A weakening of Pound Sterling by 10% against the above currencies would have had an equal and opposite effect.

Liquidity risk
Liquidity risk is the risk that the Company will be unable to meet its financial obligations as they fall due. Management controls and monitors the Company's cash flow on a regular basis, including forecasting future cash flows. The Company's objective to managing liquidity is to ensure that, as far as possible, it will always have sufficient liquidity to meet the liabilities when they become due.

The table below summarises the maturity profile of the Company's financial liabilities based on contractual undiscounted payments using the period-end spot rate for all items denominated in a foreign currency.

	Carrying amount £ 000's	On demand £ 000's	Less than 1 year £ 000's	1 to 5 years £ 000's
Payable to clients and merchants and other payables	13,815	13,776	39	-
Trade payables	83	-	83	-
Accruals and deferred income	385	-	385	-
Loan from group undertakings	22,516	22,516	-	-
As at 31 December 2021	**36,799**	**36,292**	**507**	**-**

	Carrying amount £ 000's	On demand £ 000's	Less than 1 year £ 000's	1 to 5 years £ 000's
Payable to clients and merchants and other payables	23,488	23,488	-	-
Trade payables	35	-	35	-
Accruals and deferred income	113	-	113	-
As at 30 November 2020	**23,636**	**23,488**	**148**	**-**

	Carrying amount	On demand	Less than 1 year	1 to 5 years
Payable to clients and merchants and other payables	9,000	9,000	-	-
Trade payables	10	-	10	-
Accruals and deferred income	36	-	36	-
As at 1 December 2019	**9,046**	**9,000**	**46**	**-**

19 Financial instruments (continued)

The Company holds cash and cash equivalents totaling £18.5 million. Given the Company's available liquid resources as compared to the timing of the payments of liabilities, management assesses the Company's liquidity risk to be low

Capital disclosure
The Company's capital structure is comprised of share capital, retained earnings and revaluation reserve. The Company's objective when managing its capital structure is to finance internally generated growth while safeguarding the Company's ability to continue as a going concern so it can provide returns to shareholders and benefits to other stakeholders. To manage its capital structure the Company may adjust capital spending and issue or acquire short-term financing.

20 Related party transactions

Balances with related parties
The Company has the following related party balances at the period end:

	2021 £ 000's	2020 £ 000's	2019 £ 000's
Balances receivable at period end:			
Amounts owed from group undertakings	8,839	3,421	2,959
Balances payable at period end:			
Amounts owed to group undertakings	22,516	-	-

The loans to and from subsidiary undertakings are unsecured, interest free and repayable on demand.

Transactions with related parties
Included within the Company's revenue and operating expenses are amounts relating to the recharging of revenues and expenses between the Company and its subsidiaries. For the period ended 31 December 2021, £2,285,096 (2020: 6,930,110) was recognised within operating costs.

Controlling party
At the reporting date the Company's immediate parent is Rtekk Holdings Limited, a company incorporated in the Isle of Man. Company's ultimate controlling party is Manatee Holdings Limited incorporated in the Cayman Islands with the registered office of Century Yard, Cricket Square, PO Box 1111, Grand Cayman, KY1-1102, Cayman Islands.

21 Cash generated from operations

	2021 £ 000's	2020 £ 000's
(Loss)/profit for the period	(41)	39
Adjustments for:		
Depreciation of right of use assets	11	8
Finance income	-	(1)
Finance cost	20	5
Income tax expense	-	9
	(10)	60

21 Cash generated from operations (continued)

	2021 £ 000's	2020 £ 000's
Change in other receivables	(11,120)	(3,359)
Change in trade and other payables	12,972	14,591
Cash from operations:	**1,842**	**11,292**

22 Events after the reporting date

There were no events after the reporting date requiring further disclosure within these financial statements.

23 Transition to IFRS

As stated in note 2, these are the Company's first financial statements prepared in accordance with IFRSs.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the 13-month period ended 31 December 2021, the comparative information presented in these financial statements for the year ended 30 November 2020 and in the preparation of an opening IFRS statement of financial position at 1 December 2019 (the Company's date of transition).

In preparing its opening IFRS statement of financial position, the Company has adjusted amounts reported previously in financial statements prepared in accordance with UK GAAP (FRS 102). An explanation of how the transition from previous GAAP to IFRSs has affected the Group's financial position, financial performance and cash flows is set out in the following tables and the notes that accompany the tables.

23 Transition to IFRS (continued)

Reconciliation of the statement of financial position	Note	FRS 102	Effect of transition to IFRSs 01-Dec-19	Opening IFRS statement of financial position	FRS 102	Effect of transition to IFRSs 30-Nov-20	IFRSs
		£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Non-current assets							
Right of use assets	13	-	14	14	-	6	6
Investments	14	-	-	-	2	-	2
Property, plant and equipment	12	-	-	-	5	-	5
Other receivables	15	60	-	60	64	-	64
		60	**14**	**74**	**71**	**6**	**77**
Current assets							
Other receivables	15	5,284	-	5,284	8,639	-	8,639
Cash and cash equivalents		5,784	-	5,784	17,047	-	17,047
		11,068	**-**	**11,068**	**25,686**	**-**	**25,686**
Current liabilities							
Lease liability	13	-	(8)	(8)	-	(6)	(6)
Trade and other payables	17	(9,046)	-	(9,046)	(23,636)	-	(23,636)
		(9,046)	**(8)**	**(9,054)**	**(23,636)**	**(6)**	**(23,642)**
Net current assets		**2,022**	**(8)**	**2,014**	**2,050**	**(6)**	**2,044**
Non-current liabilities							
Lease liability	13	-	(6)	(6)	-	-	-
Net assets		**2,082**	**-**	**2,082**	**2,121**	**-**	**2,121**
Capital and reserves							
Share capital		2,000	-	2,000	2,000	-	2,000
Retained earnings		82	-	82	121	-	121
Equity shareholders funds		**2,082**	**-**	**2,082**	**2,121**	**-**	**2,121**

Reconciliation of the equity	Note	As at 01-Dec-19	As at 30-Nov-20
		£ 000's	£ 000's
Total equity under FRS 102		2,082	2,121
Recognition of right of use asset	13	14	6
Recognition of lease liability	13	(14)	(6)
Total adjustments to equity		-	-
Total equity under IFRS		**2,082**	**2,121**

23 Transition to IFRS (continued)

Reconciliation of profit	**Note**	**Profit before tax 2020 £ 000's**	**Profit for the year 2020 £ 000's**
Total profit for the year under FRS 102		**48**	**39**
Rental costs		8	8
Depreciation charge on ROU asset	**13**	(8)	(8)
Interest on lease liability	**13**	-	-
Total adjustments to comprehensive income			
Total comprehensive income under IFRS		**48**	**39**

Effect of IFRS on the statement of cashflows	**FRS 102 2020 £ 000's**	**Effect of transition to IFRSs 2020 £ 000's**	**IFRSs 2020 £ 000's**
Net cashflows from operating activities	11,284	8	11,292
Net cashflows from investing activities	(11)	-	(11)
Net cashflows from financing	(10)	(8)	(18)
Net increase in cash and cash equivalents	**11,263**	**-**	**11,263**
Cash and cash equivalents at the beginning of the period	**5,784**	-	**5,784**
Cash and cash equivalents at the end of the period	**17,047**	-	**17,047**

Notes to the IFRS Transition reconciliations

The transition to IFRSs has resulted in the following changes in accounting policy:

When the criteria are met under IFRS 16, for each lease a ROU asset with the corresponding lease liability is recognised in the financial statements. Under FRS 102 the lease costs were recognised in the accounts when incurred. The effect of the change is an increase in assets as at 30 November 2020 £6,156 (2019: £13,680) and an increase in liabilities as at 30 November 2020 of £6,186 (2019: £13,686).