
REVITI LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 JULY 2019

REVITI LIMITED

COMPANY INFORMATION

Directors	DJ Pender (appointed 14 December 2018) J Preisler (appointed 5 July 2018) JFG Vroemen (appointed 8 April 2020)
Registered number	11450807
Registered office	One New Change, 4th Floor London EC4M 9AF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors The Atrium 1 Harefield Road Uxbridge Middlesex United Kingdom UB8 1EX

REVITI LIMITED

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REVITI LIMITED

STRATEGIC REPORT FOR THE PERIOD ENDED 31 JULY 2019

Introduction

The directors present their Annual Report and Financial Statements, consisting of the Strategic Report and the Directors' Report, and the audited financial statements of Reviti Limited ("the company") for the period from incorporation on 5 July 2018 to 31 July 2019.

Business review

The company sells life insurance products in the UK on behalf of its insurance partner, Scottish Friendly Assurance Society Limited.

During the period, the company was in the 'start-up' phase of its operations and as such company reported a loss of £10,194,609 after income tax for the period and at the period end had net liabilities of £4,994,609. The company has been funded to date via ordinary share capital issued on incorporation of £5,200,000, together with liquidity support from companies under common ownership. No dividends were declared or paid in the period or post year end to date.

Future developments

The company plans to significantly increase distribution and sales in the UK and is exploring opportunities overseas.

STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2019

Principal risks and uncertainties

Policies in force

The company's future revenues are generated from commission receivable against policies historically sold where the customer continues to pay their monthly premium and their policy remains in-force. In-force policies are therefore a key factor in determining revenue and one which the company monitors and controls closely. Mitigating this risk is the company's ongoing commitment to ensuring that it is selling good value products that meet clear customer needs.

New entrant and competition

As a new entrant, the company faces strong competition from established life insurance providers and other new entrants, notably in the Insuretech sector. The ability of the company to compete and attract new business depends on factors including the quality of the life insurance products, its unique sales proposition, competitiveness of pricing, the quality of marketing and distribution to attract its chosen target market and the ability to meet its customers' needs.

Distribution agreement

The company has a distribution agreement with Scottish Friendly Assurance Society Limited to distribute life insurance policies in the UK for so long as the distribution agreement remains in force.

Regulatory permission

The company is an Appointed Representative of Resolution Compliance Limited which is authorised and regulated by the Financial Conduct Authority. Maintaining Appointed Representative status is required to continue distributing life insurance in the UK.

Technology risk

The company is a digital business and is reliant on third party providers to provide software and host the firm's technology for arranging and underwriting life insurance policies. Further, the company recognises cyber security and data protection risks and has in place appropriate controls and risk mitigation.

Financial risk management

The company's financial risk strategy is determined on a group wide basis by the company's ultimate parent company. The company's directors monitor the local finance risk which primarily includes liquidity and cashflow risk. The major source of liquidity and cashflow currently is generated through intra-group borrowing which continues to be available to the company. The company does not use derivative financial instruments. Credit risk relating to commissions due from the insurer are currently immaterial but will increase as more sales are made and commissions are due to be paid over the term of policies sold whilst they remain in-force. This risk is mitigated by periodic reviews of the insurers financial strength and solvency position which itself is subject to statutory regulatory supervision. Otherwise, credit risk is immaterial currently because the business is not exposed to credit risk associated with commission clawback from intermediaries. The company monitors the prices of competitors in the market on an ongoing basis to ensure its pricing remains competitive and attractive.

Brexit

The company is UK based with its business entirely operating and distributing in the UK. Brexit risk is assessed by the company as low but this will remain under review.

Key performance indicators

The key performance indicators for the period were to ensure the operational go-live of the business within the confines of the business plan approved by the directors.

REVITI LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2019**

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

DJ Pender
Director

Date: 1 July 2020

**DIRECTORS' REPORT
FOR THE PERIOD ENDED 31 JULY 2019**

The directors present their report and the audited financial statements of the company for the period ended 31 July 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006.

Going concern

Since the start of 2020, there has been a developing outbreak of the COVID-19. To date, the company has seen minimal disruption on its operations. As a result of COVID-19, we have observed macro-economic uncertainty with regards to consumption, economic growth, inflation and interest rates. The scale and duration of these developments remain uncertain but could impact the company if they persist for an extended period of time. The Directors have a reasonable expectation that the company has adequate resources that are sustainable for the foreseeable future and that it is appropriate to adopt a going concern basis of accounting in preparing the annual financial statements. The financial statements have been prepared on a going concern basis due to the continuing financial support to the company by its immediate parent undertaking, Reviti International Sarl, itself a subsidiary of Philip Morris International Inc., to meet its liabilities as they fall due, for a period of at least 12 months from the date of the approval of these financial statements by the directors.

DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2019

Results and dividends

The loss for the period, after taxation, amounted to £10,194,609. At the year end, the total shareholder's deficit was £4,994,609.

The directors do not propose a dividend.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

M Niehaus (appointed 5 July 2018, resigned 26 March 2020)
DJ Pender (appointed 14 December 2018)
J Preisler (appointed 5 July 2018)
JFG Vroemen (appointed 8 April 2020)

Qualifying third party indemnity provisions

Throughout the reporting period, qualifying third party indemnity provisions were in place for the directors. Such qualifying third party provisions remain in force as at the date of approval of the financial statements.

Matters covered in the strategic report

The directors' assessment of the company's principal risks and uncertainties, future developments and key performance indicators is set out in the Strategic Report.

Disclosure of information to auditors

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

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

Post balance sheet events

The COVID-19 pandemic which began in Q1 2020 is causing significant disruption and financial uncertainty globally. As at the balance sheet date, there are no amounts that are materially affected by the COVID19 pandemic. The carrying value of all assets and liabilities have not been affected by the pandemic. On March 11, 2020 Reviti enacted its business continuity plan whereby all employees worked from home. There were no adverse operational, system or commercial implications arising from the pandemic.

Independent Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

REVITI LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 31 JULY 2019**

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

DJ Pender
Director

Date: 1 July 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVITI LIMITED

Opinion

In our opinion, Reviti Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2019 and of its loss for the 13 month period ("the period") then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 July 2019; the statement of comprehensive income, the statement of changes in equity for the 13 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVITI LIMITED (CONTINUED)

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the period ended 31 July 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF REVITI LIMITED (CONTINUED)

Responsibilities for the financial statements and the audit (continued)

Auditors' 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 auditors' 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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Emma Sowerby (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Uxbridge

Date:

2 July 2020

REVITI LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 JULY 2019

		Period from 5 July 2018 to 31 July 2019 £
	Note	
Turnover		12,743
Administrative expenses		(10,207,352)
Operating loss	4	(10,194,609)
Taxation	8	-
Total comprehensive loss for the financial period		<u>(10,194,609)</u>

There was no other comprehensive income for 2019.

The notes on pages 13 to 25 form part of these financial statements.

REVITI LIMITED
REGISTERED NUMBER: 11450807

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2019

	Note	As at 31 July 2019 £
Fixed assets		
Tangible assets	9	22,625
		<u>22,625</u>
Current assets		
Debtors: amounts falling due after more than one year	10	12,743
Debtors: amounts falling due within one year	10	164,539
Cash at bank and in hand	11	758,278
		<u>935,560</u>
Creditors: amounts falling due within one year	12	(5,952,794)
		<u>(5,017,234)</u>
Net current liabilities		<u>(5,017,234)</u>
Total assets less current liabilities		<u>(4,994,609)</u>
Net liabilities		<u>(4,994,609)</u>
Capital and reserves		
Called up share capital	14	5,200,000
Accumulated losses		(10,194,609)
		<u>(4,994,609)</u>
Total shareholders' deficit		<u>(4,994,609)</u>

The financial statements on pages 10 to 25 were approved by the Board of Directors and were signed on its behalf by:

DJ Pender
Director

Date: 1 July 2020

The notes on pages 13 to 25 form part of these financial statements.

REVITI LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED 31 JULY 2019

	Called up share capital £	Accumulated losses £	Total equity £
Comprehensive expense for the period			
Loss for the financial period	-	(10,194,609)	(10,194,609)
	<hr/>	<hr/>	<hr/>
Total comprehensive expense for the period	-	(10,194,609)	(10,194,609)
Shares issued during the period (Note 14)	5,200,000	-	5,200,000
	<hr/>	<hr/>	<hr/>
At 31 July 2019	5,200,000	(10,194,609)	(4,994,609)

The notes on pages 13 to 25 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019**

1. General information

Reviti Limited ("the company") is a wholly owned subsidiary of Reviti International Sarl, a company incorporated in Switzerland, and is engaged in the sale of life insurance products on behalf of its insurance partner.

The company is a private company limited by shares and is incorporated in England and domiciled in the United Kingdom. The address of its registered office is One New Change, London EC4M 9AF.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention modified by revaluation of financial assets held at fair value through profit and loss and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see Note 3).

The company is a wholly owned subsidiary of Reviti International Sarl and of its ultimate parent, Philip Morris International Inc. It is included in the consolidated financial statements of Philip Morris International Inc which are publicly available. Therefore the company is eligible to prepare its financial statements under FRS 101 and also take advantage of exemptions relating to certain Related Party transactions.

The following principal accounting policies have been applied consistently in the period:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
 - paragraph 50 of IAS 41 Agriculture
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

2.3 Going concern

Since the start of 2020, there has been a developing outbreak of the COVID-19. To date, the company has seen minimal disruption on its operations. As a result of COVID-19, we have observed macro-economic uncertainty with regards to consumption, economic growth, inflation and interest rates. The scale and duration of these developments remain uncertain but could impact the company if they persist for an extended period of time. The Directors have a reasonable expectation that the company has adequate resources that are sustainable for the foreseeable future and that it is appropriate to adopt a going concern basis of accounting in preparing the annual financial statements. The financial statements have been prepared on a going concern basis due to the continuing financial support to the company by its immediate parent undertaking, Reviti International Sarl, itself a subsidiary of Philip Morris International Inc., to meet its liabilities as they fall due, for a period of at least 12 months from the date of the approval of these financial statements by the directors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.5 Turnover

The company is a distributor of insurance products that are provided by its insurance partner, Scottish Friendly Assurance Society Limited.

As an agent arranging insurance on behalf of the insurer, the company's one performance obligation is satisfied when customers purchase a Reviti insurance product from its insurance partner.

The company recognises the commission income receivable from the insurance partner upon confirmation of the underlying contract with the customer, at the present value of estimated future receipts, discounted using an imputed rate of interest.

Revenue is stated net of provisions for estimated lapses of policies, based on the company's best estimates which are regularly reviewed and re-assessed.

2.6 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

As permitted under IFRS 16, the company has kept all leases 'off-balance sheet' on the basis that they are short-term in nature.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.8 Taxation

Tax is recognised in the Statement of Comprehensive Income. The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Tax losses are made available for group relief for no consideration. As such it is not appropriate to recognise a deferred tax asset in respect of trading losses.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019**

2. Accounting policies (continued)

2.13 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

Debt instruments at amortised cost

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Financial liabilities

At amortised cost

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

2.14 Share capital

Ordinary Shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

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

In preparing the financial statements, management has to make judgements on how to apply the company's accounting policies and make estimates about the future. The main areas of estimation uncertainty comprise the rate used to discount revenue to be received in future accounting periods, together with an estimation of doubtful debts. Neither of these judgements are considered to be material to these financial statements.

REVITI LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

4. Operating loss

The operating loss is stated after charging:

	Period from 5 July 2018 to 31 July 2019 £
Development costs charged as an expense	4,025,742
Depreciation of tangible fixed assets	7,159
Exchange differences	80,493
Defined contribution pension cost	<u>63,942</u>

5. Auditors' remuneration

	Period from 5 July 2018 to 31 July 2019 £
Fees payable to the company's auditors and their associates in respect of:	
Audit-related assurance services	<u>15,000</u>

REVITI LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

6. Employees

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

	Period from 5 July 2018 to 31 July 2019 No.
Marketing & digital	4
Product & customer service	3
Finance, planning & pricing	2
Legal, risk & compliance	2
Executive	2
	<hr/>
	13

Total wages and salaries (including directors' remuneration) for the period were £1,067,725, social security costs were £133,577 and pension costs were £59,942.

7. Directors' remuneration

	Period from 5 July 2018 to 31 July 2019 £
Directors' emoluments	275,448
Company contributions to defined contribution pension schemes	4,000
	<hr/>
	279,448

The highest paid director received remuneration of £275,448.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £4,000.

During the period no director received any shares under long term incentive schemes.

REVITI LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

8. Taxation

	Period from 5 July 2018 to 31 July 2019 £
Total current tax	-
Deferred tax	-
Total deferred tax	-
Taxation on loss on ordinary activities	-
Factors affecting tax charge for the period	

The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period from 5 July 2018 to 31 July 2019 £
Loss before tax	(10,194,609)
Loss multiplied by standard rate of corporation tax in the UK of 19%	(1,936,976)
Effects of:	
Depreciation in excess of capital allowances for the period	341
Group relief	1,936,635
Total tax charge for the period	-

REVITI LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

8. Taxation (continued)

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 19% to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016, and the UK deferred tax asset/(liability) as at 31 December 2019 has been calculated based on this rate.

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. This will increase the company's future current tax charge accordingly.

9. Tangible assets

	Computer equipment £
Cost	
Additions	29,784
At 31 July 2019	<u>29,784</u>
Accumulated depreciation	
Charge for the period	7,159
At 31 July 2019	<u>7,159</u>
Net book value	
At 31 July 2019	<u><u>22,625</u></u>

REVITI LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

10. Debtors

	2019 £
Due after more than one year	
Other debtors	12,743
	<u>12,743</u>
	2019 £
Due within one year	
Other debtors	3,790
Prepayments and accrued income	160,749
	<u>164,539</u>

Long term debtors are shown net of a provision for lapses and cancellations of £11,792.

11. Cash at bank and in hand

	2019 £
Cash at bank and in hand	758,278
	<u>758,278</u>

12. Creditors: Amounts falling due within one year

	2019 £
Trade creditors	380,173
Amounts owed to group undertakings	2,505,719
Other creditors	40
Accruals and deferred income	3,066,862
	<u>5,952,794</u>

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

REVITI LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019

13. Financial instruments

2019
£

Financial assets

Financial assets measured at fair value through profit or loss	<u>758,278</u>
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Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

14. Called up share capital

2019
£

Allotted, called up and fully paid

5,200,000 Ordinary shares of £1.00 each	<u>5,200,000</u>
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On incorporation, 5,200,000 Ordinary shares were issued at par.

15. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £59,942. Contributions totalling £16,908 were payable to the fund at the reporting date and are included in creditors.

16. Related party transactions

During the period, the company paid consultancy fees of £540,795, exclusive of VAT, to an entity under the control of a DJ Pender.

17. Post balance sheet events

The COVID-19 pandemic which began in Q1 2020 is causing significant disruption and financial uncertainty globally. As at the balance sheet date, there are no amounts that are materially affected by the COVID19 pandemic. The carrying value of all assets and liabilities have not been affected by the pandemic. On March 11, 2020 Reviti enacted its business continuity plan whereby all employees worked from home. There were no adverse operational, system or commercial implications arising from the pandemic.

REVITI LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 JULY 2019**

18. Controlling party

The immediate parent undertaking is Reviti International Sarl, a company incorporated under the laws of Switzerland.

The ultimate parent undertaking and controlling party is Philip Morris International, Inc. in which the results of the company are consolidated. The consolidated financial statements of Philip Morris International, Inc. which include the results of the company, are available to the public and may be obtained from Philip Morris International, Inc., 120 Park Avenue, New York, 10017.

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