

SW Holdco Limited

Annual report and financial statements

Registered number 11262310

Year ended – 31 December 2022



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Company Information

Directors K Fellahi (appointed on 29 March 2022)
S Wachs (appointed on 31 March 2023)
J Perez (appointed on 31 March 2023)
M Boden (resigned on 31 March 2023)
N Day (resigned on 10 March 2022)

Registered number 11262310

Registered office 209-215 Blackfriars Road
London
SE1 8NL

Strategic Report

Highlights

SW Holdco Limited ("the Company") was incorporated on 19 March 2018. The Company is a holding company within the Small World Group ("the Group"), a technology-led Group of companies providing secure, fast and competitively priced cross-border payment services to consumers and businesses.

In March 2018, Funds managed by Equistone Partners Europe Limited agreed to purchase the Group. The purchase was completed on 30 November 2018 after receiving all regulatory approvals.

In the prior year, the Company decided to extend its accounting reference period ending from 30 June 2021 to 31 December 2021 to be aligned with the rest of the subsidiaries of the Small World Group. Therefore, the directors present their strategic report together with the audited financial statements for the 12 months ending 31 December 2022 compared to the 18 month period ended 31 December 2021.

The profit for the period, after taxation, amounted to £240,445 (2021 – loss of £97,214) as a result of the difference between the financial income received from a loan given to its subsidiary SW Midco Limited and the loan received from its shareholders together with administrative expenses and taxes.

Risk Management

Recovery of the loan

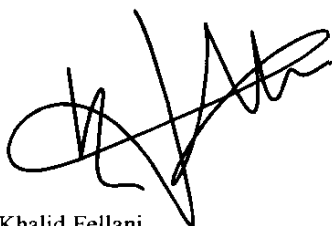
The Company's principal financial asset is the loan given to its subsidiary SW Midco Limited and this risk is offset with a guarantee received from its parent SW Topco Limited.

Corporate Governance

Management Board

The Board meets formally at least once a year, with further ad hoc meetings as required.

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



Khalid Fellani
Director
Date: 19 September 2023

Directors' report

The Directors present their report and the financial statements for the year ended 31 December 2022.

In March 2018, Funds managed by Equistone Partners Europe Limited agreed to purchase the Small World Group through the acquisition of the holding company Small World Financial Services Group Limited by one of the subsidiaries of the Company SW Bidco Ltd. The purchase was completed on 30 November 2018 after receiving all regulatory approvals.

On 1 December 2018 the Company signed an unsecured five year £88 million fixed rate loan note at 10% interest with its shareholder, SW Midco Limited. On 20 December 2019, the Company signed an additional unsecured five year £3 million fixed rate loan note at 10% interest with its shareholder, SW Holdco Limited. Interest is accrued but not paid until the loan note is redeemed. On 31 December 2022, the principal was £91,183,862 (2021 - £91,183,862) and £44,809,421 (2021- £31,025,283) was outstanding as accrued interest.

The directors have reviewed the current activity, future prospects and resources available to the Company. On the basis of their assessment, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Results and dividends

The profit for the period, after taxation, amounted to £240,445 (2021 – loss of £97,214).

The directors do not recommend the payment of a final dividend.

Directors

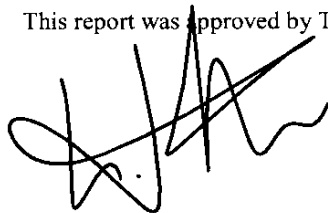
The directors who served during the period were:

M Boden (resigned on 31 March 2023)
K Fellahi (appointed on 29 March 2022)
A Backen (resigned 10 July 2020)
N Day (resigned on 9 March 2022)

Audit exemption

For the period ended 31 December 2022 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies.

This report was approved by The Board and signed on its behalf by:



Khalid Fellahi
Director

Date: 19 September 2023

Registered Address: 209-215 Blackfriars Road, London, SE1 8NL

Statement of directors' responsibilities in respect of the Annual Report, Strategic Report, The Directors' Report and the financial statements

The directors are responsible for preparing the Annual Report, the Strategic Report, 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 they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- 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.

Statement of Profit and Loss and Other Comprehensive Income
for the year 2022

		For the year ended 31 December 2022 £	For the period from 1 July 2020 to 31 Dec 2021 £
	Note		
Revenue		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses		(2,691)	(4,525)
		<hr/>	<hr/>
Total administrative expenses		(2,691)	(4,525)
		<hr/>	<hr/>
Profit / (Loss) from operations		(2,691)	(4,525)
Finance income	5	11,990,493	16,677,550
Finance expense	6	(11,747,357)	(16,770,239)
		<hr/>	<hr/>
Profit / (Loss) before tax		240,445	(97,214)
Tax expense		-	-
		<hr/>	<hr/>
Profit / (Loss) for the period		240,445	(97,214)
		<hr/>	<hr/>
Other comprehensive income			
<i>for the period ended 31 December 2022</i>			
<i>Items that are or may be reclassified subsequently to profit or loss:</i>			
Other comprehensive income for the period, net of income tax		-	-
		<hr/>	<hr/>
Total comprehensive profit / (loss) for the period		240,445	(97,214)
		<hr/>	<hr/>

The accompanying notes form part of the financial statements.

Statement of Financial Position
at 31 December 2022

	Note	2022 £	2021 £
Non-current assets			
Investments	4	-	-
Loan to group undertakings	5	135,993,283	123,553,614
		<hr/> 135,993,283	<hr/> 123,553,614
Current assets			
Trade and other receivables		-	85,871
		<hr/> -	<hr/> 85,871
Total assets		<hr/> 136,083,095	<hr/> 123,639,485
Equity			
Share capital	7	-	-
Retained Earnings		130,419	(110,026)
		<hr/> 130,419	<hr/> (110,026)
Non-current liabilities			
Other borrowings	6	135,862,864	123,661,200
		<hr/> 135,862,864	<hr/> 123,661,200
Current liabilities			
Loan to group undertakings		89,812	88,311
		<hr/> 89,812	<hr/> 88,311
Total equity and liabilities		<hr/> 136,083,095	<hr/> 123,639,485

The accompanying notes form part of the financial statements.

For the year ending 31 December 2022, the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Statement of Financial Position *(continued)*

Directors' responsibilities:

- the members have not required the company to obtain an audit of its accounts for the period in question in accordance with section 476 of the Companies Act 2006;
- the directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

These financial statements were approved by the board of directors on 19 September 2023 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'Khalid Fellani', written over a horizontal line.

Khalid Fellani

Director

Date: 19 September 2023

Company registered number: 11262310

Statement of Changes in Equity

Company

	Share capital £	Retained Earnings £	Total equity £
Balance at 1 January 2022	-	(110,026)	(110,026)
Total comprehensive profit for the period			
Profit for the period	-	240,445	240,445
Total comprehensive profit for the period		240,445	240,445
<i>Transactions with owners, recorded directly in equity</i>			
Issue of shares	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2022	-	130,419	130,419

The accompanying notes form part of the financial statements

Statement of Changes in Equity

	Share capital £	Retained Earnings £	Total equity £
Balance at 30 June 2020	-	(12,812)	(12,812)
Total comprehensive loss for the period	-	(97,214)	(97,214)
Loss for the period			
Total comprehensive loss for the period			
	-	(97,214)	(97,214)
<i>Transactions with owners, recorded directly in equity</i>			
Issue of shares	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2021	-	(110,026)	(110,026)

The accompanying notes form part of the financial statements

Notes

(forming part of the financial statements)

1 General information

SW Holdco Limited (the “company”) is a private company incorporated, domiciled and registered in the UK. The registered number is 11262310 and the registered address is 209-215 Blackfriars Road, London, SE1 8NL.

In August 2021, the Company approved the change of its calendar year from 30 June to 31 December and, therefore, for these financial statements, the prior accounting period of the Company runs from 1 July 2020 to 31 December 2021 (18 months).

2 Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared and approved by the directors in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (“FRS 101”). The amendments to FRS 101 (2014/15 Cycle) issued in July 2015 have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- Certain disclosures regarding revenue;
- Comparative period reconciliations for share capital, tangible fixed assets, intangible fixed assets;
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

The Company’s ultimate parent undertaking, SW Topco limited includes the Company in its consolidated financial statements. The consolidated financial statements of SW Topco Limited are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from the registered address above in Note 1.

As the consolidated financial statements of SW Topco Limited include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- IFRS 2 Share Based Payments in respect of group settled share-based payments
- Certain disclosures required by IAS 36 Impairment of assets in respect of the impairment of goodwill and indefinite life intangible assets;
- Disclosures required by IFRS 5 Non-current Assets Held for Sale and Discontinued Operations in respect of the cash flows of discontinued operations;
- Certain disclosures required by IFRS 3 Business Combinations in respect of business combinations undertaken by the Company in the current and prior periods including the comparative period reconciliation for goodwill; and
- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The accounting policies set out below have, unless otherwise stated, been applied consistently in the period presented in these financial statements.

Notes (continued)

2.2 Going concern

Notwithstanding the Company has a net long term liability being a financing company and has reported a loss for the period, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate because this net liability will be repaid by return on investment through dividends or sale.

The directors have considered the factors that impact the Company's future development, performance, cash flows and financial position in forming their opinion on the going concern basis. The directors believe that the Company has adequate resources to continue to operate and meet its obligations as they fall due for the foreseeable and therefore the use of the going concern assumption remains appropriate.

2.3 Measurement convention

The financial statements are prepared on the historical cost basis.

Investments in subsidiaries are measured at cost less accumulated impairment.

2.4 Financial assets and liabilities

A financial asset is measured at amortised cost if it meets both of the following conditions:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Other liabilities

Other liabilities include the following items:

The company's loan notes are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position.

For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

- Liability components of loan notes are measured as described further below.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Interest payable on the loan notes is 10%, which is classified as a financial liability, is treated as finance costs and is at the effective interest rate.

2.5 Finance costs

Finance costs associated with the issue of the loan notes are deducted from the proceeds of the issue and released to the statement of comprehensive income over the term of the loan on a straight line basis.

2.6 Share capital

Financial instruments issued by the Company are classified as equity only to the extent that they do not meet the definition of a financial liability or a financial asset.

The Company's ordinary shares are classified as equity instruments.

Notes (continued)

2.7 Audit exemption

For the year ended 31 December 2022 the Company was entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies. The exemption also applies to the subsidiaries listed below.

	Company Registration number
SW Midco Limited	11262414
SW Bidco Limited	11262511
Small World Financial Services Group Limited	05405279

The parent undertaking SW Topco Limited guarantees all outstanding liabilities to which the subsidiary company is subject at the end of the financial period to which the guarantee relates, until they are satisfied in full.

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

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from those estimates and assumptions.

4 Investment

The Company has a wholly owned investment in its subsidiary SW Midco Limited of £0.01. The subsidiary's registered address is 209-215 Blackfriars Road, London, SE1 8NL, United Kingdom.

5 Loan to Group undertakings

On 1 December 2018, the subsidiary SW Midco Limited signed an unsecured five year £88 million fixed rate loan note at 10% interest with the Company. On 20 December 2019, the Company signed an additional unsecured five year £3 million fixed rate loan note at 10% interest with its shareholder, SW Holdco Limited. Interest is accrued but not paid until the loan note is redeemed. On 31 December 2022, the principal was £91,183,862 (2021 - £91,183,862) and £42,907,623 (2021 - £31,025,283) was outstanding as accrued interest.

Notes (continued)

6 Non-current liabilities

	2022 £	2021 £
Other loan note	1,771,379	1,452,055
Shareholder loan note	134,091,485	122,209,145
	<hr/> 135,862,864 <hr/>	<hr/> 123,661,200 <hr/>

On 1 December 2018, the Company signed an unsecured five year £89 million fixed rate loan note at 10% interest with its parent company shareholder. On 20 December 2019, the Company signed an additional unsecured five year £3 million fixed rate loan note at 10% interest with its shareholder, SW Holdco Limited. Interest is accrued but not paid until the loan note is redeemed. On 31 December 2022, the principal was £91,183,862 (2021 - £91,183,862) and £42,907,623 (2021 - £31,025,283) was outstanding as accrued interest.

Also, on 1 December 2018 the Company signed an unsecured five year £1 million fixed rate loan note at 10% interest with its shareholder. Interest is accrued but not paid until the loan notes are redeemed.

If at the end of the period no repayment has occurred, the loan is then repayable at the option of the holders. Both loan notes are issued on an arm's length basis with appropriate market rates of interest.

7 Share Capital

The Company was incorporated on 19 March 2018 and issued one ordinary 'A' share of one penny for a consideration of £0.01.

Ordinary shares have full rights in the company with respect of voting, dividends and distributions.

8 Ultimate controlling party

The Group is ultimately owned by private and institutional investors. The ultimate controlling party is funds managed by Equistone Partners Europe Limited.

The Company is a subsidiary undertaking of SW Topco Limited which is the ultimate parent company incorporated in the United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by SW Topco Limited, 209-215 Blackfriars Road, London, SE1 8NL. No other group financial statements include the results of the Company. The consolidated financial statements of the group are available to the public and may be obtained from SW Topco Limited at its registered address.