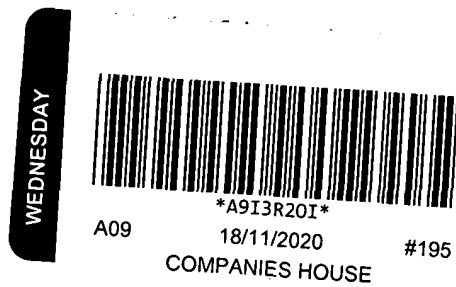




Kiwi UK IP Co, Ltd
Annual Report and Financial Statements
For the Year Ended 31 December 2019
Company Number: 06754629



Kiwi UK IP Co, Ltd
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Kiwi UK IP Co, Ltd
Company Information

Directors

Adrian Durham, Chief Executive Officer

Christopher Aujard, Group General Counsel (appointed 30 December 2019)

Kristopher Love, Chief Finance Officer (appointed 30 December 2019)

Company Secretary

Vistra Company Secretaries Limited

Independent Auditors

PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Atria One

144 Morrison Street

Edinburgh

EH3 8EX

Registered Office

Suite 1

3rd Floor 11-12 St. James's Square

London

SW1Y 4LB

Company Registration Number

06754629

Kiwi UK IP Co, Ltd
Strategic Report for the year ended 31 December 2019

The Directors present their Strategic Report on Kiwi UK IP Co, Ltd (the 'Company') for the year ended 31 December 2019.

Review of the business

The Company is a subsidiary of the Kiwi Holdco CayCo, Ltd group (the 'Group') that works with major financial institutions to provide a set of core, outsourced services that span the entire wealth management value chain.

The objective of this Company in the Group is to hold intellectual property ('IP') purchased from third parties. A royalty is typically charged to operating companies in the Group for use of the IP held in the Company.

Future outlook

The Directors expect royalty income to be chargeable in future periods and for the Company to become profitable.

Going concern

Under Company law, the Company's Directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company is a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out within the Strategic and the Directors' Reports.

The Directors have performed the Going Concern review, giving particular consideration to the Company's net liability position at the year end, the impact of the COVID-19 outbreak in early 2020 and the ability of other Group companies to meet royalty fees as they are charged. The Company's net liability position results from amounts due to related entities and the Company has received confirmation from Kiwi Holdco CayCo, Ltd that support will be provided to the Company by the Group in respect of these balances and the Directors are satisfied that sufficient resources are available to the Group to provide this support. It is the Directors expectation that revenue growth will allow the Company to return to a net asset position in the future. Therefore the Directors have confirmed that the financial statements should be prepared on a Going Concern basis.

Having performed the Going Concern review, the Directors are satisfied that the Company has access to sufficient resources to meet its liabilities for the foreseeable future and therefore the Directors have confirmed that the financial statements should be prepared on a Going Concern basis.

Principal risks and uncertainties

The management of the business and execution of the Company's strategy are subject to a few Company-specific risks. The key business risk and uncertainty affecting the Company is the value of the IP. No indicators of impairment have arisen in 2019 which would, in management's opinion, give rise to an impairment of the carrying value of the IP asset.

Refer to note 13 for disclosure on the Company's financial risk management policy.

The Company did not have any employees for the financial year.

Approved by the Board on 30 October 2020 and signed on its behalf by:



Kristopher Love
Director

Kiwi UK IP Co, Ltd
Directors' Report for the year ended 31 December 2019

The Directors present their report and audited financial statements for the year ended 31 December 2019.

General information

Kiwi UK IP Co, Ltd is a limited liability company incorporated and domiciled in the United Kingdom with the registered number of 06754629 and has its registered address at Suite 1, 3rd Floor 11-12 St. James's Square, London SW1Y 4LB.

Company information

The Company is a member of the Kiwi Holdco CayCo, Ltd group ('the Group') which is the largest group the Company is a member of which prepares consolidated financial statements. The smallest such group is headed by FNZ Group Services Ltd (an exempted limited company formed under the laws of the Cayman Islands) which is a fellow subsidiary within the Group. The Company's ultimate parent company is Falcon Newco Limited (an exempted limited company formed under the laws of the Cayman Islands). The ultimate controlling party is Kiwi Holdco CayCo, Ltd (an exempted limited company formed under the laws of the Cayman Islands). The Company's immediate parent is Kiwi UK Holdco 2, Ltd (an exempted limited company formed under the laws of the Cayman Islands).

	2019	2018
	£	£
Result for the year ended 31 December:		
Loss for the year	(371,147)	(174,390)
Appropriation:		
Loss to be covered by reserves	(371,147)	(174,390)

Dividend

In respect of the year ended 31 December 2019, the Directors recommended that no dividend be paid (2018: £nil).

Post balance sheet events

From early 2020, the Group has been closely monitoring the COVID-19 outbreak. The COVID-19 outbreak has caused economic disruption in 2020 and, as this continues to develop, the full impact is not yet known. The Group has considered the impact of the outbreak in its going concern assessment (refer to note 2(b)) via the Group's stress testing policy and framework and will continue to monitor this outbreak closely.

Directors and their Interests

The directors of the Company who were in office during the year and up to the date of the financial statements were Adrian Durham, Christopher Aujard (appointed 30 December 2019) and Kristopher Love (appointed 30 December 2019). Vivienne Sacco resigned as a Director on 30 December 2019.

None of the Directors have a direct interest in the Company. The Directors do have an interest in the Company's ultimate controlling party Kiwi Holdco CayCo, Ltd.

Kiwi UK IP Co, Ltd
Directors' Report for the year ended 31 December 2019 (continued)

Other disclosures

Information relating to the following statutory disclosures can be found as follows:

- Going Concern - within the Strategic Report on page 2;
- Future Developments - within the future outlook section of the Strategic Report on page 2;
- Financial Risk Management - within the Strategic Report on page 2.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

Independent Auditors and Disclosure of Information to Auditors

To the knowledge and belief of each of the persons who are Directors at the time the report is approved:

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

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office.

The Board of Directors authorised these financial statements for issue on 30 October 2020.

Approved by the Board and signed on its behalf by



Kristopher Love
Director

Kiwi UK IP Co, Ltd
Independent Auditors' Report to the Members of Kiwi UK IP Co, Ltd

Report on the audit of the financial statements

Opinion

In our opinion, Kiwi UK IP Co, Ltd's 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 and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and financial statements (the 'Annual Report'), which comprise: the Balance Sheet as at 31 December 2019; the Statement of Comprehensive Income, the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for Opinion

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

Independence

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

Conclusions Relating to Going Concern

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

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

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

Reporting on Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Kiwi UK IP Co, Ltd
Independent Auditors' Report to the Members of Kiwi UK IP Co, Ltd (continued)

Reporting on Other Information (continued)

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

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

Strategic Report and Directors' Report

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

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

Responsibilities for the Financial Statements and the Audit

Responsibilities of the Directors for the financial statements

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the Directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The Directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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

Kiwi UK IP Co, Ltd
Independent Auditors' Report to the Members of Kiwi UK IP Co, Ltd (continued)

Responsibilities for the Financial Statements and the Audit (continued)

Use of this report

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

Other Required Reporting

Companies Act 2006 Exception Reporting

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

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

We have no exceptions to report arising from this responsibility.



Lindsay Gardiner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh
30 October 2020

Kiwi UK IP Co, Ltd
Statement of Comprehensive Income for the year ended 31 December 2019

	Note	2019 £	2018 £
Revenue	4	386,499	611,437
Operating expenses	5	(622,396)	(658,987)
Operating loss	5	<u>(235,897)</u>	<u>(47,550)</u>
Finance costs	6	(135,250)	(126,840)
Loss before taxation		<u>(371,147)</u>	<u>(174,390)</u>
Income tax expense	7	-	-
Loss and total comprehensive expense for the year		<u><u>(371,147)</u></u>	<u><u>(174,390)</u></u>

There are no items of comprehensive income, which have not already been presented in arriving at the loss for the year. Accordingly, the loss for the year is the same as the total comprehensive expense for the year.

The notes on pages 12 to 20 form part of these financial statements

Kiwi UK IP Co, Ltd
Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Non-current assets			
Intangible assets	10	75,297	185,513
		<u>75,297</u>	<u>185,513</u>
Current assets			
Cash and cash equivalents	8	761	7,279
Trade and other receivables	9	189,369	34,113
		<u>190,130</u>	<u>41,392</u>
Total assets		<u>265,427</u>	<u>226,905</u>
Current liabilities			
Trade and other payables	11	4,425,790	4,016,121
Total liabilities		<u>4,425,790</u>	<u>4,016,121</u>
Equity			
Share capital	12	2	2
Share premium	12	799,999	799,999
Other reserve	12	3,827,042	3,827,042
Accumulated losses		(8,787,406)	(8,416,259)
Total equity		<u>(4,160,363)</u>	<u>(3,789,216)</u>
Total equity and liabilities		<u>265,427</u>	<u>226,905</u>

The financial statements on pages 8 to 20 were approved by the Board of Directors on 30 October 2020 and signed on its behalf by:



Kristopher Love
Director

Company registration number: 06754629

The notes on pages 12 to 20 form part of these financial statements

Kiwi UK IP Co, Ltd
Statement of Changes in Equity for the year ended 31 December 2019

	Share capital £	Share premium £	Other reserve £	Accumulated losses £	Total equity £
Balance at 1 January 2018	2	799,999	3,827,042	(8,241,869)	(3,614,826)
Loss for the year	-	-	-	(174,390)	(174,390)
Balance at 31 December 2018	2	799,999	3,827,042	(8,416,259)	(3,789,216)
Loss for the year	-	-	-	(371,147)	(371,147)
Balance at 31 December 2019	2	799,999	3,827,042	(8,787,406)	(4,160,363)

The notes on pages 12 to 20 form part of these financial statements

Kiwi UK IP Co, Ltd
Statement of Cash Flows for the year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss before taxation	(371,147)	(174,390)
<i>Adjustments for:</i>		
Interest expense	135,250	126,840
Amortisation	135,015	115,092
Operating profit before working capital changes	<u>(100,882)</u>	<u>67,542</u>
<i>Adjustments for:</i>		
Receivables and accrued income	(155,256)	(25,089)
Trade and other payables	150,027	(52,689)
Net intercompany transactions	124,392	56,115
Operating profit after working capital changes	<u>18,281</u>	<u>45,879</u>
Net cash generated from operating activities	<u>18,281</u>	<u>45,879</u>
Cash flows from investing activities		
Additions to intangible assets	(24,799)	(38,731)
Net cash used in investing activities	<u>(24,799)</u>	<u>(38,731)</u>
Net (decrease)/increase in cash and cash equivalents	(6,518)	7,148
Cash and cash equivalents at 1 January	7,279	131
Cash and cash equivalents at 31 December	<u><u>761</u></u>	<u><u>7,279</u></u>
Represented by:		
Cash	761	7,279
	<u><u>761</u></u>	<u><u>7,279</u></u>

The notes on pages 12 to 20 form part of these financial statements

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019

1. General information

The principal activity of Kiwi UK IP Co, Ltd ('the Company') is the purchase and custody of intellectual property ('IP'). The following are the principal transactions for this company:

- From 2009 to 2011 IP created by other companies within the Kiwi Holdco CayCo, Ltd Group ('the Group'), of which the Company is a member, was sold to the Company. This IP has been fully amortised. From 2012 onwards it was determined that only IP purchased from outside of the Group would be capitalised in the Company.
- **Royalty fee income:** These are charged to companies within the Group which use the IP held by the Company. Refer to accounting policies (c) and (f), and note 3 for details.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom with the registered number of 06754629 and has its registered address at Suite 1, 3rd Floor, 11-12 St. James's Square, London SW1Y 4LB.

The Company's ultimate parent company is Falcon Newco Limited (an exempted limited company formed under the laws of the Cayman Islands). The ultimate controlling party is Kiwi Holdco CayCo, Ltd (an exempted limited company formed under the laws of the Cayman Islands). The Company's immediate parent is Kiwi UK Holdco 2, Ltd (an exempted limited company formed under the laws of the Cayman Islands).

2. Statement of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of presentation

These financial statements have been prepared in accordance with the International Accounting Standards ('IAS'), International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRS IC') interpretations endorsed by the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

In accordance with IAS 1 'Preparation of Financial Statements', assets and liabilities in the balance sheet are presented in accordance with management's estimated order of liquidity.

The financial statements have been prepared on the historical cost basis.

(b) Going concern

Under Company law, the Company's Directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company is a going concern. The Company's business activities, together with the factors likely to affect its future development, performance and position are set out within the Strategic and the Directors' Reports.

The Directors have performed the Going Concern review, giving particular consideration to the Company's net liability position at year end, the impact of the COVID-19 outbreak in early 2020 and the ability of other Group companies to meet royalty fees as they are charged. The Company's net liability position results from amounts due to related entities and the Company has received confirmation from Kiwi Holdco CayCo, Ltd that support will be provided to the Company by the Group in respect of these balances and the Directors are satisfied that sufficient resources are available to the Group to provide this support. It is the Directors expectation that revenue growth will allow the Company to return to a net asset position in the future. Therefore the Directors have confirmed that the financial statements should be prepared on a Going Concern basis.

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

2. Statement of significant accounting policies (continued)

(c) Revenue recognition

Royalty fees are charged by the Company to operating companies of the Group for use of the existing IP. The fee is calculated and invoiced on an annual basis. This fee is only charged on platforms that are live at the beginning of, or have gone live during, the period. The royalty fee income is recognised at a point in time, when calculated, and included in revenue within the Statement of Comprehensive Income.

(d) Finance costs

Finance costs are recognised on an accruals basis according to the contractual obligations over the full contractual term. No finance costs have been capitalised during the year.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand available for use by the Company.

(f) Intangible assets

Intangible assets comprise acquired IP. IP is carried at cost less accumulated amortisation and any recognised impairment loss.

The Directors' have reviewed the useful life estimate of IP assets in the year and a useful life estimate of 3 years (2018: 3 years) has been applied to IP assets. The straight line method is applied to IP assets.

Throughout the year and at each balance sheet date, the Group reviews the carrying amounts of its IP assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, which is recognised as an expense immediately.

(g) Trade and other receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade and other receivables do not carry any interest (except intercompany receivables) and are accounted for at issue date. The Company holds trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

(h) Trade and other payables

Trade and other payables are not interest bearing (except intercompany payables) and are stated at their nominal value.

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

2. Statement of significant accounting policies (continued)

(i) Intercompany receivables and payables

Intercompany receivables and payables are interest bearing and are carried at amortised cost plus cumulative interest which is calculated using the effective interest rate method. Interest applied to intercompany balances is calculated on the base rate of the country of the company in the receivable position plus 250 basis points (2018: base rate plus 250 basis points). The Company holds intercompany receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost.

(j) Taxation

Corporation Tax is provided on the taxable profits at the standard UK corporation tax rate.

(k) VAT

The Company is subject to the standard rate of VAT.

3. Critical accounting estimates and judgements

The preparation of the Company's financial statements requires the use of accounting estimates where, by definition, it will not be known if they equal actual results. The Directors also have to make judgements and estimates on how to apply the Company's accounting policies. The areas involving significant estimates or judgements are:

Critical accounting estimates

- Estimated useful life of acquired intangible assets - please refer to note 2(f)

Critical accounting judgements

- Royalty fee revenue recognition - The Company enters into Royalty fee transactions with FNZ (UK) Ltd, another company within the Group. The royalty fee income is calculated based on fellow subsidiary use of IP in the year and the associated expense incurred by the Company. Please also refer to note 14.

4. Revenue

	2019 £	2018 £
Royalty fee income	386,499	611,437
Total revenue	<u>386,499</u>	<u>611,437</u>

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

5. Operating loss

	2019	2018
	£	£

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

Accounting and professional fees	24,000	20,000
Amortisation of IP (note 10)	135,015	115,092
Consultancy fees	48,391	461,863
Licence fees	185,058	60,875
VAT expense	235,659	-
Other (income)/expenses	(5,727)	1,157
Total operating expenses	622,396	658,987

	2019	2018
	£	£
Audit services:		
Statutory audit	18,000	17,000
Non audit services:		
Tax services	-	3,000
Total paid to auditors	18,000	20,000

6. Finance costs

	2019	2018
	£	£
Finance cost:		
Interest on intercompany balances	120,250	126,840
Other interest	15,000	-
	135,250	126,840

7. Income tax expense

	2019	2018
	£	£
Total current tax	-	-

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

7. Income tax expense (continued)

The main rate of UK corporation tax is 19%. The tax assessed for the year differs from (2018: differs from) the statutory rate of corporation tax in the UK of 19% (2018: 19%); the differences are explained below.

	2019 £	2018 £
Loss before taxation	<u>(371,147)</u>	<u>(174,390)</u>
Tax credit at standard UK corporation tax rate of 19% (2018: 19%)	<u>(70,518)</u>	<u>(33,134)</u>
Adjusted by tax effect of:		
Effects of group reliefs surrendered	<u>70,518</u>	<u>33,134</u>
Income tax expense	<u><u>-</u></u>	<u><u>-</u></u>

8. Cash and cash equivalents

	2019 £	2018 £
Cash and cash equivalents	<u><u>761</u></u>	<u><u>7,279</u></u>

9. Trade and other receivables

	2019 £	2018 £
Other receivables	<u>189,369</u>	<u>34,113</u>
	<u><u>189,369</u></u>	<u><u>34,113</u></u>

Receivables (except amounts due from related entities) do not carry any interest.

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

10. Intangible assets

	Intellectual Property Total £
Cost	
As at 1 January 2018	344,951
Additions	38,731
As at 31 December 2018	383,682
Accumulated amortisation	
As at 1 January 2018	(83,077)
Amortisation charge for the year	(115,092)
As at 31 December 2018	(198,169)
Net book value	
As at 31 December 2018	185,513
Cost	
As at 1 January 2019	383,682
Additions	24,799
As at 31 December 2019	408,481
Accumulated amortisation	
As at 1 January 2019	(198,169)
Amortisation charge for the year	(135,015)
As at 31 December 2019	(333,184)
Net book value	
As at 31 December 2019	75,297

The Directors' review of impairment indicators did not result in the inclusion of any impairment loss in the Statement of Comprehensive Income.

11. Trade and other payables

	2019 £	2018 £
Amounts due to related entities (note 14)	4,024,033	3,764,391
Other payables	401,757	251,730
	4,425,790	4,016,121

Trade and other payables are stated at their nominal value, are unsecured and are not interest bearing (except amounts due to related entities which carry interest and are disclosed in note 14).

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

12. Capital and reserves

Issued and Authorised Share Capital

Total issued and authorised ordinary share capital as at 31 December 2019 is 2 (2018: 2) fully paid £1 ordinary shares. 1 share was issued on 18 October 2010, at £800,000, resulting in a share premium of £799,999. In 2014 a capital contribution was received from the ultimate parent company to resolve the net liabilities position. This capital contribution was by way of novation of intercompany balances owed to the parent company of £3,827,042 (2018: £3,827,042) which has created another reserve.

13. Financial Risk Management

The Company's activities expose it to a variety of financial risks: market risk (including cash flow and interest rate risk), credit risk and liquidity risk. The Company's risk management programme includes a focus on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The Group has dedicated Risk and Compliance Committees who focus on risk management. The Group directors discuss risk management at their monthly Board meetings.

Market Risk

Foreign Exchange Risk

The Company is not exposed to foreign exchange risk, as the only currency that it transacts in is Pound Sterling ('GBP').

Price Risk

The Company is not exposed to price risk on any assets or liabilities as none are carried at market value.

Cash Flow and Interest Rate Risk

The Company's main interest bearing liabilities are its intercompany balances. The Company's income and operating cash flows are substantially independent of changes in market interest rates.

The Group analyses its interest rate exposure on an ongoing basis. On an annualised basis, if interest rates on all borrowings had been 200 (2018: 200) basis points higher/lower with all other variables held constant, Company pre-tax result for the year would have been £74,000 (2018: £81,160) lower/higher respectively.

Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. The Directors do not consider credit risk to be a significant risk in the current year (2018: £nil) as other receivables mainly relates to VAT amounts recoverable. In the event of credit risk materialising, Kiwi UK IP Co, Ltd would be able to mitigate this risk with support from the Group.

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

13. Financial Risk Management (continued)

Liquidity Risk

Liquidity risk results from the possible inability of the company to meet its commitments as they fall due. The Directors ensure liquidity is maintained by actively managing liabilities through regular reviews of the cash-flow reporting and have sufficient funding facilities to meet the Company's needs.

The table below provides a maturity analysis for the Company's financial liabilities.

	6 months or less £	6 - 12 months £	1 - 5 years £	More than 5 years £
At 31 December 2019				
Amounts due to related entities (note 14)	4,024,033	-	-	-
Other payables	401,757	-	-	-
	<u>4,425,790</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018				
Amounts due to related entities (note 14)	3,764,391	-	-	-
Other payables	251,730	-	-	-
	<u>4,016,121</u>	<u>-</u>	<u>-</u>	<u>-</u>

Capital management

The Company is not subject to externally imposed capital requirements. Management monitor available reserves within the Company to ensure these are sufficient to support the Company's ongoing activities.

14. Related parties

The Company has entered into the following transactions with related parties during the year:

	Transactions in year to	
	2019	2018
	£	£
Immediate parent – Kiwi UK Holdco 2, Ltd		
Working capital movements	(169,964)	(182,132)
Other related entities		
Royalty income	386,499	611,437
Interest expense	(120,250)	(126,840)
Working capital movements	163,357	(485,420)
Net outflow	<u>259,642</u>	<u>(182,955)</u>

Kiwi UK IP Co, Ltd
Notes to the Financial Statements for the year ended 31 December 2019 (continued)

14. Related parties

The Company has the following balances with related parties at the end of the year:

Amounts Due to Related Entities

	Outstanding balances as at	
	2019	2018
	£	£
Immediate parent – Kiwi UK Holdco 2, Ltd		
Working capital movements	302,096	132,132
Other related entities		
Working capital movements	3,721,937	3,632,259
	<u>4,024,033</u>	<u>3,764,391</u>

15. Directors' remuneration

The Company's Directors are remunerated by FNZ Group Services Ltd (a company within the Kiwi Holdco CayCo, Ltd group) and no amounts are paid directly by the Company for these services.

16. Employees

Kiwi UK IP Co, Ltd has no employees (2018: nil).

17. Impact of new accounting standards

New and amended standards adopted by the Company

No new standards or amendments have been adopted by the Company for the first time for the financial year beginning on 1 January 2019 which would be considered to have a material impact on the Company.

New and interpretations not yet adopted

There are no forthcoming standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

18. Commitments and contingencies

As at 31 December 2019 there were no capital commitments (2018: £nil). There are no contingent assets or liabilities as at 31 December 2019 (2018: none).

19. Subsequent events

From early 2020, the Group has been closely monitoring the COVID-19 outbreak. To date there has been no significant disruption to services to clients as a result (further information is given in the Principal Risks, Financial Risks and Uncertainties section on page 3). The COVID-19 outbreak has caused economic disruption in 2020 and, as this continues to develop, the full impact is not yet known. The Company has considered the impact of this outbreak in its going concern assessment (refer to note 2 (b)) via the Group's stress testing policy and framework and will continue to monitor this outbreak closely.