

COMPANY REGISTRATION NUMBER: 09897919

**Modulr FS Limited**  
**Financial Statements**  
**31 December 2019**



**Modulr FS Limited**  
**Financial Statements**  
**Year ended 31 December 2019**

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# **Modulr FS Limited**

## **Officers and Professional Advisers**

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### **The board of directors**

Mr R A Devey  
Mrs M I Cantor-Grable  
Mr C J Brooks  
Mr K A Hayes  
Mr M C Stephenson

### **Registered office**

1 Hammersmith Broadway  
London  
United Kingdom  
W6 9DL

### **Auditor**

Deloitte LLP  
Statutory auditor  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2DB

# **Modulr FS Limited**

## **Strategic Report**

**Year ended 31 December 2019**

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The directors present their strategic report for the year ended 31 December 2019.

### **Review of the business**

The company's principal activities during the period were that of a regulated Electronic Money Institution. The company's FCA reference number is 900573.

The company carefully monitors specific key financial indicators in relation to its minimum regulatory and capital requirements, and through monthly management results. During the year, the company has continued to grow in line with the group and continues to meet minimum regulatory and capital requirements.

### **Future Developments**

The company will continue granting use of its Electronic Money Institution licence as a principle to an appointed agent, which at present is Modulr Finance Limited. In order to comply with regulations, the company will continue to invest in the appropriate staff to monitor and maintain strict compliance with the appropriate regulations.

### **Principal risks and uncertainties**

The company has established a Risk Committee that meets quarterly and which evaluates the company's risk appetite. An Operational Steering Committee meets monthly to manage the operational risks across the business. The principal risks and uncertainties facing the company are broadly grouped as: competitive, legislative, financial instrument risk and political risk.

The company's legislative risk is its compliance with the FCA, Electronic Money Regulations and Payment Services Directive. The Risk Committee meets monthly to ensure the correct procedures and policies are in place to adhere to the rules and regulations of an Electronic Money Institution.

The company's principal financial assets are cash balances and trade and other debtors, with the recovery of debts being the primary risk. The amounts presented in the balance sheet are net of allowances for doubtful debts. The company has no significant concentration of credit risk, with exposure limited to Modulr Finance Limited. The company is also subject to liquidity risk. In order to ensure that sufficient funds are available for ongoing operations and future developments, the company is reliant on funds from the parent company. Based on the cash flow forecasts for the company the directors are confident that sufficient resources are available to allow the company to fund the operations and developments.

Following Brexit, Modulr FS Limited is unable to directly operate or conduct its regulated activities outside the UK. Therefore, the Board / Risk Committee considered it prudent to establish a Group within the EEA from which Modulr can continue to access European suppliers and customers.

### **COVID-19**

We are publishing these accounts against a background of serious uncertainty and widespread disruption caused by the outbreak of COVID-19. Our current priority is the health and wellbeing of our colleagues and delivering the key essential services. In this environment, we have adjusted our client service capability and will continue to do so as events unfold in the period ahead.

The strength of the capital and liquidity position of the Group means that although the COVID-19 outbreak has caused significant global economic disruption, Modulr retains significant levels of excess liquidity to enable it to meet its strategic ambitions, and it remains well capitalised. In particular, additional investment in the group of £18.9m has been secured post year end in order to fund the continued growth of the business.

Going forward, the COVID-19 outbreak and the terms of the UK's exit from the EU will continue to dominate headlines, with economic and political debates continuing for the foreseeable future. However, Modulr, will continue to react quickly to events and has the ability, know-how and confidence to do so going forward.

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# Modulr FS Limited

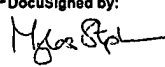
## Strategic Report *(continued)*

Year ended 31 December 2019

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30/4/2020 | 16:07 BST

This report was approved by the board of directors on ..... and signed on behalf of the board by:

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21D1E40AFB0E4E0...

Mr M C Stephenson  
Director

Registered office:  
1 Hammersmith Broadway  
London  
United Kingdom  
W6 9DL

# **Modulr FS Limited**

## **Directors' Report** *(continued)*

**Year ended 31 December 2019**

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The directors present their report and the financial statements of the company for the year ended 31 December 2019.

### **Directors**

The directors who served the company during the year were as follows:

Mr R A Devey	
Mr K A Hayes	
Mr M C Stephenson	
Mrs M I Cantor-Grable	(Appointed 6 September 2019)
Mr C J Brooks	(Appointed 30 April 2019)

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Going concern**

The Board is satisfied that it is appropriate for the company to draw up financial statements on the going concern basis. The Board considers that the parent company has adequate resources to support and continue in business for the foreseeable future.

In making this assessment the Board has considered the liquidity and capital position of the company, the company's forecasts and projections which take account of reasonably possible changes in trading performance, and the impact of COVID-19 on the business over the going concern period. In particular, it has been noted that COVID-19 has caused disruption to businesses and economic activity which has been reflected in fluctuations in global stock markets since the year end.

The strength of the capital and liquidity position of the Modulr group means that although the COVID-19 outbreak has caused significant global economic disruption, Modulr retains significant levels of excess liquidity to enable it to meet its strategic ambitions, and it remains well capitalised. In particular, additional investment in the group of £18.9m has been secured post year end in order to fund the continued growth of the business.

Furthermore, Modulr Holdings, the parent company, will continue to provide support for all of its subsidiaries.

In conclusion, the directors have a reasonable expectation that the company will continue to operate under these circumstances and continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing these annual financial statements.

### **Disclosure of information in the strategic report**

The company has chosen to set out its future developments within the Strategic Report.

### **Directors' responsibilities statement**

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the

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# Modulr FS Limited

## Directors' Report *(continued)*

Year ended 31 December 2019

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company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

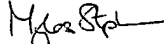
- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

Deloitte LLP were appointed as external auditors to the company and the group on 15 November 2019.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

30/4/2020 | 16:07 BST

This report was approved by the board of directors on ..... and signed on behalf of the board by:

DocuSigned by:  
  
21D1E40AFB0E4E0...

Mr M C Stephenson  
Director

Registered office:  
1 Hammersmith Broadway  
London  
United Kingdom  
W6 9DL

# **Modulr FS Limited**

## **Independent Auditor's Report to the Members of Modulr FS Limited**

**Year ended 31 December 2019**

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### **Independent auditor's report to the members of Modulr FS Limited**

#### **Report on the audit of the financial statements**

##### **Qualified Opinion**

In our opinion, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements of Modulr FS Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **We have audited the financial statements which comprise:**

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of cash flows; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### **Basis for qualified opinion**

The statement of financial position presents both client money held on behalf of customers and the corresponding balance of Electronic Money issued to customers within current assets. In our opinion, the Electronic Money issued funds should be presented within current liabilities as required by section 3 of Financial Reporting Standard 102 *Financial Statement Presentation*. Accordingly, the current assets should be increased by £50,835,884 as at 31 December 2019 and £21,017,117 as at 31 December 2018, and the current liabilities should be increased by £50,835,884 as at 31 December 2019 and £21,017,117 as at 31 December 2018.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

##### **Conclusions relating to going concern**

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

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# **Modulr FS Limited**

## **Independent Auditor's Report to the Members of Modulr FS Limited** *(continued)*

**Year ended 31 December 2019**

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### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

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## **Modulr FS Limited**

### **Independent Auditor's Report to the Members of Modulr FS Limited *(continued)***

**Year ended 31 December 2019**

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#### **Matters on which we are required to report by exception**

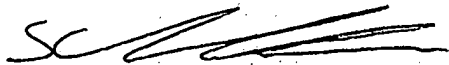
**Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:**

- 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 respect of these matters.

#### **Use of our report**

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



Stephen Williams ACA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Saltire Court  
20 Castle Terrace  
Edinburgh  
EH1 2DB

30 April 2020

**Modulr FS Limited**  
**Statement of Comprehensive Income**  
**Year ended 31 December 2019**

	Note	2019 £	2018 £
<b>Turnover</b>	<b>4</b>	1,416,540	500,876
<b>Gross profit</b>		<u>1,416,540</u>	<u>500,876</u>
Administrative expenses		(868,364)	(482,139)
<b>Operating profit</b>	<b>5</b>	<u>548,176</u>	<u>18,737</u>
Other interest receivable and similar income	<b>8</b>	<u>3,647</u>	<u>859</u>
<b>Profit before taxation</b>		<u>551,823</u>	<u>19,596</u>
Tax on profit	<b>9</b>	<u>—</u>	<u>—</u>
<b>Profit for the financial year and total comprehensive income</b>		<u><u>551,823</u></u>	<u><u>19,596</u></u>

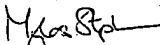
All the activities of the company are from continuing operations.

The notes on pages 13 to 18 form part of these financial statements.

**Modulr FS Limited**  
**Statement of Financial Position**  
**31 December 2019**

	Note	2019 £	£	Restated <sup>1</sup> 2018 £	£
<b>Current assets</b>					
Debtors	10		134,098		164,097
Cash at bank and in hand			1,186,403		463,045
Client Money accounts held on behalf of customers		50,853,884		21,017,117	
Electronic Money Issued Funds		(50,853,884)		(21,017,117)	
			1,320,501		627,142
<b>Creditors: amounts falling due within one year</b>	12		(297,356)		(155,821)
<b>Net current assets</b>			1,023,145		471,321
<b>Total assets less current liabilities</b>			1,023,145		471,321
<b>Net assets</b>			1,023,145		471,321
<b>Capital and reserves</b>					
Called up share capital	14		1,001		1,001
Share premium account	15		349,000		349,000
Profit and loss account	15		673,144		121,320
<b>Shareholders' funds</b>			1,023,145		471,321

These financial statements were approved by the board of directors and authorised for issue on 30/4/2020. 16/07/2020 and are signed on behalf of the board by:

DocuSigned by:  
  
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Mr M C Stephenson  
Director

Company registration number: 09897919

<sup>1</sup>The prior year has been restated following the decision to show Client Money accounts held on behalf of customers and Electronic Money issued funds on the face of the balance sheet. Refer to Note 3.

The notes on pages 13 to 18 form part of these financial statements.

**Modulr FS Limited**  
**Statement of Changes in Equity**  
**Year ended 31 December 2019**

	Called up share capital £	Share premium account £	Profit and loss account £	<b>Total £</b>
<b>At 1 January 2018</b>	1,001	349,000	101,724	451,725
Profit for the year	—	—	19,596	19,596
<b>Total comprehensive income for the year</b>	—	—	19,596	19,596
<b>At 31 December 2018</b>	1,001	349,000	121,321	471,322
Profit for the year	—	—	551,823	551,823
<b>Total comprehensive income for the year</b>	—	—	551,823	551,823
<b>At 31 December 2019</b>	<u>1,001</u>	<u>349,000</u>	<u>673,144</u>	<u>1,023,145</u>

The notes on pages 13 to 18 form part of these financial statements.

**Modulr FS Limited**  
**Statement of Cash Flows**  
**Year ended 31 December 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Profit for the financial year		551,823	19,596
<i>Adjustments for:</i>			
Other interest receivable and similar income		(3,647)	(859)
Accrued expenses/(income)		4,662	(21,666)
<i>Changes in:</i>			
Trade and other debtors		29,999	33,590
Trade and other creditors		130,886	14,252
Cash generated from operations		713,723	44,913
Interest received		3,647	859
Net cash from operating activities		<u>717,370</u>	<u>45,772</u>
<b>Cash flows from financing activities</b>			
Proceeds from loans from group undertakings		19	20,835
Net cash from financing activities		<u>19</u>	<u>20,835</u>
<b>Net increase in cash and cash equivalents</b>		717,389	66,607
<b>Cash and cash equivalents at beginning of year</b>		463,045	396,438
<b>Cash and cash equivalents at end of year</b>	11	<u>1,180,434</u>	<u>463,045</u>

The notes on pages 13 to 18 form part of these financial statements.

**Modulr FS Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2019**

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**1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 1 Hammersmith Broadway, London, W6 9DL.

**2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

In the prior period the company disclosed the client funds held relating to its Electronic Money Issuing activities off balance sheet due to the nature of the restricted accounts and the related regulations, being client funds held that the entity does not have legal rights to utilise. However, this has been restated in the present year to reflect the fact that the Client Money accounts and corresponding Electronic Money Issued funds meet the definition of an asset and a liability of the group under the reporting standards without the legal right to offset. This restatement has no impact on the income statement or the net assets of the group and has no tax effect.

The impact of these changes on the relevant Financial Statement lines are as follows:

	As previously reported £	Adjustment £	Restated £
<b>Company</b>			
<b>At 31 December 2018</b>			
Client Money accounts held on behalf of customers	–	21,017,117	21,017,117
Electronic Money Issued Funds	–	(21,017,117)	(21,017,117)

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no judgements or key sources of estimation uncertainty.

**Modulr FS Limited**  
**Notes to the Financial Statements**  
**Year ended 31 December 2019**

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**3. Accounting policies (*continued*)**

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

**Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

**Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

**4. Turnover**

Turnover arises from:

	2019 £	2018 £
Service Fees	1,416,540	500,876

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Modulr FS Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 5. Operating profit

Operating profit or loss is stated after charging:

	2019	2018
	£	£
Foreign exchange differences	<u>270</u>	<u>—</u>

Audit fees payable of £8,000 (2018: £6,400) during the year were borne by the parent company.

### 6. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2019	2018
	No.	No.
Administrative staff	<u>6</u>	<u>5</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2019	2018
	£	£
Wages and salaries	388,064	372,440
Social security costs	64,361	48,433
Other pension costs	10,129	7,831
	<u>462,554</u>	<u>428,704</u>

### 7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2019	2018
	£	£
Remuneration	<u>148,830</u>	<u>162,452</u>

### 8. Other interest receivable and similar income

	2019	2018
	£	£
Interest on cash and cash equivalents	<u>3,647</u>	<u>859</u>

### 9. Tax on profit

#### Reconciliation of tax income

The tax assessed on the profit on ordinary activities for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018: 19%).

	2019	2018
	£	£
Profit on ordinary activities before taxation	<u>551,823</u>	<u>19,596</u>
Profit on ordinary activities by rate of tax	104,846	3,718
Losses received from other group entity	<u>(104,846)</u>	<u>(3,718)</u>
Tax on profit	<u>—</u>	<u>—</u>

# Modulr FS Limited

## Notes to the Financial Statements (continued)

Year ended 31 December 2019

### 10. Debtors

	2019 £	2018 £
Trade debtors	121,658	162,063
Amounts owed by group undertakings	—	882
Prepayments and accrued income	12,440	1,152
	<u>134,098</u>	<u>164,097</u>

### 11. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2019 £	2018 £
Cash at bank and in hand	1,186,403	463,045
Bank overdrafts	(5,968)	—
	<u>1,180,435</u>	<u>463,045</u>

### 12. Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	5,968	—
Trade creditors	5,749	17,378
Amounts owed to group undertakings	21,142	21,123
Accruals and deferred income	49,606	44,944
Social security and other taxes	27,665	12,956
Other creditors	187,226	59,420
	<u>297,356</u>	<u>155,821</u>

### 13. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £10,129 (2018: £7,831).

### 14. Called up share capital

#### Issued, called up and fully paid

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,001</u>	<u>1,001</u>	<u>1,001</u>	<u>1,001</u>

# Modulr FS Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2019

### 15. Reserves

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account - This reserve records retained earnings and accumulated losses.

### 16. Analysis of changes in net debt

	At 1 Jan 2019 £	Cash flows £	At 31 Dec 2019 £
Cash at bank and in hand	463,045	723,358	1,186,403
Bank overdrafts	—	(5,968)	(5,968)
Debt due within one year	(21,123)	(19)	(21,142)
	<u>441,922</u>	<u>717,371</u>	<u>1,159,293</u>

### 17. Non-adjusting post balance sheet events

COVID-19 has caused disruption to businesses and economic activity, which has been reflected in recent fluctuations in global stock markets since the year end.

The directors consider the emergence of COVID-19 as a pandemic, and the associated government measures both in the UK and overseas in response, as a non-adjusting post balance sheet event.

In this environment, the Group has adjusted its client service and operational capability, and has upscaled its ability to deliver core services from the home environment, and have executed plans to minimise the risk of transmission from within the Group's office space.

Though the overall financial impact of COVID-19 on the financial results cannot be reliably and comprehensively estimated at this time, the strength of the capital and liquidity position of the Group means that although the COVID-19 outbreak has caused significant global economic disruption, Modulr retains significant levels of excess liquidity to enable it to meet its strategic ambitions, and it remains well capitalised.

In particular, additional investment in the group of £18.9m has been secured post year-end in order to fund the continued growth of the business.

The solvency and liquidity position is being monitored frequently, with appropriate actions taken to protect the long-term interest of all stakeholders in the business. In addition, we have invoked our Business Continuity arrangements and are actively monitoring the resilience of our key suppliers.

Further details have been included within the Director's Report.

### 18. Related party transactions

The company has claimed an exemption from disclosing any related party transactions on the grounds that it is a 100% subsidiary and disclosure where relevant is included within the consolidated accounts of the ultimate parent company Modulr Holdings Limited. Copies of the parent company's accounts can be obtained from Companies House quoting company reference number 09895588. There are no related party transactions outside of the group.

## **Modulr FS Limited**

### **Notes to the Financial Statements** *(continued)*

**Year ended 31 December 2019**

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#### **19. Controlling party**

At the balance sheet date the company was under the control of Modulr Holdings Limited, a company incorporated in England & Wales. In the opinion of the directors, there was no single ultimate controlling party during the year.