Tuxedo Money Solutions Limited

Annual Report and Financial Statements

Year Ended

31 December 2019

Company Number 05674773

Tuxedo Money Solutions Limited

Company Information

Directors	J Cato S Lanphere Omnio London Limited
Registered number	05674773
Registered office	Floor 8 Waverley House 7-12 Noel Street Soho London W1F 8GQ
Independent auditors	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus London E14 4HD

Tuxedo Money Solutions Limited

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Tuxedo Money Solutions Limited

Directors' Report
For the year ended 31 December 2019

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 year ended 31 December 2019.

The comparative information stated in the financial statements covers the 9 month period to 31 December 2018.

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, eccount®, that supports all of our products and services.

Directors

The directors who served during the year were:

J Cato (appointed 20 August 2019)
S Lanphere (appointed 20 August 2019)
Omnio London Limited (appointed 20 August 2019)
I T Clowes (resigned 25 August 2019)
M D Peplow (resigned 25 August 2019)

Going concern

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

The company's business activities, together with facts likely to affect its future operations and financial and liquidity positions are set out in the Group's Strategic Report. In addition, note 2.5 details further considerations made by the Directors in respect of going concern, including an assessment of the possible impact on the Company arising from COVID-19.

The Directors, having made due and careful enquiry, are of the opinion that the Company has or will have access to sufficient funding in order to execute its operations over the next 12 months. The Directors therefore have made an informed judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. As a result, the Directors have adopted the going concern basis.

Tuxedo Money Solutions Limited

Directors' Report (continued)
For the year ended 31 December 2019

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 United Kingdom Generally Accepted Accounting Practice, 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; 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 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 auditors

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

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

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.

Auditors

The auditors, PKF Littlejohn 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.

DocuSigned by:

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S Lanphere
Director

Date: 5/27/2021

Tuxedo Money Solutions Limited

Independent Auditors' Report to the Members of Tuxedo Money Solutions Limited

Opinion

We have audited the financial statements of Tuxedo Money Solutions Limited (the 'company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Support from parent

We draw your attention to note 2.5 of the financial statements, which describes the company's assessment on its ability to continue as a going concern as a result of its support from its parent company. The Company has explained the support it has received from its parent company which includes further injection of funds and deferment of funds owed to it to ensure the Company and all its subsidiaries are able to settle their debts as they fall due. The Directors therefore believe that the use of the going concern basis of preparation is appropriate and it does not cast significant doubt about the company's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our opinion is not modified in this respect.

Emphasis of matter – Recoverability of intercompany receivables

We draw your attention to note 2.5 of the financial statements, which describes the Company's assessment of the recoverability over the intercompany receivables of £36,840,072 which remains outstanding. The Company has explained their assessment over the recoverability, which includes a deferment of any intra group debts whilst the ultimate parent undertakes an intra group reorganisation process of novating and capitalising all intra group debts within the Group. The Directors have therefore concluded that there is no further impairment due at this stage while this process is ongoing. The financial statements do not include the adjustments that would result if the process was not completed or if the Company was unable to fully recover these intra group debts.

Our opinion is not modified in this respect.

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

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 year 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.

Matters on which we are required to report by exception

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 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; or
- the directors were not entitled to take advantage of the small company exemptions in preparing the directors' report.

Tuxedo Money Solutions Limited

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

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: 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.

PKF Littlejohn

Azhar Rana (Senior statutory auditor)
For and on behalf of PKF Littlejohn LLP, Statutory Auditor
15 Westferry Circus
London
E14 4HD

Date: 27 May 2021

Tuxedo Money Solutions Limited

Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Revenue	4	**6,595,052**	2,865,639
Cost of sales		**(850,336)**	(692,771)
Gross profit		**5,744,716**	2,172,868
Administrative expenses		**(5,522,612)**	(3,782,028)
Exceptional administrative expense	5	**156,502**	-
Operating profit/(loss)	6	**378,606**	(1,609,160)
Interest receivable and similar income	11	**111,756**	25,137
Interest payable and similar expenses	12	**(1,831,139)**	(235,597)
Loss before tax		**(1,340,777)**	(1,819,620)
Tax on loss	13	**-**	-
Loss for the financial year/period		**(1,340,777)**	(1,819,620)

All amounts relate to continuing operations.

The notes on pages 9 to 31 form part of these financial statements.

Tuxedo Money Solutions Limited
Registered number: 05674773

Statement of Financial Position
As at 31 December 2019

	Note		2019 £		2018 £
Non-current assets					
Intangible assets	14		**1,755,445**		2,135,750
Property, plant and equipment	15		**1,315**		9,910
Right of use asset			**100,484**		-
Investments	17		**330,063**		330,063
			2,187,307		2,475,723
Current assets					
Trade and other receivables	18	**37,363,191**		23,365,432	
Cash and cash equivalents		**1,324,615**		187,986	
		38,687,806		23,553,418	
Current liabilities					
Trade and other payables	19	**(26,810,294)**		(10,730,822)	
Lease liabilities		**(107,277)**		-	
Net current assets			**11,770,235**		12,822,596
Total assets less current liabilities			**13,957,542**		15,298,319
Net assets			**13,957,542**		15,298,319
Capital and reserves					
Share capital	20		**32,775,825**		32,775,825
Share premium	21		**3,627,089**		3,627,089
Accumulated losses	21		**(22,445,372)**		(21,104,595)
			13,957,542		15,298,319

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

DocuSigned by:

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

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S Lanphere

Director

Date: 5/27/2021

The notes on pages 9 to 31 form part of these financial statements.

Tuxedo Money Solutions Limited

Statement of Changes in Equity
For the Year Ended 31 December 2019

	Called up share capital	Share premium	Accumulated losses	Total equity
	£	£	£	£
At 1 January 2019	32,775,825	3,627,089	(21,104,595)	15,298,319
Loss for the year	-	-	(1,340,777)	(1,340,777)
At 31 December 2019	32,775,825	3,627,089	(22,445,372)	13,957,542

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)
At 31 December 2018	32,775,825	3,627,089	(21,104,595)	15,298,319

The notes on pages 9 to 31 form part of these financial statements.

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 year ended 31 December 2019 and the comparative information covers the 9 month period ended 31 December 2018. As such, the figures are not comparable like for like.

2. Accounting policies

2.1 Basis of preparation

The financial statements have been prepared on a going concern basis, under the historical cost convention unless otherwise specified within these accounting policies 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 year ended 31 December 2019

2. Accounting policies (continued)

2.2 Summary of disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of 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 requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details of indebtedness required by paragraph 61(1) of Schedule 1 to the Regulations is presented separately for lease liabilities and other liabilities, and in total.
- 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.

2. Accounting policies (continued)

2.3 Adaption of new International Reporting Standards (IFRS), amendments and interpretations

New effective standards:

- IFRS 16: Leases (effective 1 January 2019)

IFRS 16 was released in January 2016 and replaces IAS 17 Leases. IFRS 16 sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under IAS 17. The standard requires all leases (excluding short term and leases of low value items) to be recognised as an asset on the balance sheet, with a corresponding lease liability. Lessees will be required to separately recognise the interest expense on the lease liability and depreciation expense of the right-of-use asset.

Effects of changes in accounting policy

Transition method and practical expedients utilised

The company has applied IFRS 16 using the modified retrospective approach, with right of use assets assumed to equal the lease liabilities on adoption, and therefore the comparative information has not been restated and continues to be reported under IAS 17 and IFRIC 4. The details of accounting policies under IAS 17 and IFRIC 4 are disclosed separately. Refer to note 2.8 for more details.

IFRS 16 provides for certain optional practical expedients, including those related to the initial adoption of the standard. The company applied the following practical expedients when applying IFRS 16 to leases previously classified as operating leases under IAS 17:

a) Apply a single discount rate to a portfolio of leases with reasonably similar characteristics;
b) Exclude initial direct costs from the measurement of right-of-use assets at the date of initial application for leases where the right-of-use asset was determined as if IFRS 16 had been applied since the commencement date;
c) Reliance on previous assessments on whether leases are onerous as opposed to preparing an impairment review under IAS 36 as at the date of initial application;
d) Applied the exemption not to recognise right-of-use assets and liabilities for leases with less than 12 months of lease term remaining as of the date of initial application; and
e) Use hindsight, such as in determining the lease term if the contract contains options to extend or terminate the lease.

Tuxedo Money Solutions Limited

Notes to the Financial Statements
For the year ended 31 December 2019

2. Accounting policies (continued)

The following table presents the impact of adopting IFRS 16 on the balance sheet as at 1 January 2019:

A) Right of use assets recognised on adoption of IFRS 16.
B) Prepayments were adjusted to reflect the upfront lease payments
C) The following table reconciles the minimum lease commitments disclosed in the company's 31 December 2018 annual financial statements to the amount of lease liabilities recognised on 1 January 2019:

	1 January 2019 £
Minimum operating lease commitment at 31 December 2018	**648,000**
Less: short-term leases not recognised under IFRS 16	**-**
Less: low value leases not recognised under IFRS 16	**-**
Less: effect of termination options reasonably certain to be exercised	**(432,000)**
	216,000
Undiscounted lease payments	
Less: effect of discounting using the incremental borrowing rate as at the date of initial application	**(24,032)**
Lease liabilities for leases classified as operating type under IAS 17	
Plus: leases previously classified as finance type under IAS 17	**-**
Lease liability as at 1 January 2019	**191,968**

- IFRIC 23: Uncertainty over Income Tax Treatments

IFRIC 23 provides guidance on the accounting for current and deferred tax liabilities and assets in circumstances in which there is uncertainty over income tax treatments. The interpretation requires:

- The company to determine whether uncertain tax treatments should be considered separately, or together as a group, based on which approach provides better predictions of the resolution;
- The company to determine if it is probable that the tax authorities will accept the uncertain tax treatment; and
- If it is not probable that the uncertain tax treatment will be accepted, measure the tax uncertainty based on the most likely amount or expected value, depending on whichever method better predicts the resolution of the uncertainty. This measurement is required to be based on the assumption that each of the tax authorities will examine amounts they have a right to examine and have full knowledge of all related information when making those examinations.

2. Accounting policies (continued)

2.4 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements are disclosed below. The company intends to adopt these standards, if applicable, when they become effective.

The standards are interpretations that are issued, but not yet effective, up to the date of issuance of the company's financial statements are disclosed below.

Topic	Effective date
Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IAS 1 and IAS 8: Definition of Material	1 January 2020
Amendments to IFRS 9, IAS 39 and IFRS 17 : Interest Rate Benchmark Reform	1 January 2020
Amendments to IAS 1: Presentation of Financial statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 16: Property, Plant and Equipment	1 January 2022
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16: Interest Rate Benchmark Reform - Phase 2	1 January 2021

The company has not early adopted any standards, interpretations or amendments that have been issued, but are not yet effective.

These standards are not expected to have a material impact on the company's financial reporting. IFRS are issued by the IASB and must be adopted into European Union law, referred to as endorsement, before they become mandatory under the IAS regulation. Shown above are recent standards and interpretations that have been issued by the IASB, indicating their status of endorsement.

2. Accounting policies (continued)

2.5 Going concern

The company incurred a net loss of £1,340,777 during the year ended 31 December 2019 (9 months to 31 December 2018 - 1,819,620), and, at that date, the company's net assets totalled £13,957,542 (2018 - £15,298,319) along with net current assets of £11,770,235 (2018 - £12,822,596).

The Directors have received confirmation from Omnio SARL, the parent company, that they will continue to support the operations of the immediate parent company, Omnio London Limited, and its subsidiaries for the foreseeable future to allow it to be able to meet its own liabilities as they fall due.

Subsequent to the year end, the company's parent undertaking, Omnio SARL, has agreed terms on a £10.2m convertible bond instrument along with additional equity investment of £2.2m. As at the date of approving these financial statements, £2.2m of equity investment has been received and £8.7m from the convertible bond instrument. The remaining balance of the convertible bond instrument have been signed and committed to by the various holders and are expected to be received over the next few weeks. The Directors have an undertaking from Omnio SARL that all these funds will be available to the Omnio London Limited and its subsidiaries which will provide sufficient funds to ensure Omnio London Limited and its subsidiaries are able to meet their obligations as they fall due. In addition to this, Omnio London Limited is also anticipating further funds of £580,507 from HMRC refunds and from other creditors which will further strengthen its liquidity and financial headroom. Omnio Sarl have also committed to ensure that all intra group debts owed to them or between fellow subsidiaries will not be called for a period of at least one year from the date these financial statements are signed as Omnio Sarl will fund these subsidiaries with funds they recently received (and as disclosed above) to ensure that all its subsidiaries can settle any third party debts as they fall due without needing to seek repayment from intra group balances owed to them. In addition, the Ultimate Parent have also commenced a group reorganisation process of novating and capitalising these intercompany debts and whilst this process is ongoing, they have concluded that no impairment is required at 31 December 2019.

The company have prepared their own budgets and forecast and have concluded that they have sufficient funds from the parent to ensure that their liabilities are settled within payment terms.

The impact of the COVID-19 outbreak, which occurred after the reporting date, continues to evolve and will require continued assessment as the pandemic plays out. The rapid development of the COVID-19 virus makes it very difficult to estimate the ultimate impact at this stage, and due to the fluidity of the situation, it is currently not practical to either ascertain or quantify the impact on the Group. In the directors' view, COVID-19 is considered to be a non-adjusting subsequent event and no adjustment to the financial statements has been made as a result.

On the basis of their assessment of the company's financial position and of the confirmation received from the directors of Omnio SARL, the Company's directors continue to adopt the going concern basis of accounting in preparing these financial statements.

2. Accounting policies (continued)

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 year ended 31 December 2019.

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. Accounting policies (continued)

2.8 Leases

The company adopted IFRS 16 using the modified retrospective approach, with recognition of transitional adjustments on the date of initial application (1 January 2019), without restatement of comparative figures.

At inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the company uses the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019.

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component on the basis of its relative standalone prices. However, for the leases of property the company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate. For leases that are not financed through debt, the incremental borrowing rate is derived from the real estate property yields, and considers the terms of the lease and economic factors.

The company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company's changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

2. Accounting policies (continued)

Subsequent to initial measurement lease liabilities increase as a result of interest charged at a constant rate on the balance outstanding and are reduced for lease payments made. Right-of-use assets are amortised on a straight-line basis over the remaining term of the lease or over the remaining economic life of the asset if, rarely, this is judged to be shorter than the lease term.

When the company revises its estimate of the term of any lease (because, for example, it re-assesses the probability of a lessee extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments to make over the revised term, which are discounted at the same discount rate that applied on lease commencement. The carrying value of lease liabilities is similarly revised when the variable element of future lease payments dependent on a rate or index is revised. In both cases an equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being amortised over the remaining (revised) lease term.

When the company renegotiates the contractual terms of a lease with the lessor, the accounting depends on the nature of the modification:

- if the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional rights-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy.
- in all other cases where the renegotiated increases the scope of the lease (whether that is an extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount.
- if the renegotiation results in a decrease in the scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial of full termination of the lease with any difference recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For contracts that both convey a right to the company to use an identified asset and require services to be provided to the company by the lessor, the company has elected to account for the entire contract as a lease, i.e. it does allocate any amount of the contractual payments to, and account separately for, any services provided by the supplier as part of the contract.

Short-term leases and leases of low-value assets

The company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term. Low value-leases are considered to be all leases where the individual value of the underlying assets is below £5,000, or where the lease is equal to or shorter than one year.

2.9 Interest income and expense

Interest income and expense is recognised on an accruals basis in the statement of comprehensive income.

2. Accounting policies (continued)

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.

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 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.

2.15 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:

2. Accounting policies (continued)

2.15 Property, plant and equipment (continued)

Depreciation is provided on the following basis:

Computer equipment - 3 - 5 years

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.

2.16 Cash and cash equivalents

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

2. Accounting policies (continued)

2.17 Financial instruments

Financial instruments are recognised in 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 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) users 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.

2. Accounting policies (continued)

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.

2.18 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

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 sources 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.

Incremental borrowing rate

The incremental borrowing rate is defined as the rate of interest that a lessee would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of a similar value to the right to use asset. The company used the variable rate 10%.

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. Revenue

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

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Management fee income	**6,593,288**	2,852,187
Other income	**1,764**	13,452
	6,595,052	2,865,639

All revenue arose within the United Kingdom.

5. Exceptional items

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Exceptional items	**(156,502)**	-

For the year of ended 31 December 2019, exceptional restructuring income of £156,502 includes £197,000 of write back of provision made for the group reorganisation and cost of closing down non-performing overseas operations. It also includes an additional employment cost of £40,498. Such costs are not expected to reoccur on a ongoing basis and these costs are deemed to be exceptional in nature.

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Depreciation of property, plant and equipment	**8,595**	22,912
Amortisation of intangible assets	**793,711**	530,786
Impairment of intangible assets	**18,803**	-
Amortisation of right of use asset	**100,484**	-

Tuxedo Money Solutions Limited

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7. Auditors' remuneration

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	**20,000**	15,000

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.

8. Employees

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

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Wages and salaries	**1,641,869**	669,355
Social security costs	**175,320**	73,032
Pension costs	**43,323**	29,379
	1,860,512	771,766

During the year certain staff costs have been capitalised as intangible assets. The amounts capitalised which are included within wages and salaries above but not in the income statement for the year are £207,935.

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

	12 months to 31 December 2019 No.	9 months to 31 December 2018 No.
Sales	**5**	7
Administration	**35**	50
	40	57

9. Key management compensation

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Salaries and short term employment benefits	**197,028**	392,115

10. Directors' remuneration

The directors' aggregate emoluments were:

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Salaries and short term employment benefits	**149,235**	218,678
Termination benefits	**-**	-
	149,235	218,678
The remuneration of the highest paid director		
Salaries and short term employment benefits	**101,384**	105,650

11. Interest receivable and similar income

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Interest received	**111,756**	25,137

Tuxedo Money Solutions Limited

Notes to the Financial Statements
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12. Interest payable and similar expenses

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Interest payable	**1,817,037**	235,597
Lease interest	**14,102**	-
	1,831,139	235,597

13. Taxation

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Total current tax	**-**	-

Factors affecting tax charge for the year/period

The tax assessed for the year/period is higher than (9 months to 31 December 2018 - higher than) the standard rate of corporation tax in the UK of 19% (9 months to 31 December 2018 - 19%). The differences are explained below:

	12 months to 31 December 2019 £	9 months to 31 December 2018 £
Loss on ordinary activities before tax	**(1,340,777)**	(1,819,620)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (9 months to 31 December 2018 - 19%)	**(254,748)**	(345,728)
Effects of:		
Expenses not deductible for tax purposes	**21,619**	1,193
Fixed asset and other timing differences	**(5,702)**	-
Rate changes	**25,141**	-
Deferred tax not recognised	**213,690**	334,325
Effects of group relief	**-**	10,210
Total tax charge for the year/period	**-**	-

13. Taxation (continued)

Factors that may affect future tax charges

At the balance sheet date, the company has an unrecognised deferred tax asset of £952,643 (2018 - liability of £767,000) relating to tax losses available for offset against future profits. The main rate of corporation tax is 19% and will increase to 25% with effect from 1 April 2023.

14. Intangible assets

	Computer software £
Cost	
At 1 January 2019	**5,770,142**
Additions	**432,211**
Adjustments to b/f balance	**70,963**
Impairment	**(18,803)**
At 31 December 2019	**6,254,513**
Amortisation	
At 1 January 2019	**3,634,393**
Charge for the year	**793,711**
Adjustments to b/f balance	**70,963**
At 31 December 2019	**4,499,067**
Net book value	
At 31 December 2019	**1,755,446**
At 31 December 2018	2,135,748

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

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Notes to the Financial Statements
For the year ended 31 December 2019

15. Property, plant and equipment

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2019	57,090	151,486	208,576
At 31 December 2019	57,090	151,486	208,576
Depreciation			
At 1 January 2019	56,528	142,138	198,666
Charge for the year	562	8,033	8,595
At 31 December 2019	57,090	150,171	207,261
Net book value			
At 31 December 2019	-	1,315	1,315
At 31 December 2018	562	9,348	9,910

16. Leases

The company has elected not to recognise right-of-use assets and lease liabilities for short-term or leases of low-value items.

Right of use assets

	Land and buildings £
At 1 January 2019	-
Additions	200,968
Amortisation	(100,484)
NBV at 31 December 2019	100,484

10. Leases (continued)

Lease liability

Lease liabilities are presented in the balance sheet as follows:

	2019 £
At 1 January 2019	-
Additions	191,968
Interest charged	14,308
Lease payments	(99,000)
At 31 December 2019	**107,277**

Lease liabilities are presented in the balance sheet as follows:

	2019 £
Current lease liability	107,277
Non current lease liability	-
	107,277

The lease liabilities are secured by the related underlying assets. The un-discounted maturity analysis of lease liabilities at 31 December 2019 is as follows:

	Within 3 months £	Between 3 and 12 months £	Total £
31 December 2019			
Lease payments	27,000	85,242	112,242
Net present values	27,000	85,242	112,242

17. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	330,063
At 31 December 2019	330,063

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 Remittance Limited*	Dormant	Ordinary	100%
Tuxedo Money Terminal Limited*	Dormant	Ordinary	100%
Omnio Emi Limited (formerly Tuxedo Money Card Limited)**	Prepaid solutions	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 Floor 8, Waverley House, 7-12 Noel Street, Soho, London, England, W1F 8GQ.
** Registered address is Winster House Lakeside, Heronsway, Chester Business Park, Chester, Cheshire, United Kingdom, CH4 9QT.
*** Registered address is 113 Barksdale, Newark, New Castle, 19711.
**** Registered address is Level 4, 152 Elizabeth Street, Melbourne, Victoria, 3000, Australia.

18. Trade and other receivables

	2019 £	2018 £
Amounts owed by group undertakings	**36,840,072**	23,026,299
Amounts owed by participant parties	**457,368**	249,652
Other receivables	**49,499**	49,500
Prepayments and accrued income	**16,252**	39,981
	37,363,191	23,365,432

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

19. Trade and other payables

	2019 £	2018 £
Trade payables	**190,820**	230,539
Amounts owed to group undertakings	**24,550,988**	7,650,977
Other taxation and social security	**113,936**	108,028
Other creditors	**39,708**	44,677
Accruals and deferred income	**1,914,842**	2,696,601
	26,810,294	10,730,822

An amount of £44,677 included as part of "Other debtors" in 2018, has been represented to "Other creditors" for comparative purposes.

20. Share capital

	2019 £	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
	32,775,825	32,775,825

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. Related party transactions

During the year, the company loaned £194,957 (2018 - £246,550) to Domec S.P.A., a company under common control. Interest of £12,759 (9 months to 31 December 2018 - £3,103) was charged in respect of this balance. £457,368 (2018 - £249,652) was outstanding at the balance sheet date and repayable in full on 31 December 2020.

Included in other receivables are amounts of £36,840,072 (2018 - £23,026,299) due to group undertakings.

Included in other payables are amounts of £24,550,988 (2018 - £7,650,977) due from group undertakings.

Amounts owed to and from group undertakings are interest bearing at 13%, unsecured and repayable on demand.

23. Post balance sheet events

As noted in the directors' report the COVID-19 impact has caused a global health emergency and significant economic disruption over the course of 2020. The impact of the pandemic is considered a non-adjusting post balance sheet event for the purposes of the Company's accounts for the period ended 31 December 2019.

Subsequent to the year end, the Ultimate Parent have also commenced a group reorganisation process of novating and capitalising these intercompany debts and whilst this process is ongoing, they have concluded that no impairment is required at 31 December 2019.

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 Luxemburg, whose registered address is 4-6 rue de la Boucherie, Luxembourg, L-1247. 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 Floor 8, Waverley House 7-12 Noel Street, Soho, London, United Kingdom, W1F 8GQ. Copies of the financial statements are available from Companies House, Crown Way, Cardiff, CF14 3UZ.