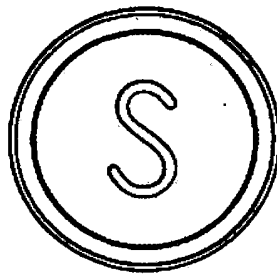


Registered number: 09495650 (England and Wales)



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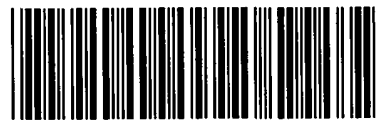
[www.soldo.com](http://www.soldo.com)

## Soldo Financial Services Ltd

Annual Report and Financial Statements

for the Year ended 31 December 2016

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## **Company Information**

### **Directors**

Carlo Gualandri

Andrea Gerosa

Alpesh Patel

### **Registered office**

Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

### **Registered number**

09496559 (England and Wales)

### **Auditors**

DTL Auditors Ltd  
5<sup>th</sup> Floor, North Side, 7-10 Chandos Street  
Cavendish Square, London  
W1G 9DQ

## **Strategic Report** **for the year ended 31 December 2016**

The directors present their strategic report for the year ended 31 December 2016.

### **Fair review of the business**

Soldo Financial Service Ltd is authorised by the Financial Conduct Authority under the Electronic Money Regulations 2011 (FRN: 900459) for the issuing of electronic money and payment instruments. The Company jointly with its parent company Soldo Ltd offers to customers in its target markets (being individuals, families and SMEs) real time transactional services supporting multiple jurisdictions, languages and currencies allowing them to better control their day to day spending both on and offline.

### **Business review**

The Company was registered on the 18 March 2015 but was dormant for the period to 31 December 2015. In February 2016, the Company obtained the E-Money license and beta operations started in November 2016.

### **Highlights**

The Company's focus during the first 12 months of operations was the set-up of the organisation. Hiring has been ongoing in all areas of the Company, from Marketing to Risk & Compliance, Finance and Operations.

### **Future developments**

- Full launch of its product proposition (Consumer and Business) in the two main markets
- Scale up operations & marketing
- Start its international expansion

### **Financial KPIs**

The Company does not use complex KPIs in monitoring the business. Subscription and transaction fees for the use of the accounts and related payment services and the related operating expenses are the principal components of the company's operations.

The board of directors monitors a number of key performance indicators such as the financial risks - liquidity risk and market risk. On top of this the Company has implemented several internal procedures and controls to fulfill his requirements to monitor the ongoing business.

In considering the performance of the business before its commercial launch cash flow measurements and projections as well as sources of liquidity are reviewed regularly to ensure availability of adequate funds.

### **Principal risks and uncertainties**

The company's activities expose it to a number of risks. The principal risk is that the company will be unable to meet its obligations should its shareholder cut its investments before break even. However, the board of directors continues to raise funds through shareholder's loan stock or capital contribution to have sufficient funds to mitigate any such circumstances.

The board of directors also monitors the financial risks of the company and has a responsibility of ensuring effective risk management and control. To this end, the board believe that there is no cause for concern to the company.

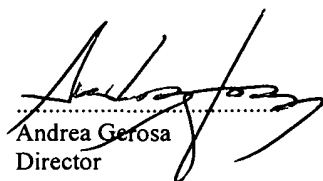
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**Strategic Report**  
**for the year ended 31 December 2015 (continued)**

**Going Concern**

The directors have prepared forecasts which cover a period of at least twelve months from the date of approval of these financial statements. These forecasts indicate that the company will have sufficient financial resource from the parent to enable it to settle its liabilities as and when they fall due. Accordingly, the directors have prepared these financial statements on a going concern basis.

Approved by the Board on 20 April 2017 and signed on its behalf by:

  
.....  
Andrea Gerosa  
Director

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**Directors' Report**  
**for the year ended 31 December 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

**Incorporation**

The company was incorporated on 18 March 2015 in England.

**Directors of the Company**

The directors who held office during the period were as follows:

Carlo Gualandri (appointed 18 March 2015)

Andrea Gerosa (appointed 18 March 2015)

Alpesh Patel (appointed 24 April 2015)

**Branches outside the United Kingdom**

None

**Charitable Donations**

There were no charitable donations made during the period.

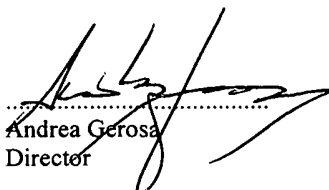
**Statement as to Disclosure of information to Auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of DTL Auditors Ltd as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 20 April 2017 and signed on its behalf by:

  
.....  
Andrea Gerosa  
Director

## **Statement of Directors' Responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the Company 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable International Financial Reporting Standards (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.

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

The directors are responsible for the maintenance and integrity of the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditors' report to the members of Soldo Financial Services Ltd**

We have audited the financial statements of Soldo Financial Services Limited for the year ended 31 December 2016 which comprise the Income Statement, the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 auditors' 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

A description of the scope of an audit of financial statements is provided on the APB's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate)

### **Opinion on the accounts**

In our opinion the accounts:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with and 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.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report and the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where 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 accounts are not in agreement with the accounting records and returns; or

**Independent auditors' report**  
**to the members of Soldo Financial Services Ltd (continued)**

- 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.



John Tiltman  
(Senior Statutory Auditor)  
for and on behalf of  
DTL Auditors Limited  
Certified Accountants and Statutory Auditors  
20 April 2017

**Statement of Comprehensive Income  
for the year ended 31 December 2016**

	Note	2016 £	2015 £
Revenue		2,050	-
Staffing costs	5	(410,421)	-
Administrative Expenses		(81,613)	-
Operating loss		(489,984)	-
Net finance cost	4	(1,251)	-
Loss before tax		(491,236)	-
Loss for the period		(491,236)	-

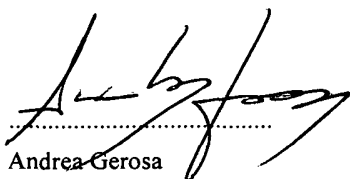
	Note	2016 £	2015 £
Loss for the period		(491,236)	-
Total comprehensive income for the period		(491,236)	-

The above results were derived from continuing operations.

**Statement of Financial Position  
as at 31 December 2016**

	Note	2016 £	2015 £
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	8	17,473	401,000
Cash and cash equivalents	9	594,562	-
		<u>612,035</u>	<u>401,000</u>
Total assets		<u>612,035</u>	<u>401,000</u>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	10	1,000,000	401,000
Retained earnings		<u>(491,236)</u>	<u>-</u>
Total equity		508,764	401,000
<b>Current liabilities</b>			
Trade and other payables	11	<u>103,271</u>	<u>-</u>
Total equity and liabilities		<u>612,035</u>	<u>401,000</u>

Approved by the Board on 20 April 2017 and signed on its behalf by:



Andrea Gerosa

Director

Soldo Financial Services Ltd, Registered No. 09495650

**Statement of Changes in Equity  
for the year ended 31 December 2016**

	Share capital £	Retained earnings £	Total £
At 1 January 2016	401,000	-	401,000
Loss for the period	-	(491,236)	(491,236)
Total comprehensive income	-	(491,236)	(491,236)
<b>Transactions with owners</b>			
New share capital subscribed	599,000	-	599,000
At 31 December 2016	1,000,000	(491,236)	508,764

**Statement of Cash Flows  
for the year ended 31 December 2016**

	Note	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Loss for the period		(491,236)	-
Adjustments to cash flows from non-cash items			
Finance income	4	1,251	-
		<u>(489,984)</u>	<u>-</u>
<b>Working capital adjustments</b>			
Decrease / (increase) in trade and other receivables	8	383,527	(401,000)
Increase in trade and other payables	11	103,271	-
Net cash flow from operating activities		<u>(3,187)</u>	<u>(401,000)</u>
<b>Cash flows from investing activities</b>			
Interest received	4	119	-
Net cash flows from investing activities		<u>119</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares, net of issue costs		599,000	401,000
Foreign exchange losses	4	(1,370)	-
Net cash flows from financing activities		<u>597,630</u>	<u>401,000</u>
Net increase in cash and cash equivalents		<u>594,562</u>	<u>-</u>
 Cash and cash equivalents at 1 January		-	-
Cash and cash equivalents at 31 December		<u>594,562</u>	<u>-</u>

The accompanying notes on pages 12 to 16 form an integral part of these financial statements.

## **Notes to the Financial Statements for the year ended 31 December 2016**

### **1 General Information**

The company is a private company limited by share capital incorporated in England and Wales and domiciled in England.

The address of its registered office is Charles House, 108-110 Finchley Road, London, NW3 5JJ.

The principal place of business is Melcombe Place, Marylebone Station, 12 Melcombe Place, London, NW1 6JJ.

These financial statements were authorised for issue by the Board on 20 April 2017.

### **2 Accounting policies**

#### **Statement of compliance**

The company financial statements have been prepared in accordance with International Financial Reporting Standards and its interpretations adopted by the EU ("adopted IFRS's").

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied 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.

#### **Basis of preparation**

The financial statements have been prepared in accordance with IFRSs as adopted by the European Union, IFRS Interpretations Committee ("IFRS IC") interpretations and the Companies Act 2006 applicable to the companies reporting under IFRSs. The financial statements are presented in Pounds Sterling and have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies.

#### **Changes in accounting policy**

None of the standards, interpretations and amendments effective for the first time from 24 September 2014 have had a material effect on the financial statements as this is the first year in which financial statements have been presented.

None of the standards, interpretations and amendments which are effective for periods beginning after 24 September 2014 and which have not been adopted early, are expected to have a material effect on the financial statements.

#### **Going concern**

The financial statements presented within have been prepared on a going concern basis. The directors have prepared forecasts which cover a period of at least twelve months from the date of approval of these financial statements. These forecasts indicate that the company will have sufficient financial resource to enable it to settle its liabilities as and when they fall due. Accordingly, the directors have prepared these financial statements on a going concern basis.

#### **Taxation**

The company does not have current or deferred tax balances for the current and prior year.

#### **Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the provision of services in the ordinary course of the company's activities. Revenue is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured; it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the company activities.

**Notes to the Financial Statements  
for the year ended 31 December 2016 (continued)**

**2 Accounting policies (continued)**

**Property, plant and equipment**

Property, plant and equipment is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

**Financial instruments**

Financial assets and liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument. The company's financial instruments comprise cash, trade receivables and trade and other payables.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

**Loans and receivables**

Loans and receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses.

**Trade receivables**

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade receivables are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

**Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Foreign currency**

The financial statements are presented in 'Pounds Sterling' (£), which is the company's functional presentation currency.

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

**Share capital**

Ordinary shares and seed preferred shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

**Notes to the Financial Statements  
for the year ended 31 December 2016 (continued)**

**3 Loss for the period**

Arrived at after charging

	2016 £	2015 £
Audit fees	5,000	-

**4 Finance income and costs**

	2016 £	2015 £
<b>Finance income</b>		
Interest income on bank deposits	119	-
<b>Finance costs</b>		
Foreign exchange losses	(1,370)	-
Total finance costs	(1,370)	-
Net finance cost	(1,251)	-

**5 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	342,314	-
Social security costs	31,241	-
Other short-term employee benefits	10,076	-
	410,421	-

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	2016 No.	2015 No.
Administration and finance	2	-
Directors	3	-
Risk	2	-
Customer service	2	-
Marketing	2	-
	11	-

## Notes to the Financial Statements for the year ended 31 December 2016 (continued)

### 6 Directors' remuneration

The directors' remuneration for the period was as follows:

	2016 £	2015 £
Remuneration	100,840	-

### 7 Auditors' remuneration

	2016 £	2015 £
Audit of the financial statements	5,000	-

### 8 Trade and other receivables

	2016 £	2015 £
Trade receivables	188	-
Prepayments	1,713	-
Other receivables	15,572	401,000
	<u>17,473</u>	<u>401,000</u>

The fair value of the trade and other receivables are classified as financial instruments. There is no difference in the carrying value.

Included in other receivables is an amount of £14,698 which relates to prefunding amounts to the card issuer for advances related to customers' transaction.

### 9 Cash and cash equivalents

	2016 £	2015 £
Cash at bank	594,562	-
	<u>594,562</u>	<u>-</u>

The cash at bank does not include the amount of £45,018 and €74,113 held at the bank's segregated and safeguarded accounts on behalf of customers.

### 10 Share capital

#### Allotted, called up shares

	2016 No.	£	2015 No.	£
Ordinary Shares of £1 each – fully paid	1,000,000	1,000,000	-	-
Ordinary Shares of £1 each – unpaid	-	-	401,000	401,000
	<u>1,000,000</u>	<u>1,000,000</u>	<u>401,000</u>	<u>401,000</u>

**Notes to the Financial Statements  
for the year ended 31 December 2016 (continued)**

**10 Share capital (continued)**

**New shares issued**

During the period, 599,000 newly issued Ordinary Shares having an aggregate nominal value of £1 were issued.

**11 Trade and other payables**

	2016 £	2015 £
Trade payables	12,060	-
Accrued expenses	11,013	-
Social security and other taxes	18,247	-
Due to related parties	61,951	-
	103,271	-

The fair value of the trade and other payables are classified as financial instruments. There is no difference in the carrying value.

**12 Ultimate controlling party**

Soldo Financial Services Ltd is wholly owned by Soldo Ltd whose majority shareholder is Carlo Gualandri, a director of the company.

**13 Related party transactions**

During the year Soldo Ltd provided short term working capital of £45,000 and provided payroll and related services to Soldo Financial Services to the value of £16,951. The balance outstanding at 31 December was £61,951.