

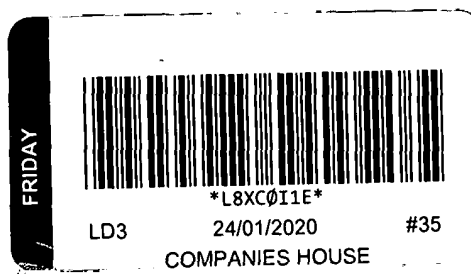
Tuxedo Money Solutions Limited

Annual Report and Financial Statements

Period Ended

31 December 2018

Company Number 05674773



Tuxedo Money Solutions Limited

Company Information

Directors	J Cato S Lanphere Omnio London Limited
Registered number	05674773
Registered office	Winstar House Lakeside Heronsway, Chester Business Park Chester, Cheshire CH4 9QT
Independent auditor	Deloitte LLP Statutory Auditor 2 Hardman Street Manchester United Kingdom M3 3HF
Bankers	Barclays Bank PLC Leicester LE87 2BB

Tuxedo Money Solutions Limited

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Tuxedo Money Solutions Limited

Directors' Report for the Period Ended 31 December 2018

The directors present their annual report on the affairs of Tuxedo Money Solutions Limited ("the company"), together with the financial statements and independent auditor's report, for the period ended 31 December 2018.

The comparative information stated in the financial statements covers the year to 31 March 2018.

The financial year end has been amended during the year to bring the company in to line with the new group structure.

Principal activity

The principal activity of the company continues to be as a prepaid solutions provider.

The company provides prepaid payment solutions for consumer focused brands as well as tailored corporate solutions across a wide range of sectors. The company has developed and maintains its own proprietary technology platform, account@, that supports all of our products and services.

Directors

The directors who served during the period were:

I T Clowes (appointed 19 October 2018, resigned 25 August 2019)
D Monty (resigned 19 October 2018)
E J P Fallstrom (resigned 19 October 2018)
D Franzmeyer (resigned 19 October 2018)
M D Peplow (appointed 19 October 2018, resigned 25 August 2019)
A Tuczka (resigned 19 October 2018)
Omnio London Limited (appointed 20 August 2019)
J Cato (appointed 20 August 2019)
S Lanphere (appointed 20 August 2019, resigned 19 October 2018)

Going concern

The Directors have an expectation that the Company has adequate resources to continue to operate for the foreseeable future.

The Directors have reviewed the forecast cashflows for the 12 months following the signing of the accounts and have concluded that they will need to rely on the company's parents to provide the necessary financial support to maintain the director's view that the company is a going concern. Omnio London Ltd. has provided a letter of support for the company and in turn Omnio London Ltd is relying on a loan facility from Chronos Investments S.A.R.L dated 1st December 2019.

Tuxedo Money Solutions Limited

Directors' Report (continued) for the Period Ended 31 December 2018

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS"), including Financial Reporting Standard 101 'Reduced Disclosure Framework' and applicable law. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been produced in accordance with FRS101 as adopted by the European Union;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditor

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

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

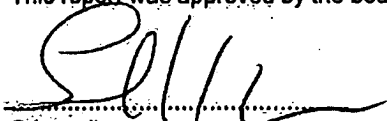
Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Auditor

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



S Lanphere
Director

Date: 20/1/2020

Tuxedo Money Solutions Limited

Independent Auditor's Report to the Members of Tuxedo Money Solutions Limited

Opinion

In our opinion the financial statements of Tuxedo Money Solutions Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 24

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework".

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

Conclusions relating to going concern

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

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

We have nothing to report in respect of these matters.

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.

Tuxedo Money Solutions Limited

Independent Auditor's Report to the Members of Tuxedo Money Solutions Limited (continued)

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

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

Matters on which we are required to report by exception

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

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

We have nothing to report in respect of these matters.

Tuxedo Money Solutions Limited

Independent Auditor's Report to the Members of Tuxedo Money Solutions Limited (continued)

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.



Peter Birch (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditors
Manchester, United Kingdom

Date: 20/1/20

Tuxedo Money Solutions Limited

Statement of Comprehensive Income for the Period Ended 31 December 2018

		9 months to 31 December 2018 £	12 months to 31 March 2018 £
	Note		
Turnover	4	2,865,639	5,514,283
Cost of sales		(692,771)	(1,054,512)
Gross profit		2,172,868	4,459,771
Administrative expenses		(3,782,028)	(4,440,295)
Exceptional administrative income/(expenses)	5	-	(887,121)
Operating loss	6	(1,609,160)	(867,645)
Interest receivable and similar income	11	25,137	-
Interest payable and similar expenses	12	(235,597)	(614,555)
Loss before tax		(1,819,620)	(1,482,200)
Tax on loss	13	-	-
Loss for the financial period		(1,819,620)	(1,482,200)

All amounts relate to continuing operations.

The notes on pages 9 to 26 form part of these financial statements.

Tuxedo Money Solutions Limited
Registered number: 05674773

Statement of Financial Position
as at 31 December 2018

	Note	31 December 2018 £	31 March 2018 £
Non-current assets			
Intangible assets	14	2,135,750	2,311,485
Property, plant and equipment	15	9,910	31,876
Investments	16	330,063	330,063
		<u>2,475,723</u>	<u>2,673,424</u>
Current assets			
Trade and other receivables: due in more than one year	17	-	17,651,446
Trade and other receivables: due in one year	17	23,320,755	193,013
Cash and cash equivalents		187,986	582,203
		<u>23,508,741</u>	<u>18,426,662</u>
Trade and other payables	18	(10,686,145)	(1,441,766)
Net current assets		<u>12,822,596</u>	<u>16,984,896</u>
Total assets less current liabilities		<u>15,298,319</u>	<u>19,658,320</u>
Trade and other payables: amounts falling due after more than one year	19	-	(2,540,381)
Net assets		<u><u>15,298,319</u></u>	<u><u>17,117,939</u></u>
Capital and reserves			
Share capital	20	32,775,825	32,775,825
Share premium	21	3,627,089	3,627,089
Accumulated losses	21	(21,104,595)	(19,284,975)
		<u>15,298,319</u>	<u>17,117,939</u>

The company's financial statements have been prepared in accordance with provisions applicable to entities subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


S Lanphere
Director

Date: 20/1/2020

The notes on pages 9 to 26 form part of these financial statements.

Tuxedo Money Solutions Limited

Statement of Changes in Equity for the Period Ended 31 December 2018

	Called up share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 April 2018	32,775,825	3,627,089	(19,284,975)	17,117,939
Loss for the period	-	-	(1,819,620)	(1,819,620)
Total comprehensive income for the period	-	-	(1,819,620)	(1,819,620)
At 31 December 2018	32,775,825	3,627,089	(21,104,595)	15,298,319

Statement of Changes in Equity for the Year Ended 31 March 2018

	Called up share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 April 2017	19,736,828	3,627,089	(17,802,775)	5,561,142
Loss for the year	-	-	(1,482,200)	(1,482,200)
Total comprehensive income for the year	-	-	(1,482,200)	(1,482,200)
Shares issued during the year	13,038,997	-	-	13,038,997
At 31 March 2018	32,775,825	3,627,089	(19,284,975)	17,117,939

The notes on pages 9 to 26 form part of these financial statements.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

1. General information

Tuxedo Money Solutions Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and principal activity are set out in the directors' report on page 1.

The information stated within the financial statements covers the 9 month period ended 31 December 2018 and the comparative information covers the year ended 31 March 2018. As such, the figures are not comparable like for like.

The financial year end has been amended to bring the company in to line with the new group structure.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical judgements and areas of key estimation uncertainty. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

Exemption from preparation of consolidated financial statements

The financial statements contain information about Tuxedo Money Solutions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by s400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated accounts of Omnio London Limited.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

2. Accounting policies (continued)

2.2 Financial reporting standard 101 - reduced disclosure exemptions

These financial statements, for the period ended 31 December 2018, are the first the company has prepared in accordance with FRS 101 Reduced disclosure. For periods up to and including the year ended 31 March 2018, the company prepared its financial statements in accordance with EU-adapted IFRS.

Accordingly, the company has prepared financial statements that comply with FRS 101 applicable as at 31 December 2018, together with the comparative period data for the year ended 31 March 2018, as described in the accounting policies. In preparing the financial statements, the company's opening statements of financial position was prepared as at 1 April 2017, the company's date of transition to FRS 101. There were no principal adjustments made by the company in restating its financial statements, including the statement of financial position as at 31 March 2018 and the financial statements for the period ended 31 December 2018.

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

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

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

2. Accounting policies (continued)

2.3 Impact of new international reporting standards, amendments and interpretations

a) New standards, interpretations and amendments effective from 1 April 2018

New standards impacting the company that have been adopted in the annual financial statements for the period ended 31 December 2018, and which have given rise to changes in the company's accounting policies are:

- IFRS 9 Financial Instruments (IFRS 9); and
- IFRS 15 Revenue from Contracts with Customers (IFRS 15)

Details of the impact these two standards have had are given below:

IFRS 9 Financial Instruments:

IFRS 9 Financial Instruments, published in July 2014, replaces the existing guidance in IAS 39 Financial Instruments: Recognition and Measurement. IFRS 9 includes revised guidance on the 'classification and measurement' of financial instruments, including a new expected loss model for calculating 'impairment' on financial assets and a new general hedge accounting requirements. It also carries guidance on recognition and de-recognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018 with early adoption permitted.

Classification and Measurement:

The new standard requires assessment of all financial assets against contractual cash flow test and business model test. The company has assessed that all of its financial assets continue to meet the criteria to be measured at amortised cost and therefore the transitional adjustment is immaterial as a result of changes to classification and measurement under IFRS 9.

IFRS 15 Revenue from Contracts with Customers:

IFRS 15 Revenue from Contracts with Customers provides a principles-based approach for revenue recognition, and introduces the concept of recognising revenue for performance obligations as they are satisfied. The IFRS 15 transition requirements allow an entity to apply the standard retrospectively with the cumulative effect of initially applying the Standard recognized at the date of initial application as an adjustment to the opening balance of retained earnings at the date of initial application. The company has assessed the impact of IFRS 15 and has determined that the standard has no significant effect when applied to its financial statements at the date of initial application, 1 April 2018. Therefore, no adjustment to retained earnings has been made to the financial statements.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

2. Accounting policies (continued)

2.4 Standards issued but not yet effective

The following new accounting standards and interpretations have been published at the balance sheet date, but were not mandatory for the 31 December 2018 reporting period, and were not early adopted by the company:

IFRS 16

IFRS 16 provides a new model for lessee accounting in which all leases, other than short-term leases and leases of low-value items, will be accounted for by the recognition on the balance sheet of a right-to-use asset and a lease liability. The subsequent amortization of the right-to-use asset and the interest expense related to the lease liability will be recognized in profit or loss over the lease term. IFRS 16 replaces IAS 17 'Leases' and IFRIC 4.

The standard must be applied for financial years commencing on or after 1 January 2019 and whether or not the standard will have a material impact on the company is still under review.

2.5 Going concern

The company incurred a net loss of £1,819,620 during the period ended 31 December 2018, and, at that date, the company's net assets totalled £15,298,319 (31 March 2018 - £17,117,939) along with net current assets of £20,580,573 (31 March 2018 - £16,984,896).

The Directors have reviewed the forecast cashflows for the 12 months following the signing of the accounts and have concluded that they will need to rely on the company's parents to provide the necessary financial support to maintain the director's view that the company is a going concern. Omnio London Ltd. has provided a letter of support for the company and in turn Omnio London Ltd is relying on a loan facility from Chronos Investments S.A.R.L dated December 1st 2019.

As a result of the above matters, the directors are of the view that the company will continue as a going concern and, therefore, will realise its assets and liabilities and commitments in the normal course of business and at the amounts stated in the financial statements.

2.6 Revenue recognition

Revenue is stated net of VAT and trade discounts. Revenue from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due. Revenue is earned mainly from management recharges to other group companies.

Since 1 April 2018 IFRS 15 sets out the requirements for recognising revenue from contracts with customers, replacing all existing revenue standards. The standard requires entities to apportion revenue earned from contracts to individual performance obligations, on a stand-alone selling price basis, based on a five-step model framework; identify the contract, identify the performance obligations, determine the contract price, allocate the price to the performance obligations, and then recognise revenue based on the performance. This standard has been applied in these financial statement for the period ending 31 December 2018.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

2. Accounting policies (continued)

2.7 Taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

2.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the term of the relevant lease.

2.9 Interest income and expense

Interest income and expense is recognised on an accruals basis in the profit and loss account.

2.10 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

2.12 Fixed asset investments

Fixed asset investments are shown at cost less provision for impairment.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

2. Accounting policies (continued)

2.13 Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

2.14 Convertible loan notes

Convertible loan notes are regarded as compound instruments, consisting of a liability component and an equity component in accordance with the substance of the contracted arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible debt. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity and is not subsequently remeasured.

The finance costs of the financial liability are recognised over the term of the debt at a constant rate on the carrying amount.

2.15 Intangible fixed assets

Computer software development expenditure is written off except where the directors are satisfied as to the technical, commercial and financial viability of individual projects. In such cases, the identifiable expenditure is capitalised as an intangible asset and amortised on a straight-line basis over the period during which the company is expected to benefit. This period is between three and five years, or to an actual date for end of useful life if known. Provision is made for any impairment.

2.16 Property, plant and equipment

Property, plant and equipment are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Depreciation is provided on the following basis:

Computer equipment	- 3 - 5 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

2.17 Financial instruments

Financial instruments are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the instrument. Financial instruments are initially recognised at fair value adjusted for any directly attributable transaction costs.

Financial assets carried at amortised cost

Financial assets carried at amortised cost are classified as loans and receivables and comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

2. Accounting policies (continued)

financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Following the initial recognition, an expected credit loss (ECL) allowance is recognised for financial assets measured at amortised cost (AC), resulting in an accounting loss being recognised immediately after the asset is initially recognised.

Impairment - credit loss allowance for ECL :

The company assesses on a forward-looking basis the ECL for debt instruments measured at amortised cost. The company measures ECL and recognises a credit loss allowance at each reporting date. All financial assets assessed under this model are immaterial to the financial statements.

The company applies a "three stage" model for impairment in accordance with IFRS 9, based on changes in credit quality since initial recognition:

- 1) Financial assets that are in stage 1 are those that do not have a significant increase in credit risk since initial recognition. Financial assets in stage 1 have their ECL measured at an amount equal to the portion of lifetime ECL that results from default events possible within the next 12 months (12 month ECL).
- 2) If the company identifies a significant increase in credit risk (SICR) since initial recognition, the asset is transferred to stage 2 and its ECL is measured based on ECL on a lifetime basis (lifetime ECL).
- 3) If the company determines that a financial asset is credit-impaired, the asset is transferred to stage 3 and its ECL is measured as a lifetime ECL.

The transition from recognising 12 month expected credit losses (Stage 1) to a significant increase in credit risk (Stage 2) and finally to recognise a credit impaired financial asset (stage 3) uses indicators detailed below. The focus is on the changes in the risk of a default.

Possible indicators

- Credit rating changes;
- Changes in external market indicators of credit risk;
- Significant changes in the operating results or financial position of the borrower;
- Changes in the borrowers regulatory, economic or technical environment; and
- Changes in the support available to the entity (from its parent for example).

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

Financial liabilities carried at amortised cost

These financial liabilities include trade and other payables only. Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

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

In the application of the company's accounting policies, which are described in note 2, 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.

Key source of estimation uncertainty – impairment of intangible assets

Determining whether intangible assets are impaired requires an estimation of their value in use to the company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value.

The directors are of the opinion that there are no other critical judgements, estimates nor assumptions that require any further disclosure apart from those involving estimations that the directors have made in the process of applying the company's accounting policies.

4. Turnover

An analysis of turnover by class of business is as follows:

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Management fee income	2,852,187	5,355,543
Pack sales	-	1,218
Other income	13,452	157,522
	<u>2,865,639</u>	<u>5,514,283</u>

All turnover arose within the United Kingdom.

5. Exceptional items

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Exceptional items	-	887,121
	<u>-</u>	<u>887,121</u>

For the period ended 31 December 2018, exceptional restructuring income of £nil (31 March 2018 - £887,121) were incurred as a result of a group reorganisation, resulting in the closure of non-performing overseas operations. Such costs are not expected to recur once this is completed, and as such these costs are deemed to be exceptional in nature.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

6. Operating loss

The operating loss is stated after charging:

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Depreciation of property, plant and equipment	22,912	47,328
Amortisation of internally-generated intangible assets included in administrative expenses	530,786	528,462
Operating lease rentals - office property and equipment	117,482	430,982
	<u> </u>	<u> </u>

7. Auditor's remuneration

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	15,000	44,000
	<u> </u>	<u> </u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

8. Employees

Staff costs, including directors' remuneration, were as follows:

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Wages and salaries	669,355	1,354,772
Social security costs	73,032	147,841
Pension costs	29,379	51,068
	<u>771,766</u>	<u>1,553,681</u>

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

	9 months to 31 December 2018 No.	12 months to 31 March 2018 No.
Sales	7	6
Administration	50	50
	<u>57</u>	<u>56</u>

9. Key management compensation

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Salaries and short term employment benefits	392,115	924,615
Termination benefits	-	283,296
	<u>392,115</u>	<u>1,207,911</u>

Termination benefits in the year ending 31 March 2018 relate to costs resulting from strategic corporate restructuring initiatives and have been recognised as exceptional costs (note 5).

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Notes to the Financial Statements for the Period Ended 31 December 2018

10. Directors' remuneration

The directors' aggregate emoluments were:

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Salaries and short term employment benefits	218,678	462,123
Termination benefits	-	135,587
	<u>218,678</u>	<u>597,710</u>
The remuneration of the highest paid director		
Salaries and short term employment benefits	<u>105,650</u>	<u>300,784</u>

During the period ending 31 December 2018, the highest paid director exercised nil (31 March 2018 - 10,921,482) share options.

Termination benefits in the year ending 31 March 2018 relate to costs resulting from strategic corporate restructuring initiatives and have been recognised as exceptional costs (note 5).

11. Interest receivable

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Interest received	<u>25,137</u>	<u>-</u>

12. Interest payable and similar expenses

	9 month to 31 December 2018 £	12 month to 31 March 2018 £
Interest payable	<u>235,597</u>	<u>614,555</u>

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Notes to the Financial Statements for the Period Ended 31 December 2018

13. Taxation

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Total current tax	-	-

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (12 months to 31 March 2018 - higher than) the standard rate of corporation tax in the UK of 19% (12 months to 31 March 2018 - 19%). The differences are explained below:

	9 months to 31 December 2018 £	12 months to 31 March 2018 £
Loss on ordinary activities before tax	(1,819,620)	(1,482,200)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (12 months to 31 March 2018 - 19%)	(345,728)	(281,618)
Effects of:		
Expenses not deductible for tax purposes	1,193	116,660
Fixed asset and other timing differences	-	6,182
Deferred tax not recognised	334,325	171,136
Effects of group relief	10,210	(12,360)
Total tax charge for the period/year	-	-

Factors that may affect future tax charges

At the balance sheet date, the company has an unrecognised deferred tax asset of £767k being unutilised tax losses of £4.5m at 17% (31 March 2018 - £526k being £2.8m at 19%) relating to tax losses available for offset against future profits.

From 1 April 2020 the main rate of UK corporation tax will decrease to 17% as substantively enacted on 6 September 2016. As this change has been substantively enacted before the reporting date, unrecognised deferred tax has been disclosed based on a rate of 17% as at 31 December 2018.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

14. Intangible assets

	Computer software £
Cost	
At 1 April 2018	5,458,840
Additions	311,302
At 31 December 2018	<u>5,770,142</u>
Amortisation	
At 1 April 2018	3,147,355
Charge for the year	487,038
At 31 December 2018	<u>3,634,393</u>
Net book value	
At 31 December 2018	<u><u>2,135,749</u></u>
At 31 March 2018	<u><u>2,311,485</u></u>

The software intangible assets comprises the development of the company's new CRM platform, which has been internally generated.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

15. Property, plant and equipment

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 April 2018	57,090	151,486	208,576
At 31 December 2018	<u>57,090</u>	<u>151,486</u>	<u>208,576</u>
Depreciation			
At 1 April 2018	44,871	131,829	176,700
Charge for the period	11,657	10,309	21,966
At 31 December 2018	<u>56,528</u>	<u>142,138</u>	<u>198,666</u>
Net book value			
At 31 December 2018	<u>562</u>	<u>9,348</u>	<u>9,910</u>
At 31 March 2018	<u>12,219</u>	<u>19,657</u>	<u>31,876</u>

16. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 April 2018	330,063
At 31 December 2018	<u>330,063</u>

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

16. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Tuxedo MoneyPlus Limited*	Prepaid solutions	Ordinary	100%
Tuxedo Money Card Limited*	Prepaid solutions	Ordinary	100%
Tuxedo Money Terminal Limited*	Dormant	Ordinary	100%
Tuxedo Money Remittance Limited*	Dormant	Ordinary	100%
Tuxedo Money Solutions Inc**	Dormant	Ordinary	100%
Tuxedo Money Solutions Pty Limited***	Prepaid solutions	Ordinary	100%
Tuxedo Money Pty Limited***	Prepaid solutions	Ordinary	100%

* Registered address is Winster House, Heronsway, Chester Business Park, Chester, CH4 9QT.

** Registered address is 113 Barksdale, Newark, New Castle, 19711.

*** Registered address is Level 4, 152 Elizabeth Street, Melbourne, Victoria, 3000, Australia.

17. Trade and other receivables

	31 December 2018 £	31 March 2018 £
Due after more than one year		
Amounts owed by group undertakings	-	17,651,446
	-	17,651,446
Due within one year		
Amounts owed by group undertakings	23,026,299	-
Amounts owed by group undertakings	249,652	-
Other receivables	4,823	88,446
Prepayments and accrued income	39,981	104,567
	<u>23,320,755</u>	<u>193,013</u>

Receivables from subsidiaries are unsecured, interest free and repayable between one and five years.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

18. Trade and other payables

	31 December 2018 £	31 March 2018 £
Trade payables	230,539	220,479
Amounts owed to group undertakings	7,650,977	-
Other taxation and social security	108,028	119,571
Accruals and deferred income	2,696,601	1,101,716
	<u>10,686,145</u>	<u>1,441,766</u>

19. Trade and other payables: Amounts falling due after more than one year

	31 December 2018 £	31 March 2018 £
Shareholder loans	-	2,540,381

To the period ended 31 December 2018, a further shareholder loan was provided on an unsecured basis, the capital amount was £4,875,000 (31 March 2018 - £4,000,000). The interest rate on the loan is 7% per annum and is repayable in full on 31 December 2019.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

20. Share capital

	31 December 2018 £	31 March 2018 £
Allotted, called up and fully paid		
20,282,905 Ordinary shares of £1.00 each	20,282,905	20,282,905
12,492,920 Preference shares of £1.00 each	12,492,920	12,492,920
	<u>32,775,825</u>	<u>32,775,825</u>

21. Reserves

Share premium

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

Accumulated losses

Accumulated losses represents cumulative profits or losses, net of dividends paid and other adjustments.

22. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	31 December 2018 £	31 March 2018 £
Within one year	108,000	94,757
Between two and five years	432,000	9,983
Later than 5 years	216,000	-
	<u>756,000</u>	<u>104,740</u>

Operating lease payments represent rentals payable by the company for its office property and equipment.

23. Related party transactions

During the year, the company loaned £246,550 to Domec S.P.A., a company under common control, £249,652 which was outstanding at the balance sheet date and repayable in full on 31 December 2019. Interest of £3,103 was charged in respect of this balance.

Tuxedo Money Solutions Limited

Notes to the Financial Statements for the Period Ended 31 December 2018

24. Controlling party

The company's immediate parent company is TMS Bond Bidco Limited, a company incorporated in England & Wales. The ultimate parent company is Omnio Holdings SARL, company in Luxembourg, whose registered address is 2-4 rue de Parlais de Justice, Luxembourg, L-1841. In the view of the directors, Omnio SARL is controlled by Erik Fallstrom.

The largest and smallest group into which the results of the company have been consolidated is the report and financial statements of Omnio London Limited whose registered address is 148 Edmund Street, Birmingham, B3 2JR, UK. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.