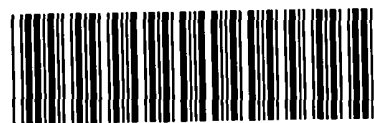


TTT Moneycorp Limited
Annual report and financial statements
for the year ended 31 December 2021

Registered number: 00738837

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TTT Moneycorp Limited

Company information

Company registration number
00738837

Date of incorporation
25 October 1962

Registered office
Floor 5, Zig Zag Building
70 Victoria Street
London
SW1E 6SQ

Independent auditor
BDO LLP
55 Baker Street
London
W1U 7EU

Directors
M Pells (appointed 23 May 2022)
S Jordan (appointed 23 May 2022)
G Uniacke (appointed 23 May 2022)

Trading name
moneycorp

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TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

The Directors present their strategic report for TTT Moneycorp Limited (the 'Company') for the year ended 31 December 2021. The Company is incorporated and domiciled in England and Wales, United Kingdom (UK).

Principal activities and overview

The Company is a fintech payments business with a principal activity of acting as a broker in the provision of foreign currency spot and forward transactions, and the associated payments, to businesses and individuals throughout the UK.

The Company is authorised and regulated by the Financial Conduct Authority (FCA) for the provision of payment services. For reference the Company's FRN number is 308919.

The Company is part of the Moneycorp Group (see note 31 to the financial statements for the definition of the Moneycorp Group). Established in 1979, the Moneycorp Group has transformed to an international, digitally-enabled, cross-border payment solutions provider. The Company and Group are well diversified by business line, geography and client profile, with high client retention rates.

The Moneycorp Group has a suite of tailored solutions which attract and retain clients, including a unique multi-currency single IBAN, and can support clients with payment solutions in 120 different currencies providing expert and trustworthy services across the globe. Clients can access services via a number of channels including online, mobile-app, APIs, telephone and referring partners.

Headquartered in London, the Moneycorp Group now operates in many of the world's largest markets with offices and employees in the UK, Europe, United States of America, Canada, Brazil, Hong Kong and United Arab Emirates (UAE) totaling 517 employees as at 31 December 2021.

Operational review

The Company's operations were largely uninterrupted by the COVID-19 pandemic and the Company continued to operate in accordance with government guidelines, which consisted of a hybrid, remote and office-based working environment, for the majority of 2021. The safety and wellbeing of our employees, clients and other stakeholders was a key priority during 2021 and will continue to remain so into the future.

The Company's performance is in line with expectations given the uncertain economic environment and the migration of European-based clients at the end of 2020 to Moneycorp Technologies Limited, a related Moneycorp Group company, as a result of Brexit.

The net assets of the Company at 31 December 2021 were £36,710k (2020: £53,260k).

Digitalisation

The Moneycorp Group's technology stack has been the focus of investment over a number of years. During the year, 82% of payments to clients went via straight-through processing. In 2021 more than 80% of international payments transactions were completed either via the Moneycorp Group's online payments platform, mobile app or through the bulk upload payment capability offered to clients.

Digitalisation also continues to drive the development of the Moneycorp Group's online platform, which is based on 'React' technology. This allows the Group to create reusable components for building consistent user interfaces across many of the Company's markets, resulting in a multilingual, feature-rich platform, servicing both corporate and private clients.

During the year the Company switched from physical IT systems to a highly agile and adaptable solution – the Microsoft Azure cloud. By using Microsoft Azure, the Company benefits from enhanced cyber security and compliance. Continuous software updates ensure that platforms are supported by the most up to date cloud technology and provide an increase in flexibility and simplified scalability. The move to a cloud computing system improves staff productivity and increases collaboration, while at the same time reduces business costs.

Market opportunity

In the cross border payments market, Moneycorp estimated share remains at less than 1%. In all the markets in which the Company and Moneycorp Group operates there is a large market opportunity for future growth by gaining market share from incumbents through stronger customer focus, superior technology integration and better product offering and capabilities.

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

Performance measurement

The Company's three most significant Key Performance Indicators (KPIs) are measured across two main business units as follows:

- revenue growth;
- client acquisition and retention; and
- EBITDA growth.

Throughout the Strategic Report, EBITDA is defined as earnings before finance costs, tax, depreciation, amortisation and significant one off items.

Each business unit has a management team responsible for the operations of the business unit and uses a number of financial and non-financial KPI's in order to manage and develop the business to achieve the Company's strategic objectives. These are discussed in the operating reviews of each business unit below.

Business unit operating review

The management accounts that are used internally are based on Old Generally Accepted Accounting Practice in the UK (Old UK GAAP) as required by the wider Moneycorp Group's lenders, whereas the statutory results are reported and audited under International Financial Reporting Standards (IFRS) as adopted by the UK. This results in differences such as in the revenue recognised in respect of derivative financial instrument contracts. Company revenue under old UK GAAP for each of the business units are summarised in the following table. A reconciliation to statutory reported results is also shown. Subsequent to the reporting date the wider Moneycorp Group has completed the refinancing of its senior debt facility. As a result of this, the Company and Group is converting to IFRS management reporting from 2022.

	2021 £000	2020 £000	Growth £000	Growth %
Revenue (under old UK GAAP)				
UK corporate international payments	25,241	28,624	(3,383)	(12%)
UK private international payments	14,742	16,018	(1,276)	(8%)
Total revenue	39,983	44,642	(4,659)	(10%)

Reconciliation to statutory reported results for the year:

	2021 £000	2020 £000
Revenue		
Total Group per Management accounts	39,983	44,642
Adjustment under IFRS adopted by the UK	456	(1,148)
Statutory reported results	40,439	43,494

The results of the core operating business units are detailed below:

UK corporate international payments

This business is centered on SME importers and exporters in the UK (and previously Europe). The corporate business unit's revenue decreased by 12% (2020: 6% decrease) to £25,241k representing a £3,383k decrease. This performance is in line with expectations given the uncertain economic environment during the year, and the migration of European-based clients at the end of 2020 to Moneycorp Technologies Limited (MTL), a related Moneycorp Group company, as a result of Brexit. On a like-for-like basis, when comparing UK-based clients only, revenue grew by approximately 20% against the prior year.

The business unit reported a client retention rate of 95% (2020: 98%) demonstrating its superior product offering, customer service and competitive pricing.

UK private international payments

During the year the private client business unit saw revenue fall by £1,276k representing an 8% decrease (2020: £4,429k, 22% decrease). This business unit also completed the migration of its European clients to MTL during the prior year, to protect the Moneycorp Group's revenue post Brexit. On a like-for-like basis, when comparing UK-based clients only, revenue grew by approximately 10% against the prior year. The business unit overall saw a 16% fall in the number of transactions (2020: 21% decrease) however the average transaction value increased by 15%.

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

Statutory loss for the year

The Company reported a statutory loss after tax for the year of £16,550k (2020: £11,659k).

This is mainly driven by £13,206k (2020: £9,990k) of costs recharged to the Company during the year from other Moneycorp Group entities as governed by intercompany services agreements.

Migration of European business following Brexit

Following the passing of the EU (Withdrawal Agreement) Bill, all clients of both the Irish and Romanian branches of the Company were migrated to MTL in December 2020 which included both the clients based in Europe and the UK. Additionally, all European based clients of the Company that traded via the UK based office were also migrated. No gain or loss was recognised upon the transfer. Refer to note 1 of the financial statements for further details.

The Company's Irish and Romanian branches are now non-operating and are in the process of being wound up.

The UK introduced a Temporary Permission Regime (TPR) immediately after the exit of the UK from the EU. The TPR enabled European Economic Area (EEA) authorised firms with UK business to continue to carry on operations in the UK for a transition period. In May 2021, the Moneycorp Group were advised that the TPR regime would end in July 2021. The impacted clients were migrated from MTL back to the Company in July 2021.

Company outlook

The Company and wider Moneycorp Group is unique in that it has a panel of 19 banks available when booking each counterparty trade. This allows the Company to source the most competitive rates, which can then be passed through to clients.

The Company's strategy is to grow and solidify its position as a world-leading and truly global digital payments platform, by capitalising on the strength of its technology, high quality service, competitive pricing and cost efficient operating model, aligned with the strategy of Moneycorp Group.

The Company will continue to undertake various IT and system enhancements as it increases its digitalisation with more client transactions taking place via the Moneycorp Group's online payments platform and mobile app. This will include further investing in new technologies, such as APIs.

Rigorous and digitally-enabled compliance, designed to meet the requirements of regulators including the Financial Conduct Authority (FCA) underpins the trust that clients and other stakeholders place in the Moneycorp brand.

Our mission is to help our clients navigate the complex global payments market.

Going concern

The Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis and this is the basis which has been applied. The assessment of going concern has been undertaken by considering the risk factors outlined below and events arising subsequent to year end. Refer to the Directors' Report for further details.

Risk management

The Company is authorised and regulated by the FCA and does not consider current or known future regulation to be financially or operationally prohibitive.

The Company's risk management framework is designed to ensure that material business risks throughout the organisation are identified and effectively managed. The Company operates a risk management model with three lines of defence, being management control, risk and compliance oversight functions and independent assurance. The responsibility for risk management resides at all levels, from the Board and the executive committee down through the organisation.

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

Risk management - continued

These responsibilities are distributed so that risk versus return decisions are taken at the most appropriate level, as close as possible to the business, and remain subject to effective review and challenge. The responsibilities for effective review and challenge reside with senior managers, the audit committee, internal audit, the independent risk function, the risk committee and ultimately the Board.

The Company has identified the following key areas of risk:

Operational risk

Management has identified operational risk as the business's primary risk. Operational risk includes the risk arising within the organisation from inadequate or failed internal processes, inadequately designed or maintained systems, inappropriate staff levels or inadequately skilled or managed people. Operational risk exposures are identified, managed and controlled by management at all levels of the Company. Internal controls include the organisational structures and delegation of authority within the Company. Systems are designed to manage and, as far as possible, eliminate the risk of failure to achieve business objectives. They can provide robust, but not absolute, assurance against material misstatement or loss.

The Company leverages off the Moneycorp Group's systems and infrastructure, whose operational budgets include appropriate investment levels to ensure that critical systems and processes are maintained, client data is protected and staff are properly trained and developed.

The Moneycorp Group also maintains certain insurance to limit exposure.

Regulation and compliance risk

Regulatory risk is the risk of financial or reputational losses arising from failure to meet the requirements of the Company's regulators. Compliance risk is the risk that the Company fails to adhere to the relevant rules and regulations that apply to its business.

The Company is authorised and regulated by the FCA for the provision of payment services and its Representative Office in Dubai is registered with the Dubai Financial Services Authority.

As a licensed payments and e-money business, the Company is required to comply with safeguarding rules to ensure the protection of client funds received in connection with the provision of payment services.

Regulatory and compliance policy is led centrally by the Moneycorp Chief Risk and Compliance Officer (CRCO) and there is a dedicated compliance team within the business. This team ensures compliance with Anti Money Laundering and Countering Financing of Terrorism (AML/CFT), sanctions and other legal, regulatory and licensing requirements including compliance with all FCA requirements.

The Moneycorp Group's legal team, in conjunction with external legal counsel, advises on the regulatory environment in which the Company operates, and provides advice on any measures required to maintain operating licences.

Cyber and technology risk

The Company and wider Moneycorp Group has adopted the "Three Lines of Defence" for information and cyber security. The dedicated Information Security Team, headed by the Group Chief Information Security Officer, acts as the second line of defence, reporting into the CRCO.

The Moneycorp Group has invested in the ISO27001 security programme to enhance the identification, protection, detection, response and recovery, from any potential security incident. The Group also has a mandatory security training programme to increase awareness of the potential threats and tactics used by cyber criminals.

Financial risks

Currency risk - The Company's primary business activity involve brokering foreign currency derivative contracts to clients and entering back-to-back arrangements with liquidity providers. As such, the back-to-back nature of the transactions eliminates currency risk for the Company on these balances. Foreign exchange exposure is managed by the Moneycorp Group's Treasury function with profits converted to pounds sterling via foreign exchange spot deals.

The Company maintains bank balances in a number of currencies, and invoices and receives payments in these currencies, therefore is exposed to movements in foreign exchange rates on these balances.

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

Risk management - continued

Financial risks

Liquidity risk - The Company has a zero risk appetite for liquidity risk which is defined as the risk that it will operate outside regulatory requirements for liquidity or will be, or likely to be, unable to meet its obligations as they fall due.

The settlement of derivative financial instrument contracts and other short term working capital requirements necessitates adequate liquidity which is generated through intra-day settlement and liquidity facilities. These facilities are provided by a range of financial institutions with which the Company has a long trading history.

Credit risk - The Company does not provide traditional forms of credit to its clients. However, credit exposures do arise, normally for short periods of time, as the Company depends on its clients and counterparties to pay for services provided and to honour their obligations under foreign exchange contracts. Company policies require new and increased client credit exposures to be approved by the independent credit department. Material credit exposures are overseen by the Moneycorp Group Credit Committee (with oversight from Senior Management in the Company), which is chaired by and comprises a majority of individuals who are independent from the revenue generating functions of the business.

Credit exposures are monitored daily by the credit department and action taken where appropriate. Most commonly this will be a call for cash margin from a client when a pre-determined risk limit is reached or, by exception, when a client's credit profile is deemed to have deteriorated significantly. A summary of aggregated and material individual credit exposures is presented to and discussed by the Group's Risk Committee periodically.

The Company has material receivable balances that have potential credit risk exposures however realised credit losses during the year were minimal, as are expected future credit losses. The Company's policies require new clients to be reviewed for creditworthiness before standard payment and delivery terms and conditions are entered into. Individual credit terms are set and monitored regularly.

More information is disclosed in note 27 to the financial statements.

People risk

This is the risk that the Company fails to recruit and retain suitably qualified professionals required to achieve its strategy and business objectives while ensuring compliance with all relevant regulations. The Company manages its people risk through:

- strategic resourcing and retention strategies;
- clear definition of responsibilities including in respect of risk management and performance assessment; and
- reward systems which take account of overall performance including in respect of risk management.

Climate-related risk

There is an increased focus globally on climate change and its impacts on society, which has led it to become a key priority for governments, businesses and stakeholders. The Moneycorp Group recognise the responsibility we have to our community and are in the process of reviewing climate and wider ESG policies to better understand the impact of climate risk on our business operations and to be prepared for mandatory reporting requirements in the near future.

Impact of the war in Ukraine on the Company's risk management

The Directors have considered the risks faced by the Company as a result of the war in Ukraine which begun on 24 February 2022, after the current reporting period ended. Considerations made include the potential impact on the demand for the Company's foreign currency products, sanctions/business with sanctioned individuals/companies, exposure to service providers in Ukraine/Russia, change in credit risk of clients and liquidity of financial assets. The Directors have assessed the impact on the business performance to date below and on the going concern assumption for the Company. Refer to the Directors Report for further details.

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

Director's duties under Section 172 of the Companies Act 2006

The Directors are mindful of their responsibilities under section 172 of the Companies Act 2006. Whilst performing their duties the Directors have acted in a way that they consider, in good faith, to be most likely to promote the success of the Company for the benefit of its members whilst taking into consideration a range of stakeholders' views/issues. This includes consideration of the following points:

- the likely consequences of any decisions in the long-term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, clients and others;
- the impact of the Company's operations on the community and environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between shareholders of the Company.

The intention of the Directors is to behave responsibly and ensure that management operate the business in an appropriate manner, with the high standard of conduct expected of a regulated business such as ours. The intention is to nurture the Company's reputation through building and maintaining relationships with key stakeholders.

Important decisions that could have an impact on the stakeholders are discussed in an open and transparent manner. As an example, the decision to transfer the UK business from MTL back to the Company represented a significant decision which impacted various stakeholders during the year.

We recognise that the Company's clients are at the very heart of our business and that treating clients fairly is a key ingredient to developing and maintaining a long term sustainable business. Business is always conducted with integrity, skill, care and diligence. The business pays due regard to the information needs of its clients and communicates information to them in a way which is clear, fair and not misleading. As such, clients can be confident that they are dealing with a business where the fair treatment of clients is central to the corporate culture. Clients were kept well informed about the impact of Brexit on the Company and as a result the migration of clients to MTL in 2020, and for some back in 2021, all occurred with a high retention rate.

The Company is committed to employee involvement as it believes that its business objectives are best achieved if the Company's employees understand and support the strategy. As a Company we act with honesty and integrity and recognise that well trained, highly motivated staff are our most important asset. In addition, training is available and provided to all levels of staff, and investment in employee development is a priority. The Directors ensure communication to employees regarding any key decisions that impact the business are done regularly and openly. As noted above, the Company moved between office-based and remote working during the year. Employees were engaged throughout this process to ensure transparency and were supported in obtaining any necessary equipment to make sure they could work from home in a comfortable and productive manner.

The Company operates in a highly regulated environment and the Directors acknowledge the importance of open and continuous dialogue with its regulators. As steps are taken to achieve its strategic objectives, the Directors pay careful consideration to the corresponding risks faced by the Company. Regular risk committee meetings are held to ensure that the Company is meeting its regulatory requirements including compliance with all FCA requirements.

Good ethics, good business and best practice are compatible and produce the best long term results. The Moneycorp Group's values of accountability, integrity, collaboration, determination and recognition are embedded throughout the business.

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

Environmental, Social, and Governance (ESG) reporting

The Company and wider Moneycorp Group recognises that it has a responsibility to the communities in which it operates, and is undertaking a review of its existing ESG policies and frameworks to ensure they reflect the expanding global nature of the business.

The focus on ESG can be evidenced through the below 2021 examples:

Environmental

- A salary sacrifice scheme for electric cars was introduced; and
- For the London HQ office building (where the majority of the Company employees are based), measures have continued to be followed to reduce waste and ensure appropriate recycling is performed. This saw less than 1% of waste generated at the office result in landfill.

Social

- Offices were pre-emptively closed to protect staff from the risk of rising COVID-19 infections;
- Remote working continued to operate for the majority of staff throughout 2021 due to COVID-19 conditions, and an increased number of employees moved to permanent home worker contracts;
- Another successful Future Frontiers programme was completed whereby a group of young people from disadvantaged backgrounds were given face-to-face career coaching;
- The Moneycorp Academy was launched with the framework focusing on individual contribution, management effectiveness and leadership excellence. 16 courses were conducted, delivering inspiring content to 113 colleagues across the Moneycorp Group;
- 'Focus on Wellbeing' initiatives included modules on wellbeing for parents, mindfulness, emotional intelligence, building resilient teams, and mental health for first aider; and
- The established Employee Assistance Programme continued to support colleagues with confidential support, counselling and advice.

Governance

- A comprehensive governance review with external advisors was undertaken for the Moneycorp Group to establish core structural roles and responsibilities including within Boards, Committees and delegated authorities; and
- The Moneycorp Group C-suite expanded to four distinct executive positions:
 - Chief Executive Officer;
 - Chief Financial Officer;
 - Chief Operating Officer; and
 - Chief Counsel, and Chief Risk and Compliance Officer (CRCO).

Diversity, equity and inclusion (DE&I)

The Company's policy is not to discriminate against anyone, on any grounds. The Company is committed to employment policies which follow best practice, based on equal opportunities for all, irrespective of age, sex or sexual orientation, race, colour, disability or marital or civil partnership status. The Company gives full and fair consideration to applications for employment from disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the Company.

Outlook for 2022

ESG, including DE&I, is a key agenda item for the CRCO, who is the ESG policy owner, and continuous improvements are being made. This includes more defined objectives and metrics being further developed for 2022. These will align to those of strategic importance to the Moneycorp Group and Bridgepoint (the ultimate controller), such as DE&I, climate change and transition to net zero. Amongst the key performance indicators being set for 2022, the following areas will feature:

- Climate change and greenhouse gas (GHG) emissions;
- DE&I (female employees and board members, board members from under-represented groups (including LGBTQ+));
- Health and safety (work related accidents, injuries, fatalities and number of days lost to injury);
- Employee headcount (organic net new hires, total net new hires, annual percent attrition, and employee engagement).

TTT Moneycorp Limited

Strategic report

For the year ended 31 December 2021

Streamlined energy and carbon reporting (SECR)

The Company's greenhouse gas (GHG) reporting is undertaken in line the SECR requirements for large unquoted companies implemented per The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, as stipulated by the Companies Act 2006.

Scope

Management assessed all fuel and electricity consumption activities occurring across all UK sites which contribute to overall energy use. It was determined that the following sources of emissions would be recorded, in line with SECR guidelines:

- Natural gas consumption (scope 1);
- Vehicle fuel consumption associated with the Company's UK operations, including the reimbursement to employees following claims for business mileage (scope 1); and
- Electricity consumption (scope 2).

GHG emissions and energy consumption

The Company's scope 1 and 2 GHG emissions and total energy consumption associated with its UK operations for 2021 are outlined below.

The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard. Energy consumption figures in kWh were obtained from electricity invoices for each relevant site. Consumption through the use of fuel was obtained through spend data which was converted into mileage figures. Energy consumption and mileage figures have been converted into tonnes of carbon dioxide equivalent (tCO₂e) and kWh respectively using the UK Government GHG Conversion Factors for Company Reporting 2021.

Total site area in m² occupied by the Company was used as the denominator to calculate the associated GHG emission intensity.

GHG emissions

	2021		2020	
	GHG Emissions (tCO ₂ e)	GHG Emissions Intensity (tCO ₂ e / m ²)	GHG Emissions (tCO ₂ e)	GHG Emissions Intensity (tCO ₂ e / m ²)
Emissions source				
Scope 1 (direct)	18.9	12.2	34.0	13.3
Scope 2 (energy indirect)	57.7	37.3	76.7	29.9
Total	76.6	49.5	110.7	43.2

Energy consumption

	2021		2020	
	Energy consumption (kWh)	Energy Intensity (kWh/ m ²)	Energy consumption (kWh)	Energy Intensity (kWh/ m ²)
Source of energy consumption				
Natural gas	96,318	62.3	119,067	46.5
Vehicle fuel	5,091	3.3	48,915	19.1
Electricity	271,686	175.6	328,835	128.3
Total	373,095	241.2	496,817	193.9

Actions taken to improve energy efficiency

Opportunities to implement energy efficiency measures are limited due to most sites being leased as opposed to owned. The Company has however taken steps to reduce electricity emissions where possible. For example, energy efficiency actions were taken due to COVID-19 restrictions including closing down offices and switching off all appliances in order to conserve energy.

Additionally, the Company offers a cycle to work scheme and an electric car scheme to encourage employees to use environmentally friendly transport for their commute to the Company's offices.

TTT Moneycorp Limited
Strategic report
For the year ended 31 December 2021

Litigation

The Company is not involved in any material legal proceedings or commercial disputes.

Subsequent events

Russian invasion of Ukraine

On 24 February 2022, Russian troops started a full-scale invasion of Ukraine. This on-going military action has led, and continues to lead, to devastating impacts on people, infrastructure and economies.

The Company stands with the international community in its condemnation of the war and the impact it has had on the people of Ukraine.

The Board has reviewed all clients and transactions and can confirm full compliance with all applicable international sanctions.

The Company has one private client located in Russia. They are not a PEP and have not been sanctioned. However, all transactions to and from this individual have been suspended and no transactions have been approved since the beginning of the war.

Historically, the Company had a small number of clients who from time to time made payments to contractors or suppliers in Russia. The ability to make these payments has been suspended indefinitely.

The Company is no longer offering trades for currency pairs with Russian Ruble (RUB) or Ukrainian Hryvnia (UAH). All payments to parties on sanction lists, in any currency, have been suspended indefinitely. The Company has implemented various additional compliance checks to mitigate any potential risk to the Company.

As at the date of signing the war is not considered to have a direct material impact on the Company, however the Directors will continue to monitor the situation closely and respond accordingly.

On behalf of the Board



M Pells
Director
9 September 2022

TTT Moneycorp Limited

Directors' report

For the year ended 31 December 2021

The Directors present their report and the audited financial statements of TTT Moneycorp Limited (the 'Company') incorporated and domiciled in England and Wales, United Kingdom (UK) for the year ended 31 December 2021.

Controlling interest

The holding company of the Moneycorp Group (see note 31 to the financial statements for the definition of the Moneycorp Group) is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. The ultimate controller of Moneta Topco Limited is Bridgepoint Europe IV (Nominees) Limited.

Principal activities and outlook

The principal activities of the Company are acting as a broker in the provision of foreign currency products specifically foreign exchange spots and forwards to businesses and individuals. The Company is authorised and regulated by the Financial Conduct Authority (FCA). The Company has branches in Spain, Ireland and Romania which are not subject to the FCA regulations. As detailed in the Strategic Report, the trade and associated balances of the branches were migrated to a related Moneycorp Group company in 2020 and these branches are now in the process of being wound-down, hence were dormant in 2021.

A review of the business and future developments, including subsequent events, along with the Company's risk management are described within the Strategic Report on pages 3-11.

Directors

The Directors listed below have served the Company during the year and up to the date of signing the financial statements unless otherwise stated:

Executive Director	M Pells	(appointed 23 May 2022)
Executive Director	S Jordan	(appointed 23 May 2022)
Executive Director	G Uniacke	(appointed 23 May 2022)
Executive Director	D Chandler	(resigned 27 May 2022)
Executive Director	A Harrison	(resigned 13 January 2022)
Executive Director	L McDarby	(resigned 27 May 2022)

None of the Directors hold any interest in the shares of the Company.

Further details about the Company can be found in the Company Information on page 1.

Results and dividends

The statement of comprehensive income for the year ended 31 December 2021 is set out on page 18.

No interim dividends were declared during the current or prior year and the Directors do not recommend the payment of a final dividend (2020: nil).

Charities and donations

Donations of £4k were made during the year for charitable purposes (2020: £2k). No donations were made for political purposes during the year (2020: nil).

Going concern basis

The Directors assess the Company's going concern for a period of at least 12 months from the signing of the annual report and financial statements. The assessment has been undertaken by considering the risk factors and events arising subsequent to year end, outlined in the Strategic Report.

TTT Moneycorp Limited

Directors' report

For the year ended 31 December 2021

Going concern assessment - continued

In making this assessment the Directors considered:

- whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- whether post balance sheet trading is in line with expectations;
- if the Company would be able to trade after the impact of a reasonable downside scenario on performance (stress testing);
- the adequacy of insurance cover;
- the continued availability of financing facilities and trading lines;
- the regulatory environment in which the Company operates;
- the effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks; and
- the financial support from the intermediate and ultimate holding companies to support its business.

Performance subsequent to the reporting date:

The performance for the Company for first half of 2022 has been detailed below. Despite the on-going war in Ukraine and its impact on the global economy, the Company and Moneycorp Group have continued to perform well, and ahead of scenario planning detailed below, as the Company and Group's established client base continue to require a range of hedging products in the face of economic uncertainty.

Revenue and EBITDA, excluding management recharges, for the first half of 2022 have both increased against the same period in the prior year, by 33% and 152% respectively.

Assessment:

Going concern of the Company is considered as part of the Moneycorp Group's going concern assessment. As part of this the Directors have undertaken scenario planning to understand the impact on the EBITDA and cash flows for the Moneycorp Group (including the Company). This assessment included various scenarios such as adverse movements to interest rates, inflation, foreign exchange rates and other macroeconomic factors from the 2022 budget, forecasted out for at least 12 months from the signing date of this report.

Even if these scenarios were to eventuate, they would not result in a material adverse impact and therefore the Directors have concluded that the Moneycorp Group and the Company could continue to operate as a going concern. This is supported by the additional following factors:

- the diversity of the Moneycorp Group and Company's operations, product offerings and client base assists in reducing the overall risk;
- the refinancing of the Moneycorp Group's bank senior debt after the balance sheet date. This refinancing provides an extension and increase to the Group's previous senior debt facility; and
- the agreed financial support from the ultimate controller to the Moneycorp Group in the form of short term funding or increased equity funding in order to support operations.

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Moneycorp Group and Company were unable to continue as a going concern.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws 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 International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom (UK). 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.

TTT Moneycorp Limited
Directors' report
For the year ended 31 December 2021

Statement of Directors' responsibilities in respect of the financial statements - continued

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 IFRSs as adopted by the UK have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

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

Independent auditors

BDO LLP have indicated their willingness to continue in office, and a resolution for them to be reappointed will be proposed at the next meeting of the Board of Directors.

On behalf of the Board



M Pells
Director
9 September 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TTT MONEYCORP LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2021

Opinion on the financial statements

In our opinion the financial statements:

- the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of TTT Moneycorp Limited ("the Company") for the year ended 31 December 2021, which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

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

Independence

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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TTT MONEYCORP LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2021

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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 material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, 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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which the company operates, and considered the risk of acts by the company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006, those resulting from being authorised by the Financial Conduct Authority to undertake regulated activities and relevant accounting standards.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TTT MONEYCORP LIMITED

FOR THE YEAR ENDED 31 DECEMBER 2021

We considered compliance with this framework through discussions with management and performed audit procedures on these areas as considered necessary. Our procedures involved enquiries with Management, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

We focused on laws and regulations that could give rise to a material misstatement in the company financial statements.

Our tests included, but were not limited to:


- We discussed among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for management bias in the client cash creditor. Furthermore, we communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management and those charged with governance;
- testing of journal postings made during the year to identify potential management override of controls;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

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Orla Reilly (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date: 09 September 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

TTT Moneycorp Limited
Statement of comprehensive income
For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Continuing operations:			
Revenue	7	40,439	43,494
Administrative expenses	8	(54,757)	(53,718)
Other income – rental		75	70
Net foreign exchange losses		(1,814)	(210)
Operating loss		<u>(16,057)</u>	<u>(10,364)</u>
Finance income	9	71	127
Finance costs	10	(579)	(722)
Net finance costs		<u>(508)</u>	<u>(595)</u>
Loss before tax		<u>(16,565)</u>	<u>(10,959)</u>
Tax credit/(charge)	11	15	(700)
Loss and total comprehensive loss for the year attributable to the owners of the Company		<u><u>(16,550)</u></u>	<u><u>(11,659)</u></u>

No other comprehensive income items were recorded during the year (2020: nil).

The above statement should be read in conjunction with the accompanying notes on pages 22 to 58.

TTT Moneycorp Limited

Balance sheet

As at 31 December 2021

	Note	2021 £000	2020 £000
Non-current assets			
Goodwill and other intangible assets	12	20,938	21,832
Property, plant and equipment	13	1,289	1,671
Right-of-use assets	14	6,961	6,958
Investment in subsidiaries	15	5,782	5,782
Net investment receivable	14	570	1,868
Deferred tax asset	20	-	-
		35,540	38,111
Current assets			
Cash and cash equivalents	17	290,299	281,041
Trade and other receivables	18	115,557	114,544
Prepayments		794	1,003
Net investment receivable	14	160	287
Derivative financial instruments	19	54,996	72,852
Current tax assets		852	122
		462,658	469,849
Total assets		498,198	507,960
Non-current liabilities			
Borrowings	23	(1,255)	(1,220)
Lease liabilities	14	(7,658)	(9,268)
		(8,913)	(10,488)
Current liabilities			
Trade and other payables	21	(393,243)	(374,176)
Provisions	22	(169)	-
Borrowings	23	(10,515)	(181)
Lease liabilities	14	(1,466)	(1,430)
Derivative financial instruments	19	(47,182)	(68,425)
		(452,575)	(444,212)
Total liabilities		(461,488)	(454,700)
Net assets		36,710	53,260
Equity			
Share capital	25	350	350
Other reserves		808	808
Retained earnings		35,552	52,102
Total equity		36,710	53,260

The financial statements of TTT Moneycorp Limited (registered number 00738837) were approved by the Board of Directors and authorised for issue on 9 September 2022. The Directors do not have the power to amend the financial statements after issue. They were signed on behalf of the Board by:



M Pells
Director

The above balance sheet should be read in conjunction with the accompanying notes on pages 22 to 58.

TTT Moneycorp Limited
Statement of changes in equity
For the year ended 31 December 2021

	Share capital £000	Other reserves £000	Retained earnings £000	Total equity £000
Balance at 1 January 2020	350	808	63,761	64,919
Loss for the year	-	-	(11,659)	(11,659)
Total comprehensive loss	-	-	(11,659)	(11,659)
Balance at 31 December 2020	350	808	52,102	53,260
Balance at 1 January 2021	350	808	52,102	53,260
Loss for the year	-	-	(16,550)	(16,550)
Total comprehensive loss	-	-	(16,550)	(16,550)
Balance at 31 December 2021	350	808	35,552	36,710

The above statement should be read in conjunction with the accompanying notes on pages 22 to 58.

TTT Moneycorp Limited
Statement of cash flows
For the year ended 31 December 2021

	Note	2021 £000	2020 £000
Cash flows from operating activities			
Net cash (used in)/generated from operations	26	(3,925)	102,079
Interest received		-	2
Interest paid		(7)	(38)
Income tax refund received		10	1,747
Income tax paid		(731)	(95)
Net cash (outflow)/inflow from operating activities		(4,653)	103,695
Cash flows from investing activities			
Purchases of property, plant and equipment		(62)	(180)
Purchases of intangible assets		(3,849)	(4,082)
Investment in subsidiaries		-	(326)
Proceeds from net investment receivable		199	397
Net cash outflow from investing activities		(3,712)	(4,191)
Cash flows from financing activities			
Repayments of lease liabilities		(1,927)	(2,021)
Cash of European business transferred from/(to) other related party		12,815	(166,994)
Net cash inflow/(outflow) from financing activities		10,888	(169,015)
Net increase/(decrease) in cash and cash equivalents		2,523	(69,511)
Cash and cash equivalents at the beginning of the year		280,860	347,302
Effects of exchange rate changes on cash and cash equivalents		(3,599)	3,069
Cash and cash equivalents at the end of the year	17	279,784	280,860

The above statement should be read in conjunction with the accompanying notes on pages 22 to 58.

TTT Moneycorp Limited

Notes to the financial statements

For the year ended 31 December 2021

1. GENERAL INFORMATION

TTT Moneycorp Limited (the 'Company') is a private company limited by shares, incorporated in England and Wales, United Kingdom (UK) under the Companies Act 2006. The address of the registered office is given in the company information on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 3 to 11.

Migration of European business following Brexit

2020 migration from the Company

Following the passing of the EU (Withdrawal Agreement) Bill, all clients of both the Irish and Romanian branches of the Company were migrated to Moneycorp Technologies Limited (MTL) in December 2020 which included both the clients based in Europe and the UK. Additionally, all European based clients of the Company that traded via the UK based office were also migrated. Employees of the Irish and Romanian branches were transferred on 1 October 2020 and 11 December 2020 respectively. The Company's Irish and Romanian branches are now non-operating and are in the process of being wound down.

See below a summary of the associated balances transferred:

	£000
Cash and cash equivalents	166,994
Derivative financial instrument assets	5,502
Trade and other payables	(166,994)
Derivative financial instrument liabilities	(5,502)
	-

2021 migration to the Company

The UK introduced a Temporary Permission Regime (TPR) immediately after the exit of the UK from the EU. The TPR enabled European Economic Area (EEA) authorised firms with UK business to continue to carry on operations in the UK for a transition period. In May 2021, the Moneycorp Group were advised that the TPR regime would end in July 2021. The impacted clients were migrated back to the Company in July 2021. A summary of the net assets transferred has been provided below:

	£000
Cash and cash equivalents	12,815
Derivative financial instrument assets	412
Trade and other payables	(12,815)
Derivative financial instrument liabilities	(412)
	-

2. BASIS OF PREPARATION

Compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs), as adopted by the UK.

Historical cost convention

The financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

TTT Moneycorp Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

2. BASIS OF PREPARATION - CONTINUED

Historical cost convention - continued

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs on the fair value measurement in its entirety. Refer to note 19 for details over each level.

Going concern basis

The Directors assess the Company's going concern for a period of at least 12 months from the signing of the annual report and financial statements. The assessment has been undertaken by considering the risk factors and events arising subsequent to year end, outlined in the Strategic Report.

In making this assessment the Directors considered:

- whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- whether post balance sheet trading is in line with expectations;
- if the Company would be able to trade after the impact of a reasonable downside scenario on performance (stress testing);
- the adequacy of insurance cover;
- the continued availability of financing facilities and trading lines;
- the regulatory environment in which the Company operates;
- the effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks; and
- the financial support from the intermediate and ultimate holding companies to support its business.

The performance for the Company for the first half of 2022 has been detailed in the going concern section of the Directors' Report. Despite the on-going war in Ukraine and its impact on the global economy, the Company and Moneycorp Group have continued to perform well, and ahead of scenario planning detailed below. This is a result of the Company and Group's established client base continuing to require a range of hedging products in the face of economic uncertainty.

Going concern of the Company is considered as part of the Moneycorp Group's going concern assessment. As part of this the Directors have undertaken scenario planning to understand the impact on the EBITDA and cash flows for the Moneycorp Group (including the Company). This assessment included various scenarios such as adverse movements to interest rates, inflation, foreign exchange rates and other macroeconomic factors from the 2022 budget, forecasted out for at least 12 months from the signing date of this report.

Even if these sensitivities were to eventuate, they would not result in a material adverse impact and therefore the Directors have concluded that the Moneycorp Group and the Company could continue to operate as a going concern. This is supported by the additional following factors:

- the diversity of the Moneycorp Group and Company's operations, product offerings and client base assists in reducing the overall risk;
- the refinancing of the Moneycorp Group's bank senior debt after the balance sheet date. This refinancing provides an extension and increase to the Group's previous senior debt facility; and
- the agreed financial support from the ultimate controller to the Moneycorp Group in the form of short term funding or increased equity funding in order to support operations.

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Moneycorp Group and Company were unable to continue as a going concern.

TTT Moneycorp Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

3. NEW AND REVISED STANDARDS ADOPTED IN THE CURRENT PERIOD

On 31 January 2020 the UK exited the European Union (EU). For financial periods beginning on or after 1 January 2021, companies are to apply IFRSs as adopted by the United Kingdom (IFRSs UK). The Company's 2021 financial statements have therefore been prepared under IFRS UK. Historically these were prepared under EU-adopted IFRSs. Currently the UK-adopted IFRSs are identical to EU-adopted IFRSs.

The Company has adopted the following standards and amendments for the first time for the annual reporting year commencing 1 January 2021:

Standard	New standard / amendment:
- IAS 1 <i>Presentation of Financial Statements</i> and IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> - Definition of Material	Amendment
- IFRS 3 <i>Business Combinations</i> - Definition of a Business	Amendment
- IFRS 16 <i>Leases</i> - COVID-19 Related Rent Concessions	Amendment
- Revised Conceptual Framework for Financial Reporting	Amendment
- IFRS 7 <i>Financial Instruments: Disclosures</i> , IFRS 9 <i>Financial Instruments</i> and IAS 39 <i>Financial Instruments Recognition and Measurement</i> - Interest Rate Benchmark Reform	Amendment

None of these developments have had a material effect on how the Company's statement of comprehensive income or balance sheet for the current or prior year have been prepared or presented.

4. NEW AND REVISED STANDARDS NOT YET ADOPTED

Certain new standards and interpretations have been published that are not mandatory for the 31 December 2021 reporting period and have not been early adopted by the Company.

Standard	New standard / amendment:	Effective for annual reporting periods beginning on or after:
- IFRS 17 <i>Insurance Contracts</i>	New	1 January 2023
- IAS 8 <i>Accounting policies, changes in accounting estimates and errors</i>	Amendment	1 January 2023
- IAS 1 <i>Presentation of Financial Statements</i>	Amendment	1 January 2023
- IAS 16 <i>Property, Plant and Equipment</i>	Amendment	1 January 2022
- IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i>	Amendment	1 January 2022
- IFRS 3 <i>Business Combinations</i>	Amendment	1 January 2022
- Annual Improvements to IFRS Standards 2018-2020: IFRS 9 <i>Financial Instruments</i> , IFRS 16 <i>Leases</i> , IFRS 1 <i>First time Adoption of IFRS</i> and IFRS 41 <i>Agriculture</i>	Amendment	1 January 2022

None of the above standards that are not yet effective are expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below. These policies have been consistently applied to both years presented unless otherwise stated.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interest issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Business combinations - continued

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date values for the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Company in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) regarding facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that does not qualify as a measurement period adjustment, depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IFRS 9 *Financial Instruments*, or IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in pounds sterling (GBP), which is the Company's functional and presentation currency, and have been rounded to the nearest thousand pounds, except when otherwise indicated.

Foreign currencies

Trading transactions denominated in currencies other than the Company's functional currency (foreign currencies) are translated at the exchange rate prevailing on the date of the transaction.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at year end exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates to the functional currency, are recognised in profit or loss.

Intangible assets

Goodwill

Goodwill is initially recognised and measured as set out in 'business combinations' above.

Goodwill is not amortised but is tested for impairment. For the purpose of impairment testing, goodwill is allocated to cash-generating units (see note 12). Cash-generating units (CGUs), to which goodwill has been allocated, are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill allocated to the unit and secondly to the other assets of the unit pro-rated on the basis of the carrying amount of each asset in the unit. An impairment loss recognised on goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Intangible assets - continued

Customer relationships

Customer relationships recognised upon business combinations are accounted for at fair value at the acquisition date and amortised on a straight line basis over the term, or expected term, of the relationships.

Computer software

Costs associated with the research phase of internally developed software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when they meet the recognition criteria in IAS 38 *Intangible assets*.

Externally acquired computer software and configuration costs are capitalised on the basis of the costs incurred to acquire and bring the assets to use.

Capitalised software costs are recorded as intangible assets and amortised on a straight line basis over their estimated useful lives from the point in which the asset is ready for use. Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, such as maintenance of software programmes, is expensed as incurred.

Estimated useful lives are as follows:

Customer relationships	2-6 years
Computer software	4-5 years

Impairment of intangible assets

For intangible assets with finite lives, assets are tested for impairment when there are any indicators that the carrying amount of the assets cannot be recovered. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is calculated as the higher of fair value less costs to sell and value-in-use. If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the statement of comprehensive income.

Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation and any recognised impairment loss.

Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognised to write down the cost or valuation, less the residual value, of assets over their useful lives, using the straight-line method, on the following bases:

Fixtures and fittings	4-10 years
Computer equipment	4 years

Leasehold properties are depreciated over the period of the leases. Improvements to leased properties, including fixtures and fittings and computer equipment, are depreciated over the expected life of those improvements/assets, or period of the lease, whichever is more reflective of the expected economic life of the asset.

The estimated useful lives, residual values, and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in the estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment of property, plant and equipment

At each balance sheet date, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any).

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

Investment in subsidiaries

Investments in subsidiaries are valued at the lower of cost and net realisable value. The carrying amounts of investments are reviewed annually to determine whether there is any indication of impairment. If any indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. An impairment loss is recognised in the statement of comprehensive income in the period it arises.

Financial instruments

Financial instruments are classified as financial assets, financial liabilities or equity instruments, and are initially recognised when the Company becomes party to the contractual provisions of the instrument.

Classification:

The Company classifies its financial assets and liabilities in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

Recognition and derecognition:

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. All financial instruments are initially measured at fair value adjusted for transaction costs.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognises a financial liability when, and only when, the Company's obligations are discharged, cancelled or they expire.

The Company classifies its instruments based on the Company's business model for managing the financial assets and liabilities and the contractual terms of the cash flows. The Company's financial assets and liabilities are managed and their performance evaluated on a fair value basis.

Financial assets at amortised cost

Cash and cash equivalents

Cash and cash equivalents comprise of cash and funds held in short-term bank deposits with an original maturity of three months or less, including overnight money-market funds. The carrying amount of these assets is approximately equal to their fair value. Any overdrawn bank accounts are presented separately on the balance sheet within borrowings.

Trade and other receivables

Trade and other receivables relate to client receivables for unsettled trades and related party receivables. They are recognised at original contract value and subsequently measured at amortised cost, using the effective interest method, less loss allowance.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment of financial assets at amortised cost

At the reporting date the Company measures a loss allowance on financial assets other than those at fair value through profit or loss. The Company applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets at amortised cost regardless of if the risk has increased significantly since initial recognition or not. The amount of the loss allowance on financial assets is recognised in the statement of comprehensive income within administrative expenses.

For trade and other receivables, balances are written off against the net impairment loss where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a counterparty to engage in a repayment plan with the Company or the counterparty entering bankruptcy or financial reorganisation. Subsequent recoveries of amounts previously written off are credited against the same line item within administrative expenses.

Given the high credit quality and short term nature of the financial assets measured at amortised cost, the Company does not anticipate any material expected credit losses to be applicable for these assets.

Financial liabilities at amortised cost

Borrowings

Borrowings are initially measured at fair value less attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, with any interest expense recognised on an effective interest basis.

Borrowings are removed from the balance sheet when the obligations specified in the contract are discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade and other payables

Trade and other payables, including accruals, represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the balance sheet date. They are recognised initially at the original invoice or contract value, or expected contract value, being the best estimate of fair value and subsequently measured at amortised cost using the effective interest method.

Included in trade and other payables is the Company's obligation to individuals and businesses in regards to outstanding client balances. They are recognised at the value of the cash consideration received being the best estimate of fair value.

Derivative financial instruments

The Company enters into a variety of derivative financial instruments for trading purposes acting as a broker in the provision of foreign exchange spot, forward and option contracts to businesses and individuals. In addition, a small number of derivative financial instruments are entered into to manage exposure to the Company's foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the statement of comprehensive income within revenue. Further details regarding the fair value measurement and valuation process of derivative financial instruments are disclosed in note 19.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. Derivative financial instruments are held for trading and as such are presented as a current asset or a current liability, irrespective of the contractual maturity date.

TTT Moneycorp Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Share capital

Ordinary share capital is 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.

Revenue

Revenue primarily consists of the margin earned between the buying and selling price of currencies sold in foreign exchange spot and forward contracts. As these contracts are classed as financial instruments, revenue is recognised based on the requirements of IFRS 9 *Financial Instruments*. Revenue is recognised on trade date and presented as a net gain on financial instruments held at fair value through profit or loss.

A fixed fee is charged to clients who trade lower amounts of currency in their international payment transactions. Payment of the fixed fee is due when the client makes the transaction. International payments generally have only one performance obligation and revenue is recognised at the point in time when control of the foreign currency purchased is transferred to the client in accordance with IFRS 15 *Revenue from Contracts with Customers*.

Clients are also able to buy currency and load it onto a card rather than have physical currency. Prepaid card revenue is earned and recognised when the client buys the currency to load onto a card. Revenue is also earned when the client uses the card for POS transactions, ATM withdrawals, cash outs and money transfers or incurs inactivity charges. Fees vary depending on the transaction and are either fixed or a percentage of the transaction amount. Prepaid card revenue has one performance obligation and is recognised at the point in time when the transaction is made, generally when the client spends or withdraws.

Finance income and costs

Interest accrued on borrowings is recorded within finance costs. Additionally the Company classifies interest charged on its operating bank accounts, as well as other costs associated with the management of cash and cash equivalents, and interest on lease liabilities, as finance costs.

Interest earned and paid on client held funds forms part of the general operations of the Company and hence is presented as part of revenue and administrative expenses respectively.

Leases

The Company leases its office space. Lease terms are negotiated on an individual basis and can often contain a wide range of different terms and conditions. The Company assesses whether a contract is, or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Lease payments for these leases are recognised on a straight-line basis as an expense in the statement of comprehensive income.

For contracts where the supplier has substantive rights to substitute the asset throughout the period of use, these do not meet the definition of a contract that contains a lease under IFRS 16 *Leases* and as such payments are recognised as an expense in the statement of comprehensive income in the period in which they are incurred.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the following lease payments:

- fixed payments (including in-substance fixed payments) less any lease incentives;
- variable lease payment that are based on an index or a rate;
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option; and
- payments to be made under extension options when it is reasonably certain that the Company will extend the lease.

The lease liability is initially measured at the present value of the above lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Company, the lessee's incremental borrowing rate is used. This is determined to be the rate that the Company would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Leases - continued

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term changes, or there is a change in the assessment of exercising a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a recalculated discount rate; or
- the lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Net investment receivables are recognised in relation to any sublease of property where the Company holds the head lease on the balance sheet as a lease liability. The net investment receivable is initially measured at the present value of the future lease receipts that are not received at the commencement date, discounted using the same rate used for the head lease. The net investment receivable is subsequently measured by increasing the carrying amount to reflect interest on the asset (using the effective interest method) and by reducing the carrying amount to reflect the lease payments received.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, adjusted for any net investment receivable, plus lease payments made at or before the commencement date and any initial direct costs. They are depreciated over the lease term or useful life of the underlying asset, whichever is shorter. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Employee entitlements

Employee entitlements for salaries and wages, bonuses, annual leave and other similar benefits are recognised in the statement of comprehensive income when they accrue to employees.

Liabilities for salaries and wages, including non-monetary benefits, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured using the amounts expected to be paid. The liabilities are presented as current employee related payables within trade and other payables on the balance sheet.

Pensions defined contribution scheme

The Company operates a defined contribution scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund.

Obligations for contributions to the defined contribution pension scheme are recognised as an expense in the statement of comprehensive income as they fall due. The liability for contributions owing by the Company to the fund at the balance sheet date is disclosed in note 24 and is included within trade and other payables on the balance sheet.

Government grants

Grants received from governments are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to costs are deferred and recognised in the statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate. As permitted under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the Company presents government grants in the statement of comprehensive income as a deduction from the related expense within administrative expenses.

The subsequent repayment of any government grants is also recognised in line with the original receipts within administrative expenses.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Provisions

Provisions are recognised when it is probable a present obligation will lead to an outflow of economic resources from the business. A present obligation arises from the presence of a legal or constructive commitment that has resulted from past events. Where possible outflows from the business are considered improbable, that is considered a contingent liability and no liability is recognised on the balance sheet.

Taxation

The income tax expense or credit for the year is the tax payable on the current year's taxable profit/(loss), based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current taxation

The tax currently payable is based on taxable profit/(loss) for the year. Taxable profit/(loss) differs from net profit/(loss) as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation

Deferred tax assets and liabilities are recognised where temporary differences arise between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit/(loss). Deferred tax assets are recognised only if it is probable that future taxable profit will be available to utilise those temporary differences and losses.

The amount of the asset or liability is determined using tax rates and laws that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred liability is settled.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all, or part of, the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Related parties

Transactions between the Moneycorp Group (which includes the Company) and its subsidiaries, meet the definition of a related party transaction.

Key management personnel, and persons connected with them, are also considered to be related parties.

Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly.

Transactions between the Company and entities who are not members of the Moneycorp Group, but are connected via common control, are also deemed to be related parties.

Related party transactions are disclosed in note 30.

TTT Moneycorp Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 5, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Company's accounting policies and that have the most significant impact on the amounts recognised in the financial statements.

Provisions and contingent liabilities

Provisions can arise from time to time in relation to ongoing litigation and contractual obligations.

Provisions are measured based on management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. Given the subjectivity and uncertainty of determining the probability and amount of losses, management take into account a number of factors including legal advice, the stage of the matter and historical evidence from similar situations, if any. Where the probability of outflow is considered to be remote, or probable but a reliable estimate cannot be made, a contingent liability is disclosed. Significant judgement is required to conclude on these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Capitalisation of intangible assets

Development expenditure represents costs incurred in relation to the internal development of various computer software projects to support the services and products of the Company. Management exercises judgement in determining which development costs meet the IAS 38 *Intangible Assets* criteria for capitalisation and lead to future economic benefits sufficient to recover the costs capitalised. This includes estimates as to the amount of time spent directly on development of new software or significant improvement of the existing systems. The capitalised assets are amortised over the useful economic lives of these assets.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use and the fair value less costs to sell of the CGUs to which goodwill has been allocated. These calculations require management to estimate the future cash flows expected to arise from each CGU as well as a suitable discount rate in order to calculate present value under the value in use methodology. In calculating the fair value less costs to sell, identifying suitable comparable companies, when determining an appropriate valuation multiple, involves a level of judgement. Refer to note 12 for details over the goodwill impairment assessment including key judgements and assumptions made.

Fair value measurements and valuation processes

Derivative financial assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent it is available (Level 1). Foreign currency forwards and options are considered to be Level 2 as the fair value measurements are derived from inputs other than quoted prices that are directly or indirectly observable.

The fair value of derivative financial assets and liabilities are stated after adjustments to reflect counterparty credit risk. Information about the valuation techniques and inputs used in determining the fair value, including adjustments for credit risk, are disclosed in notes 19 and 27.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY - CONTINUED

Key sources of estimation uncertainty - continued

Fair value measurements and valuation processes- continued

The Company recognises derivative financial assets when counterparty positions are out of the money (from the perspective of the counterparty). Derivative financial liabilities are recognised by the Company when counterparty positions are in the money (from the perspective of the counterparty). Counterparty credit risk adjustments on derivative financial assets are recorded within profit or loss. To prevent an accounting mismatch, the Company has elected to also recognise credit risk adjustments on derivative financial liabilities in profit or loss, rather than in other comprehensive income. The key judgements for counterparty credit risk adjustments are the credit ratings which are assigned internally by the Moneycorp Group Credit Department to counterparties and the corresponding default rate assigned to each credit rating.

Further judgements are made in regards to the default rate assigned to the Company which is applied to derivative financial assets in order to reflect the possibly of default by the Company. See note 19 for further details.

Impairment of financial assets at amortised cost

Under IFRS 9, a forward-looking impairment model, based on expected credit losses (ECLs), applies to financial assets held at amortised cost. ECLs are probability-weighted estimates of credit losses. In calculating this ECL allowance, the Company considers information about past events and current conditions as well as supportable information about future events and economic conditions. See note 27 for further details.

Taxation and deferred taxation

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Company's latest budget forecasts. Forecasts are adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit, and expectations regarding future financing costs.

If a forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties are assessed individually by management based on the specific facts and circumstances. See note 20 for details of deferred tax balances.

Deferred taxation assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. The Directors have made an assessment of how much is expected to be utilised against future taxable income based on future events and circumstances. The actual results may vary, and may cause significant adjustments to the Company's assets within the next financial year.

7. REVENUE

	2021	2020
	£000	£000
Revenue earned from financial instruments:		
Net gains on financial instruments held at fair value through profit or loss	39,677	42,220
Revenue from contracts with customers:		
Fees and charges	118	418
Prepaid cards	644	783
	<u>762</u>	<u>1,201</u>
Other:		
Operating interest income	-	73
Total revenue	<u><u>40,439</u></u>	<u><u>43,494</u></u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

8. ADMINISTRATIVE EXPENSES

Administrative expenses comprise the following:

	2021 £000	2020 £000
Staff costs (see note 8a)	14,145	13,184
Management charges (see note 30)	13,206	9,990
Commissions	6,375	5,772
Amortisation of intangible assets (see note 12)	4,114	3,894
Bank charges and transaction fees	2,193	2,792
Other personnel costs	1,924	1,732
Advertising and marketing	1,873	1,473
Irrecoverable value-added tax	1,677	1,525
Legal and professional fees	1,246	894
IT support and maintenance	1,206	1,132
Property expenses	1,178	1,231
Depreciation of right-of-use assets (see note 14)	1,118	1,081
Communications	738	764
Loss on disposal of intangible assets (see note 12)	509	26
Depreciation of property, plant and equipment (see note 13)	381	469
Travel and entertainment	304	314
Insurance	162	180
Auditor's remuneration (see note 8b)	144	172
Loss on disposal of property, plant and equipment (see note 13)	63	-
Net impairment losses on financial assets (see note 27)	62	447
Operating lease rentals	27	69
Operating interest paid on designated client bank accounts	-	40
Other administrative costs	274	159
One-off costs (see note 8c)	1,838	6,378
	<u>54,757</u>	<u>53,718</u>

8a. Staff costs

	2021 Number	2020 Number
The average monthly number of employees (including executive directors) was:		
Management and administration	11	6
Operations	<u>125</u>	<u>185</u>
	<u>136</u>	<u>191</u>
 Their aggregate remuneration comprised:	 2021 £000	 2020 £000
Wages and salaries	12,529	11,592
Social security costs	1,386	1,288
Other pension costs (see note 24)	230	304
	<u>14,145</u>	<u>13,184</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

8. ADMINISTRATIVE EXPENSES - CONTINUED

8b. Auditor's remuneration

The analysis of the auditor's remuneration included within administrative expenses is as follows:

	2021 £000	2020 £000
Fees paid to the Company's auditor		
Audit of the Company's annual financial statements	141	100
Audit of the Company's prior year financial statements - incurred in the following year	-	24
Total audit fees to the Company's auditor	<u>141</u>	<u>124</u>
Other non-audit fees		
Agreed upon procedures - Payment Services Directive reporting	3	3
Non assurance engagement - expert reporting	-	45
Total non-audit fees to the Company's auditor	<u>3</u>	<u>48</u>
Total fees to the Company's auditor	<u>144</u>	<u>172</u>

Fees paid in relation to the 2019 audit, including £24k paid in 2020 in relation to the prior year, were paid to PricewaterhouseCoopers who were the Company's auditor in 2019. Fees in relation to the current year and prior year engagements relate to BDO LLP who were appointed as the Company's auditors in 2020.

8c. One-off costs

One-off costs can be categorised as follows:

	2021 £000	2020 £000
Strategic initiatives	685	1,201
Staff costs (including redundancies)	285	1,210
One off provisions and related legal fees	255	3,096
One off regulatory/compliance costs	142	140
Dual running costs	128	89
Business acquisition or set-up, and integration, costs	106	586
Other one off costs	237	56
	<u>1,838</u>	<u>6,378</u>

8d. Government grants

In 2020 the Company received total receipts in relation to the UK Coronavirus Job Retention Scheme of £339k. During the current year the Company voluntarily repaid the government grant received in 2020 in full. In line with the accounting policy in note 5 both the receipt of funds, and subsequent repayment, have been presented within administrative expenses, specifically staff costs – wages and salaries.

There were no other forms of government assistance received during the current or prior year.

9. FINANCE INCOME

	2021 £000	2020 £000
Bank interest	-	2
Net investment receivable interest (see note 14)	71	125
	<u>71</u>	<u>127</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

10. FINANCE COSTS

	2021 £000	2020 £000
Bank interest	7	38
Interest on loan from parent entity (see note 23)	35	61
Lease liability interest (see note 14)	537	623
	<u>579</u>	<u>722</u>

11. TAX CREDIT/CHARGE

	2021 £000	2020 £000
Current tax:		
Current year charge	-	255
Over provision in respect of prior years	(15)	(592)
	<u>(15)</u>	<u>(337)</u>
Deferred tax (see note 20):		
Current year (credit)/charge	(288)	416
Under provision in respect of prior years	-	665
Effect of change in corporation tax rate on deferred tax balances	288	(44)
	<u>(15)</u>	<u>700</u>
Total tax (credit)/charge for the year	<u>(15)</u>	<u>700</u>

Corporation tax is calculated at 19% (2020: 19%) of the estimated taxable loss for the year.

The total tax credit for the year can be reconciled to the loss in the statement of comprehensive income as follows:

	2021 £000	2020 £000
Loss before tax on continuing operations	(16,565)	(10,959)
Tax at the UK corporation tax rate of 19% (2020: 19%)	(3,147)	(2,082)
Tax effect of expenses that are not deductible	146	1,676
(Over)/under provision in respect of prior years	(15)	73
Tax effect of Moneycorp Group relief given	2,934	279
Effect of change in corporation tax rate on deferred tax balances	288	(44)
Tax effect of capital allowances	(221)	-
Effect of lower tax rates of branches operating in other jurisdictions	-	(127)
Effect of deferred tax not recognised	-	925
Total tax (credit)/charge for the year	<u>(15)</u>	<u>700</u>

On 3 March 2021, it was announced that from 1 April 2023, the main rate of corporation tax will increase to 25%. The deferred tax balances included within the financial statements, as at 31 December 2021, have been calculated with reference to the rate of 25% in accordance with IFRS.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

12. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill	Customer relation- ships	Computer software	Total
	£000	£000	£000	£000
At 1 January 2020				
Cost	10,874	3,232	18,503	32,609
Accumulated amortisation	-	(1,112)	(9,706)	(10,818)
Carrying amount	<u>10,874</u>	<u>2,120</u>	<u>8,797</u>	<u>21,791</u>
Year ended 31 December 2020				
Opening carrying amount	10,874	2,120	8,797	21,791
Additions	-	-	3,961	3,961
Net disposals	-	-	(26)	(26)
Amortisation charge	-	(527)	(3,367)	(3,894)
Closing carrying amount	<u>10,874</u>	<u>1,593</u>	<u>9,365</u>	<u>21,832</u>
At 31 December 2020				
Cost	10,874	3,232	22,438	36,544
Accumulated amortisation	-	(1,639)	(13,073)	(14,712)
Carrying amount	<u>10,874</u>	<u>1,593</u>	<u>9,365</u>	<u>21,832</u>
Year ended 31 December 2021				
Opening carrying amount	10,874	1,593	9,365	21,832
Additions	-	-	3,729	3,729
Net disposals	-	-	(509)	(509)
Amortisation charge	-	(517)	(3,597)	(4,114)
Closing carrying amount	<u>10,874</u>	<u>1,076</u>	<u>8,988</u>	<u>20,938</u>
At 31 December 2021				
Cost	10,874	3,232	25,658	39,764
Accumulated amortisation	-	(2,156)	(16,670)	(18,826)
Carrying amount	<u>10,874</u>	<u>1,076</u>	<u>8,988</u>	<u>20,938</u>

The Computer software carrying amount of £8,988k (2020: £9,365k) primarily comprises of internally generated software.

Cash generating units

The Company goodwill was acquired in 2018 as a result of the acquisition and hive-up of First Rate FX, a UK-based company.

This goodwill forms part of the Moneycorp Group International Payment Services (IPS) – UK CGU as this is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Allocation of goodwill to CGUs

The carrying amount of goodwill held at the balance sheet date is allocated to CGUs as follows:

	2021 £000	2020 £000
International payments services – UK	10,874	10,874
Total goodwill	<u>10,874</u>	<u>10,874</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

12. GOODWILL AND OTHER INTANGIBLE ASSETS – CONTINUED

Goodwill and intangible assets impairment review

The recoverable amount for the IPS – UK CGU was determined based on the higher of fair value less costs to sell (FVLCS) and value in use (VIU) estimations. The valuation is Level 3 in the fair value hierarchy (see note 19 for definitions).

The valuation of the CGU was based on the FVLCS methodology, with cross checks performed against the VIU valuation.

FVLCS

FVLCS is calculated using 2021 results and applying a multiple which reflects the stage of business, product lines and industry in which the CGU operates. The below multiple has been used:

EBITDA multiple: used to value established businesses with historical and steady growth.

Key assumptions

	IPS UK
Goodwill and other intangible assets £000 *	102,967
Multiple methodology	EBITDA
Multiple applied	16.0

* The goodwill and other intangible assets above of £102,967k is the total for the IPS - UK CGU for the Moneycorp Group, of which £20,938k is held by the Company.

The multiple applied was obtained by referencing those of comparable companies (either via acquisition publications or from listed companies) in the international payments industry that are considered similar to the CGU.

Sensitivity analysis

A calculation was made for the level which would result in the carrying amount being equal to the recoverable amount as set out in the table below.

	IPS UK
Multiple methodology	EBITDA
Multiple in which the recoverable amount is equal to the carrying amount	11.2

Based on the FVLCS assessment and VIU cross check, management believe there is sufficient headroom for the year ended 31 December 2021 for the CGU. This conclusion is supported by the sensitivity analysis, as the comparable multiple applied in the FVLCS assessment would need to decrease to that shown above before the carrying amount would be equal to the recoverable amount.

2020 Goodwill and intangible assets impairment review

For the 2020 impairment review, the IPS – UK CGU was assessed and it was concluded that there was no impairment to recognise. The key assumptions and metrics for the impairment review in the prior year included the following:

Key assumptions

	IPS UK
Goodwill and other intangible assets £000 *	106,748
Multiple methodology	EBITDA
Multiple applied	16.0

* The goodwill and other intangible assets above of £106,748 is the total for the IPS - UK CGU for the Moneycorp Group, of which £21,832k is held by the Company.

Sensitivity analysis

	IPS UK
Multiple methodology	EBITDA
Multiple in which the recoverable amount is equal to the carrying amount	11.0

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Notes to the financial statements (continued)
For the year ended 31 December 2021

13. PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties £000	Fixtures and fittings £000	Computer equipment £000	Total £000
At 1 January 2020				
Cost	1,185	5,174	7,983	14,342
Accumulated depreciation & impairment	(1,034)	(3,826)	(7,522)	(12,382)
Carrying amount	<u>151</u>	<u>1,348</u>	<u>461</u>	<u>1,960</u>
Year ended 31 December 2020				
Opening carrying amount	151	1,348	461	1,960
Additions	-	42	138	180
Depreciation charge	(4)	(257)	(208)	(469)
Closing carrying amount	<u>147</u>	<u>1,133</u>	<u>391</u>	<u>1,671</u>
At 31 December 2020				
Cost	1,185	5,216	8,121	14,522
Accumulated depreciation & impairment	(1,038)	(4,083)	(7,730)	(12,851)
Carrying amount	<u>147</u>	<u>1,133</u>	<u>391</u>	<u>1,671</u>
Year ended 31 December 2021				
Opening carrying amount	147	1,133	391	1,671
Additions	-	135	34	169
Net disposals	(28)	-	(142)	(170)
Depreciation charge	(3)	(271)	(107)	(381)
Closing carrying amount	<u>116</u>	<u>997</u>	<u>176</u>	<u>1,289</u>
At 31 December 2021				
Cost	1,095	4,707	7,905	13,707
Accumulated depreciation & impairment	(979)	(3,710)	(7,729)	(12,418)
Carrying amount	<u>116</u>	<u>997</u>	<u>176</u>	<u>1,289</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

14. LEASES

14a. Amount recognised on the balance sheet

The balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Buildings £000	ATMs £000	Total £000
At 1 January 2020			
Cost	9,118	16	9,134
Accumulated depreciation	(1,079)	(16)	(1,095)
Carrying amount	<u>8,039</u>	<u>-</u>	<u>8,039</u>
Year ended 31 December 2020			
Opening carrying amount	8,039	-	8,039
Net disposals	-	-	-
Depreciation charge	(1,081)	-	(1,081)
Closing carrying amount	<u>6,958</u>	<u>-</u>	<u>6,958</u>
At 31 December 2020			
Cost	9,036	-	9,036
Accumulated depreciation	(2,078)	-	(2,078)
Carrying amount	<u>6,958</u>	<u>-</u>	<u>6,958</u>
Year ended 31 December 2021			
Opening carrying amount	6,958	-	6,958
Net transfer from net investment receivable	1,297	-	1,297
Net disposals	(176)	-	(176)
Depreciation charge	(1,118)	-	(1,118)
	<u>6,961</u>	<u>-</u>	<u>6,961</u>
At 31 December 2021			
Cost	10,073	-	10,073
Accumulated depreciation	(3,112)	-	(3,112)
Carrying amount	<u>6,961</u>	<u>-</u>	<u>6,961</u>

Net investment receivable

A net investment receivable has been recognised in relation to the sublease of property where the Company holds the head lease on the balance sheet as a lease liability.

	2021 £000	2020 £000
Non-current	570	1,868
Current	<u>160</u>	<u>287</u>
	<u>730</u>	<u>2,155</u>
Lease liabilities		
	2021 £000	2020 £000
Non-current	7,658	9,268
Current	<u>1,466</u>	<u>1,430</u>
	<u>9,124</u>	<u>10,698</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

14. LEASES - CONTINUED

14a. Amount recognised on the balance sheet – continued

Lease liabilities – continued

	2021	2020
	£000	£000
Movement in lease liabilities		
Carrying amount at the beginning of the year	10,698	12,080
Disposals	(184)	-
Interest accreted	537	623
Payments	(1,927)	(2,021)
Foreign exchange adjustments	-	16
Carrying amount at the end of the year	9,124	10,698

14b. Amounts recognised in the statement of comprehensive income

The statement of comprehensive income shows the following amounts relating to leases:

	2021	2020
	£000	£000
<i>Recognised in administrative expenses (see note 8):</i>		
Depreciation charge on right-of-use assets	(1,118)	(1,081)
Expense relating to short-term leases	(27)	(69)
	(1,145)	(1,150)
<i>Recognised in finance income (see note 9):</i>		
Net investment interest income	71	125
	71	125
<i>Recognised in finance costs (see note 10):</i>		
Lease liability interest expense	(537)	(623)
	(537)	(623)

15. INVESTMENT IN SUBSIDIARIES

The Company is a parent company of a number of subsidiaries which operate and are incorporated in various locations globally.

The investments in subsidiaries are all stated at cost less impairment.

	2021	2020
	£000	£000
Carrying amount of investment in subsidiaries		
Moneycorp SLU	2	2
TTT Moneycorp Pty Limited	-	-
Moneycorp Brasil Participacoes Ltda	4,188	4,188
First Rate FX Limited	1,592	1,592
	5,782	5,782

15a. Information about individual investments in subsidiaries

Information about the direct subsidiaries of the Company at the balance sheet date are set out below. The country of incorporation or registration is also their principal place of business.

There are no significant restrictions on the ability of the Company to access or use assets and settle liabilities of its subsidiaries, other than client held funds.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

15. INVESTMENT IN SUBSIDIARIES - CONTINUED

15a. Information about individual investments in subsidiaries - continued

Name of entity	Place of incorporation (or registration)	Principal activity	Proportion of ownership interest and voting power held	
			2021	2020
Moneycorp SLU	Spain	Dormant	100%	100%
TTT Moneycorp Pty Limited	Australia	Dormant*	100%	100%
Moneycorp Brasil Participacoes Ltda	Brazil	Investment holding	100%	100%
First Rate FX Limited	UK	Dormant	100%	100%

* TTT Moneycorp Pty Limited previously had a principal activity of foreign exchange provider however following the strategic decision to cease operations during the year this company is now dormant.

15b. Movements in investments in subsidiaries

	2021 £000	2020 £000
Carrying amount at 1 January	5,782	5,456
Acquisitions	-	326
Carrying amount at 31 December	<u>5,782</u>	<u>5,782</u>

There have been no acquisitions or disposals in the current reporting period.

Impairment assessment

Management assessed the investments held by the Company for impairment at the balance sheet date. The future projected growth and current net assets of the investment businesses showed the enterprise value to be greater than the carrying amount of the investments held and thus the investments were not considered to be impaired.

15c. Indirect investment in subsidiaries

The Company is also the intermediate parent entity of the following subsidiaries at the balance sheet date:

Name of entity	Place of incorporation (or registration)	Principal activity	Proportion of ownership interest and voting power held	
			2021	2020
Rochford Capital Pty Limited **	Australia	Advisory services	-	100%
Novo Mundo Holding Financeira S/A	Brazil	Investment holding	92.3%	92.3%
Moneycorp Banco de Câmbio S.A.	Brazil	Foreign exchange provider	92.3%	92.3%

** During the year, the Moneycorp Group has disposed its entire shareholdings in Rochford Capital Pty Limited.

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16. FINANCIAL ASSETS AND LIABILITIES

Categories of financial instruments

	2021	2020
	£000	£000
Financial assets		
<i>Financial assets at amortised cost</i>		
Cash and cash equivalents	290,299	281,041
Trade and other receivables	115,557	114,544
Net investment receivable	730	2,155
<i>Financial assets at fair value through profit or loss</i>		
Derivative financial instruments held for trading	54,996	72,852
	<u>461,582</u>	<u>470,592</u>
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	(393,243)	(374,176)
Borrowings	(11,770)	(1,401)
Lease liabilities	(9,124)	(10,698)
<i>Financial liabilities at fair value through profit or loss</i>		
Derivative financial instruments held for trading	(47,182)	(68,425)
	<u>(461,319)</u>	<u>(454,700)</u>

The Directors consider that the carrying amounts of financial assets and financial liabilities, recorded at amortised cost in the financial statements, approximate their fair values.

17. CASH AND CASH EQUIVALENTS

	2021	2020
	£000	£000
Company cash and bank balances	4,677	2,313
Funds held in designated client bank accounts	285,622	278,728
	<u>290,299</u>	<u>281,041</u>

Reconciliation to the statement of cash flows

Bank overdrafts form an integral part of the Company's cash management. As such, bank overdrafts are included as a component of cash and cash equivalents for the purposes of the statement of cash flows. The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as following:

	2021	2020
	£000	£000
Cash and cash equivalents (balance as above)	290,299	281,041
Bank overdraft (see note 23)	(10,515)	(181)
	<u>279,784</u>	<u>280,860</u>

Restricted cash

Restricted cash relates to all funds which are held for a specific purpose and not available for immediate use by the Company.

The Company is regulated by the Financial Conduct Authority (FCA) (for reference the Company's FRN number is 308919). The Company holds client funds with external banks at the balance sheet date under the Payment Services Directive (PSD) and is required to keep these funds in a client safeguarding accounts. These funds are held on balance sheet for financial statement purposes. As these funds are subject to regulatory restrictions and held in segregated accounts for the benefit of clients, they are not available for general use by the Company.

TTT Moneycorp Limited
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18. TRADE AND OTHER RECEIVABLES

	2021 £000	2020 £000
Amounts falling due within one year:		
Trade receivables	1,350	2,931
Loss allowance (see note 27)	<u>(1,340)</u>	<u>(1,314)</u>
	10	1,617
Related party receivables (see note 30)	115,543	112,845
Other debtors	<u>4</u>	<u>82</u>
	<u>115,557</u>	<u>114,544</u>

19. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivative financial assets is calculated as the mark to market (MTM) less any credit valuation adjustments (CVA) to reflect counterparty credit risk. The fair value of the derivative financial liabilities is calculated as the MTM less any debit valuation adjustments (DVA).

The MTM of the foreign currency forwards and options are provided by an external valuation company and discussed further under the fair value hierarchy below.

The Company carries out an internal credit assessment of each counterparty prior to entering into a trading relationship, performed by the Moneycorp Group Credit Department. The grading scale that the Company uses ranges from credit grade 1 (investment grade equivalent, being the least risky) to credit grade 7 (in essence an entity which appears failed, being the most risky). In order to calculate the CVA for derivative financial assets a default rate is assigned to each credit rating.

Whilst the Company has not carried out an exercise in allocating a credit rating using credit rating agencies, both an expected credit grading and default rate have been estimated based on management experience and judgement. These estimates are used to adjust the derivative asset value in order to take into account the credit risk of the counterparty.

For certain clients, the Company requires collateral to be posted when their positions are out of the money above a certain tolerance level. Where the Company is holding collateral from a client, those funds are deducted from the derivative financial asset exposure before the CVA is calculated.

Similarly a DVA is applied to the derivative financial liabilities to reflect the risk of the Company defaulting on the balance payable to the counterparty. This default rate has been estimated by management based on an expected credit grading that would be assigned to the Company, and then applying a corresponding default rate to that grading using credit rating agencies as a guide.

Un-adjusted forwards MTM (excluding CVA and DVA)	2021 £000	2020 £000
Financial assets		
Foreign currency forward contracts	41,835	59,396
Foreign currency option contracts	<u>13,587</u>	<u>14,026</u>
Total financial assets	<u>55,422</u>	<u>73,422</u>
Financial liabilities		
Foreign currency forward contracts	(34,551)	(55,600)
Foreign currency option contracts	<u>(13,587)</u>	<u>(14,026)</u>
Total financial liabilities	<u>(48,138)</u>	<u>(69,626)</u>

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19. DERIVATIVE FINANCIAL INSTRUMENTS - CONTINUED

Adjusted fair value (as presented on the balance sheet)	2021 £000	2020 £000
Financial assets		
Foreign currency forward contracts	41,501	58,872
Foreign currency option contracts	13,495	13,980
Total financial assets	<u>54,996</u>	<u>72,852</u>
Financial liabilities		
Foreign currency forward contracts	(33,688)	(54,445)
Foreign currency option contracts	(13,494)	(13,980)
Total financial liabilities	<u>(47,182)</u>	<u>(68,425)</u>

Fair value hierarchy

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Levels are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The value of foreign currency forward contracts are determined using observable forward exchange rates and contract forward rates, adjusted to take into account the credit risk of the counterparty.

Foreign currency options are valued using a range of market standard valuation models. The model and methodology used is dependent on the type of option product. The key inputs are:

- underlying value of the currency;
- strike price;
- time to expiration;
- volatility of underlying asset; and
- risk free rate.

The foreign currency option valuations are then adjusted to take into account the credit risk of the counterparty.

	2021			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Foreign currency forward contracts	-	41,501	-	41,501
Foreign currency option contracts	-	13,495	-	13,495
Total	<u>-</u>	<u>54,996</u>	<u>-</u>	<u>54,996</u>
Financial liabilities				
Foreign currency forward contracts	-	(33,688)	-	(33,688)
Foreign currency option contracts	-	(13,494)	-	(13,494)
Total	<u>-</u>	<u>(47,182)</u>	<u>-</u>	<u>(47,182)</u>

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19. DERIVATIVE FINANCIAL INSTRUMENTS - CONTINUED

Fair value hierarchy - continued

	2020		
	Level 1	Level 2	Level 3
	£000	£000	£000
Financial assets			
Foreign currency forward contracts	-	58,872	-
Foreign currency option contracts	-	13,980	-
Total	<u>-</u>	<u>72,852</u>	<u>-</u>
Financial liabilities			
Foreign currency forward contracts	-	(54,445)	-
Foreign currency option contracts	-	(13,980)	-
Total	<u>-</u>	<u>(68,425)</u>	<u>-</u>

There were no transfers between levels in the current or prior years.

20. DEFERRED TAX ASSET

Deferred tax reflect the net tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following table shows the movement in deferred tax liabilities and assets recognised by the Company during the current and prior reporting year.

	2021	2020
	£000	£000
Balance at the beginning of the year	-	1,037
Credit/(charge) to the statement of comprehensive income	288	(416)
Under provision in respect of prior years	-	(665)
Effect of change in tax rate charge	(288)	44
Balance at the end of the year	<u>-</u>	<u>-</u>

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2021	2020
	£000	£000
Deferred tax liabilities:		
Customer relationships timing differences	(205)	(303)
Revaluation of financial assets	(60)	(85)
	<u>(265)</u>	<u>(388)</u>
Deferred tax assets:		
Fixed asset timing differences	265	388
	<u>265</u>	<u>388</u>
Net deferred tax asset	<u>-</u>	<u>-</u>

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21. TRADE AND OTHER PAYABLES

	2021	2020
	£000	£000
Amounts falling due within one year:		
Client held funds	283,605	266,411
Related party payables (see note 30)	101,484	95,237
Accruals	5,583	7,073
Trade payables	1,210	2,518
Employee related payables	971	970
Other payables	390	1,967
	<u>393,243</u>	<u>374,176</u>

Related party payables relate to balances owing to various other Moneycorp Group entities (see note 30 for further details), and are unsecured, non-interest bearing and repayable on demand with no fixed date of repayment.

For most suppliers, no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

22. PROVISIONS

	2021	2020
	£000	£000
Onerous contracts	169	-
	<u>169</u>	<u>-</u>

22a. Information about individual provisions and significant estimates

IT software contract termination

A provision of £169k has been recognised in 2021 in relation to an IT software project with an external vendor which was ceased during the year. The provision represents the unavoidable costs of exiting the contract.

22b. Movements in provisions

	2021	2020
	£000	£000
Carrying amount at the start of the year	-	2,683
Charged to profit or loss	169	1,643
Amounts used during the year	-	(4,326)
Carrying amount at the end of the year	<u>169</u>	<u>-</u>

23. BORROWINGS

	2021	2020
	£000	£000
Non-current		
Related party loan	1,255	1,220
	<u>1,255</u>	<u>1,220</u>
Current		
Company overdrawn bank accounts	5,049	165
Client overdrawn deposit accounts	5,466	16
	<u>10,515</u>	<u>181</u>
Total borrowings	<u>11,770</u>	<u>1,401</u>

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23. BORROWINGS - CONTINUED

Related party loan

The Company has a loan owing to its parent company, Moneycorp Group Limited (previously known as Regent Acquisitions (Holdings) Limited), at the balance sheet date. The loan was issued in November 2013 for an initial sum of £4,750k. The loan is unsecured and has a maturity date of 31 December 2024. An interest rate of 12% is charged on the loan.

Client overdrawn deposit accounts

The Company holds client funds with external banks. These accounts are usually in funds, however they may become overdrawn temporarily due to timing differences when funds are transferred between accounts. This generally arises because the Company holds multiple accounts per currency which cannot always be transferred on the same day value. Refer to note 17 for further details.

24. DEFINED CONTRIBUTION PENSION SCHEME

The Company has a defined contribution pension scheme that covers employees whose length of service is at least three months. Allocations to individual employees are based on the salary level of the employee and employer contribution. At 31 December 2021 the Company had a liability of approximately £41k (31 December 2020: £42k), included in trade and other payables in the accompanying balance sheet, related to the pension scheme. During the year the Company made contributions to the scheme on behalf of key management personnel of £13k (2020: £18k).

25. SHARE CAPITAL

	2021 £000	2020 £000
Authorised:		
350,000 (2020: 350,000) ordinary shares of £1 each	350	350
Issued and fully paid:		
350,000 (2020: 350,000) ordinary shares of £1 each	350	350

The Company has one class of ordinary shares which carry no rights to fixed income.

26. NOTES TO THE STATEMENT OF CASH FLOWS

26a. Net cash (used in)/generated from operations	2021 £000	2020 £000
Operating loss	(16,057)	(10,364)
Adjustment for non-cash items:		
Amortisation of intangible assets	4,114	3,894
Depreciation of property, plant and equipment	381	469
Depreciation of right-of-use asset	1,118	1,081
Loss on disposal of property, plant and equipment	63	-
Loss on disposal of intangible assets	509	26
Net exchange differences	3,599	(3,053)
	(6,273)	(7,947)
Movements in working capital:		
Increase in trade and other receivables	(1,013)	(14,302)
Decrease/(increase) in prepayments	209	(94)
Decrease in derivative financial instrument assets	17,856	8,784
Increase in trade and other payables	6,370	123,557
Increase/(decrease) in provisions	169	(2,683)
Decrease in derivative financial instrument liabilities	(21,243)	(5,236)
Net cash (used in)/generated from operations	(3,925)	102,079

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26. NOTES TO THE STATEMENT OF CASH FLOWS - CONTINUED

26b. Net debt reconciliation

	Cash (excluding client cash) £000	Liabilities from financing activities		Total £000
		Lease liabilities £000	Borrowings £000	
Opening balance at 1 January 2020	2,500	(12,080)	(1,159)	(10,739)
Cash flows	(408)	2,021	-	1,613
Foreign exchange adjustments	56	(16)	-	40
Other changes *	-	(623)	(61)	(684)
Net debt as at 31 December 2020	<u>2,148</u>	<u>(10,698)</u>	<u>(1,220)</u>	<u>(9,770)</u>
Opening balance at 1 January 2021	2,148	(10,698)	(1,220)	(9,770)
Cash flows	(2,555)	1,927	-	(628)
Foreign exchange adjustments	35	-	-	35
Other changes *	-	(353)	(35)	(388)
Net debt as at 31 December 2021	<u>(372)</u>	<u>(9,124)</u>	<u>(1,255)</u>	<u>(10,751)</u>

* Other changes include non-cash movements and interest payments which are presented as operating cash flows in the statement of cash flows.

26c. Effects of exchange rate changes on cash and cash equivalents

The effects of exchange rate changes presented in the statement of cash flows relates to all cash and cash equivalent balances as detailed in note 17, including funds held in designated client bank accounts. A liability is also held on the balance sheet within trade and other payables for client held funds (see note 21) and as such, a large portion of the effects of exchange rates changes on cash and cash equivalents will be offset by exchange rate movements on the liability balance.

27. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The main risks arising from the Company's financial instruments are market risk (including foreign currency and interest rate risks), credit risk and liquidity risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below.

27a. Market risk management

The Company's business activities primarily involve brokering regulated derivative contracts to clients, and entering back-to-back arrangements with vendors. The back-to back nature of the transactions eliminates exchange rate risk for the Company and means the financial exposure is limited to client credit risk.

The Company has considered other risks including market risk (currency risk, interest rate risk and price risk), liquidity risk and cash flow interest rate risk. Any change in foreign currency risk for a given client contract will be mitigated by an offset in the corresponding back-to-back contract arrangement.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The sensitivity to market risk in relation to derivative financial instruments is therefore immaterial.

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27. FINANCIAL RISK MANAGEMENT - CONTINUED

27a. Market risk management - continued

Foreign currency risk management

The Company undertakes derivative transactions denominated in foreign currencies, however is not consequently exposed to exchange rate fluctuations. All exchange rate fluctuations between the Company and the client are economically hedged through a corresponding movement in the contract entered into with the vendor.

The Company maintains bank balances in a number of currencies, including client held funds, and is therefore exposed to movements in foreign exchange rates on these balances. For client held funds however, these are largely offset by movements in the corresponding liability (see note 26c for further details).

Currency	2021 £000	2020 £000
United States dollar (USD)	101,041	98,697
Euro (EUR)	90,623	68,318
Australian dollar (AUD)	5,064	5,533
Canadian dollar (CAD)	3,609	3,273
Swiss franc (CHF)	2,633	2,592
United Arab Emirates dirham (AED)	1,664	1,580
Swedish krona (SEK)	1,324	437
South African rand (ZAR)	1,242	1,796
Saudi riyal (SAR)	911	231
New Zealand dollar (NZD)	753	552
Japanese yen (JPY)	680	381
Norwegian krone (NOK)	633	789
Danish krone (DKK)	610	636
Hungarian forint (HUF)	602	781
Singapore dollar (SGD)	386	825
Chinese yuan (CNH)	364	89
Romanian leu (RON)	363	388
Moroccan dirham (MAD)	322	365
Hong Kong dollar (HKD)	258	308
Indian rupee (INR)	205	232
Israeli new shekel (ILS)	179	334
Polish zloty (PLN)	162	459
Zambian kwacha (ZMW)	146	4
Kenyan shilling (KES)	118	55
Czech koruna (CZK)	106	32
Eastern Caribbean dollar (XCD)	37	316
Chinese yuan (CNY)	-	228
Thai baht (THB)	94	166
Trinidad and Tobago dollar (TTD)	2	118
Barbadian dollar (BBD)	6	112
Other foreign currencies (individual balances less than £100k)	457	536
Total foreign currency risk	214,594	190,163

At 31 December 2021, if the GBP had weakened by 5% against the above currencies with all other variables held constant, the recalculated post-tax results for the year would have been £11,294 (2020: £10,009k) higher. Conversely a 5% strengthening of GBP would have resulted in the post-tax results being £10,219k (2020: £9,055k) lower.

Exchange rate exposures are managed within approved policy parameters utilising hedging.

TTT Moneycorp Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

27. FINANCIAL RISK MANAGEMENT - CONTINUED

27a. Market risk management – continued

Interest rate risk management

The Company has intercompany borrowings from Moneycorp Group Limited, parent company, of £1,255k (2020: £1,220k) secured at a 12% fixed rate. Any interest payable on trade and other payables is not material as payments are made within agreed credit terms. The Company is therefore not exposed to any material interest rate risk.

Other price risks

The Company is not exposed to any other material price risks.

27b. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

The Company does not provide traditional forms of credit to its clients. However, credit exposures do arise, normally for a short period of time, as the Company depends on its clients and counterparties to pay for funds and services provided and to honour their contractual obligations on foreign exchange contracts. Company policies require new and material increased client credit exposures to be approved by the independent credit department. Credit exposures are overseen by the Moneycorp Group Credit Committee, which is chaired by, and comprises, a majority of individuals who are independent from the revenue generation functions of the business.

Credit exposures are monitored regularly against approved risk limits, with client margins called for where appropriate.

For certain clients the Company requires collateral to be posted when their positions are out of the money above a certain tolerance level. The collateral held is recorded within cash and cash equivalents – funds held in designated client bank accounts (refer to note 17 for further details).

Credit risk for financial assets at amortised cost

The Company has two types of financial assets that are subject to the expected credit loss (ECL) model:

- Cash and cash equivalent; and
- Trade and other receivables.

Cash and cash equivalents are held with a number of reputable credit institutions, therefore the ECL is immaterial.

For trade and other receivables an ECL has been calculated in line with the simplified approach outlined in the accounting policy in note 5, which uses a lifetime expected loss allowance. To measure the ECL, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles over a period of 24 months before the balance sheet date and the corresponding historical credit losses experienced over this period.

The historical loss rates are adjusted to reflect current and forward-looking information, which is both reasonable and supportable, taking into account macroeconomic factors affecting the ability of the clients to settle the receivables. After careful consideration it has been determined that no adjustments for forward looking considerations were required as at 31 December 2021 (2020: nil).

Based on historical recovery rates, the loss allowance as at 31 December 2021 was determined as 0.7% for anything aged less than 30 days (2020: 1.2%). Anything aged greater than 60 days becomes highly unlikely to be recovered based on the general 2-3 day turn around cycle between trade maturity and settlement and therefore 100% ECL has been applied to this category. For anything between these aging categories 50% has been applied.

All related party receivables are deemed fully recoverable.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

27. FINANCIAL RISK MANAGEMENT - CONTINUED

27b. Credit risk management - continued

Credit risk for financial assets at amortised cost – continued

The loss allowances for trade and other receivables at the balance sheet date can be reconciled to the opening loss allowances as follows:

	2021 £000	2020 £000
Opening ECL provision	1,314	1,045
Increase in loss allowance recognised in profit or loss during the year	62	447
Receivables written off during the year as uncollectible	(36)	(178)
Closing ECL provision	<u>1,340</u>	<u>1,314</u>

The increase in loss allowance during the year can be reconciled to the net impairment losses on financial assets presented within administrative expenses (see note 8).

Credit quality

In the absence of external credit ratings, the credit quality of financial assets are assessed by management taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal limits set by the Board. There are no significant concentrations of credit risk, whether through exposure to individual clients, specific industry sectors and/or regions.

The Company carries out a credit assessment of each counterparty prior to entering into a trading relationship. These assessments are carried out internally and each counterparty is given a grading. The grading scale that the Company uses ranges from credit grade 1 (investment grade equivalent, being the least risky) to credit grade 7 (in essence an entity which appears failed, being the most risky).

The below table discloses the exposure the Company has for each credit grade.

The majority of the Company's corporate clients fall between credit grades 3 and 5 which reflects the small and medium sized enterprise (SME) nature of the Company's client base.

Derivative financial assets

	2021		
	Forward contracts £000	Option contracts £000	Total £000
<i>Counterparties internal credit rating:</i>			
Credit grade 7	-	-	-
Credit grade 6	379	-	379
Credit grade 5	3,949	-	3,949
Credit grade 4	749	-	749
Credit grade 3	1,155	-	1,155
Credit grade 2	-	-	-
Credit grade 1	10	-	10
Credit grade - other*	5,979	3,617	9,596
	<u>12,221</u>	<u>3,617</u>	<u>15,838</u>
<i>Counterparties with external credit ratings</i>	29,280	9,878	39,158
Total derivative financial assets	<u>41,501</u>	<u>13,495</u>	<u>54,996</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

27. FINANCIAL RISK MANAGEMENT - CONTINUED

27b. Credit risk management - continued

Derivative financial assets

	2020	
	Forward contracts	Option contracts
	£000	£000
<i>Counterparties internal credit rating:</i>		
Credit grade 7	-	-
Credit grade 6	818	-
Credit grade 5	5,405	-
Credit grade 4	1,925	-
Credit grade 3	645	-
Credit grade 2	-	-
Credit grade 1	-	-
Credit grade - other*	7,964	1,787
	<u>16,757</u>	<u>1,787</u>
<i>Counterparties with external credit ratings</i>	<u>42,115</u>	<u>12,193</u>
Total derivative financial assets	<u>58,872</u>	<u>13,980</u>
		<u>72,852</u>

*The 'other' grouping contains all smaller counterparties, including private clients and small companies, and other Moneycorp Group related parties, where an average credit adjustment has been applied.

27c. Liquidity risk management

The settlement of spot, forward and option contracts, and other short term working capital requirements, necessitates adequate liquidity which is generated through intra-day settlement facilities. These facilities are provided through financial institutions with which the Company has a long trading history. Additionally there is a wider Moneycorp Group financing facility available, including a committed revolving facility to provide short term liquidity, which the Company has access to if required. Liquidity and cash is managed on a daily basis by the Moneycorp Group Treasury team. The Company seeks to manage this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Liquidity risk tables

The following tables detail the maturity profile of the Company's remaining contractual financial liabilities with agreed repayment periods, excluding derivative financial liabilities assessed separately. The tables have been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows. For all financial liabilities the expected maturities are the same as the contractual maturities.

	Within 1 year	1-2 years	2-5 years	5+ years	Total
	£000	£000	£000	£000	£000
At 31 December 2021					
Borrowing principal and interest payments:					
- Related party loan	-	-	1,359	-	1,359
- Bank overdrafts	10,515	-	-	-	10,515
Lease liabilities	1,927	1,927	5,781	955	10,590
Trade and other payables	393,243	-	-	-	393,243
	<u>405,685</u>	<u>1,927</u>	<u>7,140</u>	<u>955</u>	<u>415,707</u>
At 31 December 2020					
Borrowing principal and interest payments:					
- Related party loan	-	-	1,359	-	1,359
- Bank overdrafts	181	-	-	-	181
Lease liabilities	1,976	1,976	5,888	2,882	12,722
Trade and other payables	374,176	-	-	-	374,176
	<u>376,333</u>	<u>1,976</u>	<u>7,247</u>	<u>2,882</u>	<u>388,438</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

27. FINANCIAL RISK MANAGEMENT - CONTINUED

27c. Liquidity risk management – continued

Liquidity risk tables - continued

The following tables detail the Company's liquidity analysis for its derivative financial instruments based on contractual maturities. Brokering derivative contracts, specifically foreign currency forwards and foreign currency options, involves entering back-to-back contracts with the client and vendor. The back-to-back nature of the transactions means that for each trade there is a cash outflow in one currency and a corresponding cash inflow in the same currency and as such it would be inappropriate to present only the liability positions. Foreign exchange options are fully back-to-back and therefore there is no net settlement value.

Assets	Within 1 year £000	1-2 years £000	2-5 years £000	5+ years £000	Total £000
At 31 December 2021					
Foreign exchange forwards	37,786	3,072	603	40	41,501
Foreign exchange options	10,121	2,205	560	609	13,495
	<u>47,907</u>	<u>5,277</u>	<u>1,163</u>	<u>649</u>	<u>54,996</u>
At 31 December 2020					
Foreign exchange forwards	51,481	6,730	543	118	58,872
Foreign exchange options	10,228	3,464	176	112	13,980
	<u>61,709</u>	<u>10,194</u>	<u>719</u>	<u>230</u>	<u>72,852</u>
Liabilities	Within 1 year £000	1-2 years £000	2-5 years £000	5+ years £000	Total £000
At 31 December 2021					
Foreign exchange forwards	(31,264)	(2,197)	(215)	(12)	(33,688)
Foreign exchange options	(10,120)	(2,205)	(560)	(609)	(13,494)
	<u>(41,384)</u>	<u>(4,402)</u>	<u>(775)</u>	<u>(621)</u>	<u>(47,182)</u>
At 31 December 2020					
Foreign exchange forwards	(48,423)	(5,427)	(499)	(96)	(54,445)
Foreign exchange options	(10,228)	(3,464)	(176)	(112)	(13,980)
	<u>(58,651)</u>	<u>(8,891)</u>	<u>(675)</u>	<u>(208)</u>	<u>(68,425)</u>

28. CAPITAL RISK MANAGEMENT

Capital risk is the risk that the Company has an insufficient level or composition of capital to support the Company's business activities and associated risks during both normal economic environments and under stressed conditions. The capital risk management objective for the Company is to maintain sufficient capital after debt servicing to enable it to continue as a going concern while maximising returns to shareholders.

The capital structure of the Company consists of net debt (as disclosed in note 26b) and equity comprising of issued capital, reserves and retained earnings as disclosed in the statement of changes in equity.

The Company is regulated by the FCA under the PSD and is required to keep an appropriate amount of client funds in client safeguarding accounts.

The Company is not subject to any externally imposed capital requirements.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

29. COMMITMENTS AND CONTINGENT LIABILITIES

29a. Operating lease arrangements

The Company leases office space as a lessee under a non-cancellable operating lease. The Company assesses whether a contract is, or contains, a lease under IFRS 16 and if so subsequently recognises a right-of-use asset and a corresponding lease liability. See notes 5 and 14 for further details. The below represents the lease expense recognised during the year, and outstanding commitments for future minimum lease payments under non-cancellable operating leases, for leases which do not meet the criteria to be recognised on the balance sheet in line with IFRS 16, or are short term in nature.

	2021 £000	2020 £000
Lease payments under operating leases recognised as an expense in the year	27	69

At the balance sheet date the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, outside of those already recognised on the balance sheet as a lease liability, which fall due as follows:

	2021 £000	2020 £000
Within one year	7	10

29b. Capital commitments

Significant capital expenditure contracted for at the balance sheet date but not recognised as liabilities is as follows:

	2021 £000	2020 £000
Intangible assets	205	2,290

29c. Other commitments and contingent liabilities

Other than the commitments above, the Company has no financial commitments or contingent liabilities outside of liabilities presented on the face of the balance sheet at the balance sheet date (2020: nil).

30. RELATED PARTY BALANCES AND TRANSACTIONS

30a. Trading transactions

As detailed in note 1, during 2020 the Company transferred the trade and associated balances relating to its European business to MTL, other related company, for a consideration equal to the carrying amounts of the assets and liabilities transferred. As a result of the TPR regime ending in July 2021 a number of UK based clients were migrated back to the Company during the current year. No gain or loss was recognised upon either transfer.

Balances relating to management charges are disclosed below in note 30d.

Borrowings from the parent company, and the corresponding interest, are disclosed in notes 23 and 10 respectively.

Trade receivable and trade payable balances held with related parties at the balance sheet date are disclosed in notes 18 and 21 respectively, and can be broken down as follows:

	2021 £000	2020 £000
Related party receivables		
Receivables from the parent company	63,688	63,035
Receivables from subsidiaries	435	155
Receivables from other Moneycorp Group companies	51,420	49,655
Total related party receivables	<u>115,543</u>	<u>112,845</u>

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

30. RELATED PARTY BALANCES AND TRANSACTIONS - CONTINUED

30a. Trading transactions – continued

	2021	2020
	£000	£000
Related party payables		
Payables to subsidiaries	(2,030)	(3,456)
Payables to other Moneycorp Group companies	(99,454)	(91,781)
Total related party payables	<u>(101,484)</u>	<u>(95,237)</u>

Derivative financial instruments between the Company and its related parties are disclosed below.

The following derivative positions were held with other Moneycorp Group companies at the balance sheet date:

	2021	2020
	£000	£000
Related party financial assets		
Foreign currency forward contracts	5,641	6,464
Foreign currency option contracts	3,617	1,787
Total related party financial assets	<u>9,258</u>	<u>8,251</u>
Related party financial liabilities		
Foreign currency forward contracts	(6,819)	(8,671)
Foreign currency option contracts	(9,878)	(12,193)
Total related party financial liabilities	<u>(16,697)</u>	<u>(20,864)</u>

30b. Other related parties

During the year, the Company entered into the transactions noted below with related companies who are not members of the Moneycorp Group but are connected via common control. These transactions were made on an arm's length basis. The gross amount of currencies sold to these entities are shown below:

	2021	2020
	£000	£000
Elgin Limited	1,458	811
Fat Face Limited *	-	4,027
Fishawack Health Group	31,972	24,655
Loc Group Limited *	-	12,646
QualiTest Group	19,888	15,391
Tunstall Healthcare Group	<u>26,498</u>	<u>21,273</u>

* Note both Fat Face Limited and Loc Group Limited were no longer deemed to be related parties during 2021 therefore balances are nil.

The following gross amounts relating to unsettled currency contracts were outstanding as at the balance sheet date:

	2021	2020
	£000	£000
Fishawack Health Group	1,759	-
Tunstall Healthcare Group	<u>4,327</u>	<u>-</u>

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

30. RELATED PARTY BALANCES AND TRANSACTIONS - CONTINUED

30b. Directors' and management transactions

The following transactions were entered into by directors of the Company during the year:

- Various directors entered into foreign exchange transactions yielding commission income for the Company of £1 (2020: £805) with an average margin of 0.01% (2020: 0.51%). No transactions were outstanding at the balance sheet date.
- Various directors held total funds of £34 (2020: £60,229) within their foreign currency trading accounts at the balance sheet date.

30c. Remuneration of key management personnel

The remuneration of the executive directors of the Company or Moneycorp Group whom are paid by the Company, who are the key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2021 £000	2020 £000
Wages and salaries	1,423	1,264
Post-employment benefits	13	18
Termination benefits	-	492
	<u>1,436</u>	<u>1,774</u>

Three directors are members of a money purchase pension scheme (2020: one director).

The emoluments of the highest paid key management personnel during the year totalled £735k (2020: £883k). Pension contributions of nil were made during the year, in respect of the highest paid key management personnel, relating to the money purchase pension scheme (2020: £18k).

Compensation for loss of office has been presented above.

30d. Management charge

	2021 £000	2020 £000
Management charge	<u>13,206</u>	<u>9,990</u>

Net management charges are presented within administration expenses disclosed in note 8. The above amounts reflect the amount recharged to the Company from various Moneycorp Group entities (including nil from a subsidiary company (2020: 1,587k)) offset by amounts recharged from the Company to other Moneycorp Group entities (including nil to a subsidiary company (2020: £394k)) as governed by intercompany services agreements.

31. MONEYCROP GROUP HOLDING COMPANY AND CONTROLLING ENTITY

At balance sheet date, the Director considers the Company's immediate parent and controlling party to be Moneycorp Group Limited (previously known as Regent Acquisitions (Holdings) Limited) (100% effective holding), incorporated and registered in Jersey, Channel Islands. Consolidated financial statements are produced for Moneycorp Group Limited. This group represents the smallest group that the Company is a subsidiary of, for which consolidated financial statements are produced.

The consolidated financial statements may be obtained from Floor 5, Zig Zag Building, 70 Victoria Street, SW1E 6SQ.

The holding company of the Moneycorp Group is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. This company also produces consolidated financial statements and this group (referred to within these financial statements as the 'Moneycorp Group') represents the largest group that the Company is a subsidiary of.

The ultimate controllers of Moneta Topco Limited at balance sheet date were Bridgepoint Europe IV (Nominees) Limited.

TTT Moneycorp Limited
Notes to the financial statements (continued)
For the year ended 31 December 2021

32. EVENTS AFTER THE BALANCE SHEET DATE

Russian invasion of Ukraine

On 24 February 2022, Russian troops started a full-scale invasion of Ukraine. This on-going military action has led, and continues to lead, to devastating impacts on people, infrastructure and economies.

The Company stands with the international community in its condemnation of the war and the impact it has had on the people of Ukraine.

The Board has reviewed all clients and transactions and can confirm full compliance with all applicable international sanctions.

The Company has one private client located in Russia. They are not a PEP and have not been sanctioned. However, all transactions to and from this individual have been suspended and no transactions have been approved since the beginning of the war.

Historically, the Company had a small number of clients who from time to time made payments to contractors or suppliers in Russia. The ability to make these payments has been suspended indefinitely.

The Company is no longer offering trades for currency pairs with Russian Ruble (RUB) or Ukrainian Hryvnia (UAH). All payments to parties on sanction lists, in any currency, have been suspended indefinitely. The Company has implemented various additional compliance checks to mitigate any potential risk to the Company.

As at the date of signing the war is not considered to have a direct material impact on the Company, however the Directors will continue to monitor the situation closely and respond accordingly.

Refinancing of the Moneycorp Group senior debt facility

Subsequent to the balance sheet date Moneta Bidco Limited, a Moneycorp Group other related company, completed the refinancing of the Group's bank senior debt. Included in the facility is both a senior term loan facility and a super senior revolving credit facility, providing an increase and extension to the Group's existing senior debt facility, which the Company has access to if required.