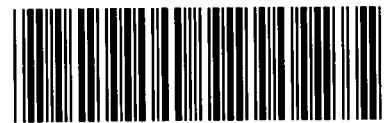


Registration number: 09495650

**Soldo Financial Services Ltd**  
**Annual Report and Financial Statements**  
**for the Year Ended 31 December 2018**

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## **Soldo Financial Services Ltd**

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## **Soldo Financial Services Ltd**

### **Company Information**

#### **Directors**

Mr Andrea Gerosa

Mr Carlo Corrado Gualandri

Mr Nicholas James Wilson

#### **Registered office**

Charles House  
108-110 Finchley Road  
London  
NW3 5JJ

#### **Auditors**

BD& LLP  
55 Baker Street  
London  
W1U 7EU

## **Soldo Financial Services Ltd**

### **Strategic Report for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

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

Soldo Financial Services 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 its customers in its target markets (being individuals, families and small and medium-sized enterprises) 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 Financial Year 2018 has been the second full year of operation for the Company. Since its launch in February 2017 the company has steadily increased its customer base and thus revenues in the two target markets, Italy and United Kingdom.

#### **Highlights**

The Company's focus during 2018 was the promotion of its program dedicated to SMEs named "Soldo Business". All operational functions necessary to support the business growth such as Finance and Operations, Risk and Compliance and Customer Care have been reinforced with the hiring of new people.

#### **Future developments**

- Business growth focused more on the business SMEs program
- Scale up operations & marketing

#### **Business and financial risk management**

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 the financial risks - liquidity risk and market risk. On top of this the Company has implemented several internal procedures and controls to fulfil his requirements to monitor the ongoing business.

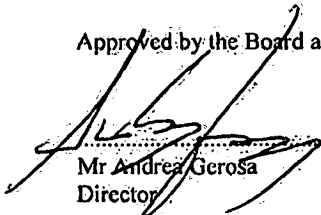
In considering the performance of the business before its commercial launch, cash flow measurements and projections, as well as sources of liquidity were reviewed regularly to ensure availability of adequate funds. On October 2018 the Company applied to the FCA for a variation of permissions to be able to provide AISP and PISP services to its clients. The application is pending with the FCA with a determination expected shortly.

#### **Principal risks and uncertainties**

One of the major risk factors that could have a material adverse effect on the Company's business, financial condition and results of operations over the next 12 months is the continuing uncertainty of the consequences of the Brexit Referendum, and the expected exit of the United Kingdom from EU. The business is in the process of executing its strategic plan to mitigate against the consequences of this. The other 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.

Approved by the Board and signed on its behalf by



Mr Andrea Gerosa  
Director

25/06/2019

Date Signed

## **Soldo Financial Services Ltd**

### **Directors' Report for the Year Ended 31 December 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors' of the company**

The directors, who held office during the year, were as follows:

Mr Andrea Gerosa

Mr Alpesh Patel (resigned 31 January 2018)

Mr Carlo Corrado Gualandri

Mr Nicholas James Wilson (appointed 5 February 2018)

#### **Matters covered in the strategic report**

As permitted by paragraph 1A of schedule 7 the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. Certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on page 1. These matters relate to the principal activity of the company, the principal risks that it faces and future developments.

#### **Principal activity**

As an Electronic Money institution Soldo Financial Services Limited's main business is to issue e-wallet and prepaid cards through Europe (EEA states). The pre-paid card issuing is done in partnership with Wirecard Card Solutions Limited and Paysafe Financial Services Limited in their role of Principal Members of MasterCard (the "Scheme"). The Company obtained re-authorisation under PSDII on April 20<sup>th</sup>, 2018.

Soldo Financial Services Limited provides its services directly to consumer and SME's in different markets in Europe (EEA) and has all necessary passporting rights in place to perform business activities out of the UK into all EEA states.

#### **Dividends**

The directors do not recommend the distribution of any dividends.

#### **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 resources 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.

#### **Risks and Uncertainties**

One of the major risk factors that could have a material adverse effect on the Company's business, financial condition and results of operations over the next 12 months is the continuing uncertainty of the consequences of the Brexit Referendum, and the expected exit of the United Kingdom from EU. The business is in the process of executing its strategic plan to mitigate against the consequences of this scenario

#### **Subsequent Events**

No material non-adjusting events have occurred after the balance sheet date that would make it necessary to change any of the information given in these financial statements as at 31 December 2018.

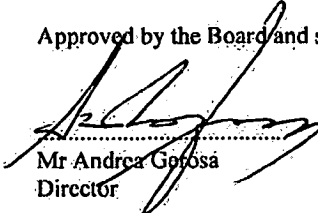
#### **Disclosure of information to the auditor**

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 BDO LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf by:



Mr Andrea Gofosa  
Director

Date Signed: 25 / 06 / 2019

## **Soldo Financial Services Ltd**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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 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.

## **Soldo Financial Services Ltd**

### **Independent Auditor's Report to the Members of Soldo Financial Services Ltd**

#### **Opinion**

We have audited the financial statements of Soldo Financial Services Ltd (the 'company') for the year ended 31 December 2018, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and notes to the Financial Statements including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; 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.

#### **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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.



## **Soldo Financial Services Ltd**

### **Independent Auditor's Report to the Members of Soldo Financial Services Ltd**

#### **Opinion on other matter 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 Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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](http://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.

**Soldo Financial Services Ltd**

**Independent Auditor's Report to the Members of Soldo Financial Services Ltd**



Matthew Hopkins (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor

London  
United Kingdom

Date: 25/06/2019

# Soldo Financial Services Ltd

## Income Statement for the Year Ended 31 December 2018

	Note	2018 £	2017 £
Revenue	4	1,426,168	325,537
Cost of sales		<u>(586,489)</u>	<u>(240,988)</u>
<b>Gross profit</b>		<b>839,679</b>	<b>84,549</b>
Administrative expenses		<u>(888,178)</u>	<u>(571,256)</u>
<b>Operating loss</b>		<b>(48,499)</b>	<b>(486,707)</b>
Finance income		11,589	145
Foreign exchange gain		<u>4,746</u>	<u>7,115</u>
<b>Net finance income</b>	5	<b>16,335</b>	<b>7,260</b>
<b>Loss before tax</b>		<b>(32,164)</b>	<b>(479,447)</b>
<b>Loss for the year</b>		<b>(32,164)</b>	<b>(479,447)</b>

The above results were derived from continuing operations.

**Soldo Financial Services Ltd**

**Statement of Comprehensive Income for the Year Ended 31 December 2018**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Loss for the year	<u>(32,164)</u>	<u>(479,447)</u>
Total comprehensive income for the year	<u>(32,164)</u>	<u>(479,447)</u>

The notes on pages 14 to 23 form an integral part of these financial statements.

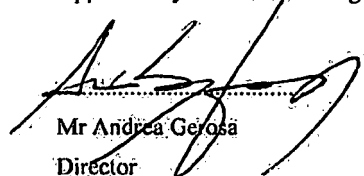
**Soldo Financial Services Ltd**

**(Registration number: 09495650)**

**Statement of Financial Position as at 31 December 2018**

	Note	2018 £	2017 £
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	10	4,549,700	1,317,490
Inventory	11	56,263	-
Cash and cash equivalents	12	2,264,315	1,024,782
Designated client money accounts	12	12,192,377	3,180,573
<b>Total assets</b>		<b>19,062,655</b>	<b>5,522,845</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	13	(1,724,348)	(1,724,348)
Retained earnings		1,002,846	970,683
<b>Total equity</b>		<b>(721,502)</b>	<b>(753,665)</b>
<b>Non-current liabilities</b>			
Other non-current financial liabilities		-	(104,435)
<b>Current liabilities</b>			
Trade and other payables	15	(18,341,153)	(4,664,745)
<b>Total liabilities</b>		<b>(18,341,153)</b>	<b>(4,769,180)</b>
<b>Total equity and liabilities</b>		<b>(19,062,655)</b>	<b>(5,522,845)</b>

Approved by the Board and signed on its behalf by:

  
Mr Andrea Gerosa  
Director

Date Signed: 25 / 06 / 2019

The notes on pages 14 to 23 form an integral part of these financial statements.

**Soldo Financial Services Ltd**

**Statement of Changes in Equity for the Year Ended 31 December 2018**

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2018	1,724,348	(970,683)	753,665
Loss for the year	-	(32,164)	(32,164)
Total comprehensive income	-	(32,164)	(32,164)
At 31 December 2018	1,724,348	(1,002,847)	721,501

	<b>Share capital £</b>	<b>Retained earnings £</b>	<b>Total £</b>
At 1 January 2017	1,000,000	(491,236)	508,764
Loss for the year	-	(479,447)	(479,447)
Total comprehensive income	-	(479,447)	(479,447)
New share capital subscribed	724,348	-	724,348
At 31 December 2017	1,724,348	(970,683)	753,665

The notes on pages 14 to 23 form an integral part of these financial statements.

**Soldo Financial Services Ltd**

**Statement of Cash Flows for the Year Ended 31 December 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Loss for the year		(32,164)	(479,447)
Adjustments to cash flows from non-cash items			
Finance income	5	(11,589)	(145)
Finance costs	5	(4,746)	(7,115)
		(48,499)	(486,707)
Working capital adjustments			
(Increase) in trade and other receivables	10	(15,288)	(286,381)
(Increase) in inventory	11	(56,263)	-
(Increase)/in eMoney in transit with third party eMoney issuers		(3,216,939)	(1,013,636)
Increase in trade and other payables	15	1,133,183	367,326
Increase in eMoney	15	12,228,743	4,081,139
Net cash flow from operating activities		10,024,937	2,661,741
<b>Cash flows from investing activities</b>			
Interest received	5	11,589	145
Loan received from another entity		210,065	-
Net cash flow from investing activities		221,654	145
<b>Cash flows from financing activities</b>			
Proceeds from issue of ordinary shares, net of issue costs		-	724,348
Proceeds from other borrowing draw downs		-	104,435
Foreign exchange gains / (losses)	5	4,746	7,115
Net cash flows from financing activities		4,746	835,898
Net increase in cash and cash equivalents		1,239,533	430,220
Net increase in designated cash		9,011,804	3,067,564
Cash and cash equivalents at 1 January		4,205,355	707,571
Cash and cash equivalents at 31 December		14,456,692	4,205,355

The notes on pages 14 to 23 form an integral part of these financial statements.

## **Soldo Financial Services Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **1 General information**

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

The address of its registered office is noted on the Company information page. The financials are presented in UK pounds sterling (£) which is the company's functional currency.

#### **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 adopted IFRSs and under historical cost accounting rules.

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.

##### **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.

##### **Changes to International Financial Reporting Standards**

Effective from 1 January 2018 IFRS 9 Financial Instruments replaced IAS 39 Financial Instruments: Recognition and Measurement and there was no material impact on the company from the date of adoption nor any change to the prior year figures (2017).

IFRS 15 Revenue from contracts to customers superseded the set of international accounting principles and interpretations on revenue recognition and it became effective on 1 January 2018. Due to the business activities of the Company the impact of IFRS 15 has been assessed as having no impact.



## **Soldo Financial Services Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **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.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates. Exchange differences are taken to the statement comprehensive income.

#### **Tax**

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

#### **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.

#### **Inventory**

Inventory is measured at the lower of cost and net realizable value.

#### **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.

## **Soldo Financial Services Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **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.

#### **Share capital**

Ordinary 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.

#### **Reserves**

Retained earnings represent the historical profits and losses of the company attributable to its shareholders.

#### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a separate entity and has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

For defined contribution plans contributions are paid publicly or privately administered pension insurance plans on a mandatory or contractual basis. The contributions are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as an asset.

#### **Financial assets and liabilities**

##### **Recognition and measurement**

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.

### **3 Critical accounting judgements and key sources of estimation uncertainty**

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The estimates and underlying assumptions are reviewed on an ongoing basis.

There were no key sources of estimation uncertainty during the year.

### **4 Revenue**

The analysis of the company's revenue for the year from continuing operations is as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Revenue	1,426,168	325,537
	<u>1,426,168</u>	<u>325,537</u>

## Soldo Financial Services Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 5 Finance income and costs

	2018 £	2017 £
<b>Finance income</b>		
Interest income on bank deposits	11,589	145
<b>Finance costs</b>		
Foreign exchange gains/(losses)	4,746	7,115
Net finance income/(costs)	<u>16,335</u>	<u>7,260</u>

#### 6 Staff costs

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

	2018 £	2017 £
Wages and salaries	609,459	436,816
Social security costs	67,969	46,079
Other short-term employee benefits	6,613	7,750
Pension costs, defined contribution scheme	6,494	642
Other employee expense	2,720	2,166
	<u>693,255</u>	<u>493,453</u>

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

	2018 No.	2017 No.
Administration and finance	6	4
Directors	2	2
Risk	2	2
Customer service	3	2
Marketing	2	1
	<u>15</u>	<u>11</u>

#### 7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	<u>158,590</u>	<u>100,840</u>

## Soldo Financial Services Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 8 Auditors' remuneration

	2018 £	2017 £
Fees payable to the auditors for the audit of the financial statements	12,300	10,000

#### 9 Income tax

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2018 - the same as the standard rate of corporation tax in the UK) of 19% (2017 – 19.25%).

The differences are reconciled below:

	2018 £	2017 £
Loss before tax	(32,164)	(479,447)
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017:19.25%)	(6,192)	(92,294)
Effects of:		
Losses carried forward	6,192	92,294
Current tax charge	Nil	Nil

#### 10 Trade and other receivables

	2018 £	2017 £
Trade receivables	130,039	39,941
Accrued income	4,007	23,144
Prepayments	15,503	1,133
Other receivables	4,400,151	1,253,272
Total current trade and other receivables	4,549,700	1,317,490

As at the year end the amount of £ 4,225,762,602 (2017: £ 1,013,636) included in other receivables is related to Electronic Money advanced to Issuers' designated money accounts.

#### 11 Inventory

	2018 £	2017 £
Cost of purchase	107,844	-
Cost of sales	(51,581)	-
	56,263	-

## **Soldo Financial Services Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

Inventory refers to the carrying value of the plastic card Soldo holds to be issued to customer for accessing e-wallet to perform the activities related the services provided by Soldo. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the first-in-first out method and net realizable value is the estimated selling price less costs of disposal in the ordinary course of business. The cost of inventories is based on the purchase price.

#### **12 Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash and cash equivalents	2,264,315	1,024,782
Designated client money accounts	12,192,377	3,180,573

#### **13 Share capital**

##### **Allotted, called up and fully paid shares**

	<b>2018</b>		<b>2017</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	1,724,348	1,724,348	1,724,348	1,724,348

##### **New shares allotted**

During the year no Ordinary shares were allotted.

##### **Prior year new shares allotted**

In the previous year, 724,348 Ordinary Shares having an aggregate nominal value of £724,348 were allotted for an aggregate consideration of £724,348.

#### **14 Pension and other schemes**

##### **Defined contribution pension scheme**

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £6,494 (2017 - £642).

Contributions totalling £1,410 (2017 - £556) were payable to the scheme at the end of the year and are included in creditors.

## Soldo Financial Services Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### 15 Trade and other payables

	2018 £	2017 £
Trade payables	26,375	27,186
Accrued expenses	37,822	38,175
Amounts due to group companies'	408,335	147,841
Social security and other taxes	48,853	16,041
Outstanding defined contribution pension costs	1,410	556
Other payables	17,818,358	4,434,946
	<u>18,341,153</u>	<u>4,664,745</u>

As at the year end the amount of £ 16,418,138 (2017: £ 4,189,395) included in other payables is related to Electronic Money issued in favour of clients and is balanced by a corresponding amount of cash held in designated client money accounts at bank and cash in transit with third party Electronic Money institutions for settlement obligations.

#### 16 Financial instruments

The company's principal financial instruments comprise cash, short terms borrowings and various items such as trade receivables, trade payables etc. that arise directly from operations. The main purpose of these financial instruments is the funding of the group's trading activities. Cash and cash equivalents and trade and other receivables are categorised as loans and receivables, and trade and other payables are classified as financial liabilities.

	Carrying value	
	2018 £	2017 £
Cash and cash equivalents	2,264,315	1,024,782
Designated client money accounts	12,192,377	3,180,573
Trade and other receivables	4,534,197	1,316,357
	<u>19,074,971</u>	<u>5,521,712</u>

	Carrying value	
	2018 £	2017 £
Trade and other payables	18,292,300	4,626,570
	<u>18,292,300</u>	<u>4,626,570</u>

## **Soldo Financial Services Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **17 Financial risk management**

##### **Credit risk and impairment**

Credit risk is the risk of financial loss to the company if a customer fails to meet its contractual obligations. It is Company policy to assess the credit risk of new customers.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. The company ensures cash is held with reputable institutions and reviews its cash holdings regularly to ensure that it is not over exposed.

##### **Foreign exchange risk**

Foreign exchange risk arises when the company enters into transactions denominated in a currency other than their functional currency. The company continually monitors its foreign exchange exposures and converts all foreign currency receipts into GBP.

##### **Liquidity risk**

Liquidity risk is the risk that the company will not be able to meet its financial obligations as they fall due. The company reviews its liquidity forecasts monthly to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

##### **Sensitivity analysis**

While the company takes steps to minimise its foreign exchange risk as described above, changes in foreign exchange rates will have an impact on profit. The directors consider that there is no material risk in relation to exchange rate movements.

##### **Capital risk management**

##### **Capital management**

The company monitors its level of capital which comprises all components of equity. The company's objective when maintaining capital is to safeguard the company's ability to continue as a going concern so that it can provide returns to shareholders and benefits for other stakeholders. In order to maintain the capital structure, the company may adjust the amount of dividends to be paid to the shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

#### **18 Related party transactions**

##### **Summary of transactions with parent entities**

Soldo Limited, parent company

During the year Soldo Ltd provided short term working capital to the company.

## Soldo Financial Services Ltd

### Notes to the Financial Statements for the Year Ended 31 December 2018

#### Loans from related parties

	Parent £
<b>2018</b>	
At start of period	147,841
Advanced	777,367
Repaid	<u>(567,889)</u>
At end of period	<u>357,319</u>
	Parent £
<b>2017</b>	
At start of period	45,000
Advanced	147,841
Repaid	<u>(45,000)</u>
At end of period	<u>147,841</u>

#### Expenditure with and payables to related parties

Soldo Technology Srl, related company

During the year Soldo Technology Srl provided primary software and IT Services.

#### Expenditure with and payables to related parties

	Related parties £
<b>2018</b>	
At start of period	-
Rendering of service	<u>51,016</u>
At end of period	<u>51,016</u>

#### Terms of loans from related parties

The amount due to and from the parent company are unsecured, interest free and repayable on demand.

#### 19 Obligations under leases and hire purchase contracts

##### Operating leases

The total future value of minimum lease payments is as follows:

	2018 £	2017 £
Within one year	131,200	-
Within two to five years	<u>21,867</u>	<u>-</u>
	<u>153,067</u>	<u>-</u>

The operating leases are for leasing of office space. The amount of non-cancellable operating lease payments recognised as an expense during the year was £63,174 (2017 - £nil)



## **Soldo Financial Services Ltd**

### **Notes to the Financial Statements for the Year Ended 31 December 2018**

#### **20 Parent and ultimate parent undertaking**

The company's immediate parent is Soldo Limited and the ultimate parent is Soldo Software and Services Limited a company registered in the Republic of Ireland. (Number 610465)

#### **21 Events after the reporting period**

On January 29<sup>th</sup> 2019 the Company submitted a Sup 15 Annex 4 notification re Brexit preparations for Soldo Financial Services Ltd to the FCA. An E-Money licence has been issued by the Central Bank of Ireland to the related company, Soldo Financial Services Ireland DAC on February 14<sup>th</sup>, 2019.