REGISTERED NUMBER: 09558664

FAIR PAYMENTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FAIR PAYMENTS LIMITED

CONTENTS

FAIR PAYMENTS LIMITED

COMPANY INFORMATION
YEAR ENDED 31 DECEMBER 2020

Directors
A J Quirke
I A I Strafford-Taylor
M Boon
R Q M Cooper
S England

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3rd Floor
Vintners' Place
68 Upper Thames Street
London
EC4V 3BJ
England

Independent auditors
PricewaterhouseCoopers LLP
No 1 Spinningfields
1 Hardman Square
Manchester
M3 3EB
England

Principal activity
The principal activity of Fair Payments Limited ("the Company") is as a prepaid card issuer through its membership of Mastercard for card issuing. The Company is regulated by the Financial Conduct Authority as an Electronic Money Issuer ("EMI") (Firm Reference Number 900493) and forms part of the Equals Group plc group of companies ("the Group").

Review of business
The Company's key financial and other performance indicators during the year were as follows:

	2020	2019
	£	£
Profit for the financial year	91,524	87,109
Net assets	567,140	475,616

The Company generated revenue of £125,520 (2019: £118,132) through its card issuing activities. During the year, the Company's ongoing capital requirement as an EMI was €350,000 or Sterling equivalent.

Principal risks and uncertainties
The Directors have reviewed the risks and uncertainties facing the Company and consider the key risks to be fraud and money laundering, inherent risks in a regulated EMI. As a consequence, the Company has robust polices in place to mitigate this risk, including client onboarding and anti-money laundering controls, procedures and training and automated transaction monitoring.

Whilst the COVID-19 pandemic may continue to impact the economy for some time to come, the Directors consider that the Company has the financial reserves to withstand any likely developments impacting the Company.

A description of the financial risks of the Company and measures taken to mitigate them may be found in note 15.

Outlook
The Company intends to increasingly provide inhouse prepaid card issuing services to the Group in support of the Group's supply chain rationalisation strategy. The Company therefore remains confident that it will continue to be profitable, with positive cash flow, for the foreseeable future.

Compliance with Companies Act 2006, Section 172 Statement
Under Section 172 of the Companies Act 2006, the Directors have a duty to act in good faith, which would most likely promote the success of the Company for the benefit and interests of all its stakeholders as a whole. The Company's stakeholders include, but are not limited to, its suppliers; customers and regulators.

The Board endeavors to achieve and maintain a reputation for high standards of conduct amongst its stakeholders which it regards as crucial in its ability to successfully achieve its corporate objectives. During the development of the Company's strategies and decision making processes, the Board will consider its stakeholders and their interests. The differing interests of stakeholders require the Board to assess and manage the impact of its policies in a fair and balanced manner to the benefit of its stakeholders as a whole.

The Board considers below these different stakeholders, their material issues and how the Company engages with them.

Suppliers
Supplier interests include fair trading, payment terms and working towards building a successful relationship. The Company will regularly review its supplier payments and performance alongside its monitoring of its performance. The Company's Modern Slavery Statement sets out the processes put in place in order to combat modern slavery in the business and its supply chains. https://www.equalsPLC.com/content/investors/corporate-governance

Customers
Customers are interested in successful product availability and usage; fair pricing and adherence to regulations. The Company wants to achieve the highest level of customer service and will regularly review feedback and reviews it receives from its customers. The Company operates under an open and transparent pricing model with its customers.

Regulators and Compliance
The Company holds licenses with the Financial Conduct Authority and HMRC and must adhere to the regulatory *requirements of these licenses. The Company ensures that staff have sufficient knowledge and regular training*, as necessary, to ensure that these regulations are met.

The nature of the business undoubtedly results in a higher risk of money laundering. All staff receive Anti-Bribery and Anti-Money Laundering training. Procedures and communication channels are in place to ensure that staff are able to comply with anti-Money Laundering regulations should there ever be a case.

Approved by Board on 25 May 2021 and signed on its behalf by:

Mr Anthony James Quirke
Director

FAIR PAYMENTS LIMITED

DIRECTORS' REPORT
YEAR ENDED 31 DECEMBER 2020

The Directors' present their annual report and audited financial statements for the Company for the year ended 31 December 2020.

General information
The Company is a private company, limited by shares, incorporated in England and Wales. The Company financial statements have been prepared in accordance with the Company's accounting policies under International Accounting Standards (IFRS) in conformity with the requirements of the Companies Act 2006.

Results and dividends
The results for the year are shown on page 10. The Company made a profit before taxation for the year of £91,524 (2019: £87,109). The Directors do not recommend the payment of a dividend for the year ended 31 December 2020 (2019: nil).

Directors
The following Directors have held office during the financial year and up to the date of approval of these financial statements.

Anthony James Quirke
Ian Alexander Irving Strafford-Taylor
Matthijs Boon
Richard Quentin Mortimer Cooper (appointed 28 January 2021)
Simon England (appointed 28 January 2021)
James Richard Hickman (resigned 28 January 2021)

Risks and risk management
The Company's exposure to risks and uncertainties is outlined in the Strategic Report.

Auditors
PricewaterhouseCoopers LLP have been re-appointed pursuant to section 487(2) of the Companies Act 2006 unless the members or Directors resolve otherwise.

Disclosure of information to the auditors
The Directors who held office at the date of approval of the annual report and financial statements confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events
On 1 January 2021, the UK Brexit transition period ended and the UK was therefore no longer a member of the European Union (EU) single market and customs union. The impact on the Company is considered to be limited as it has no significant customer activity in the EU and does not acquire any goods or services from the EU. The wider Group is considering alternative access arrangements to the EU and these will be shared with the Company if and when they become available.

Going concern
Based on the Company's budgets and financial projections, the Directors are satisfied that the Company is a going concern and therefore the financial statements have been prepared on a going concern basis. This assessment is based on whether there is sufficient liquidity and financing to support the business, including support from the Group, post balance sheet trading of the Company, the regulatory environment and the effectiveness of risk management policies.

Outlook
The Strategic Report includes an outlook for the forthcoming financial year.

Approved by the Board on 25 May 2021and signed on its behalf by:

Mr Anthony Quirke
Director

FAIR PAYMENTS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC AND DIRECTORS' REPORTS AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006.

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;
- state that international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable, relevant and reliable;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and a Directors' Report that complies with that law and those regulations.

Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board on 25 May 2021 and signed on its behalf by:

Mr Anthony James Quirke
Director

Independent auditors' report to the members of Fair Payments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Fair Payments Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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, which comprise: Statement of financial position as at 31 December 2020; Statement of comprehensive income, Statement of changes in equity & Statement of cash flows 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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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.

Independent auditors' report to the members of Fair Payments Limited (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify 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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 2020 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, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK regulatory principles, primarily those governed by the Financial Conduct Authority (FCA), and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements

Independent auditors' report to the members of Fair Payments Limited (continued)

(including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations;
- Reading and evaluating key correspondence with the Financial Conduct Authority in relation to compliance with laws and regulations;
- identifying and testing journals entries meeting specific fraud criteria; and
- challenging assumptions made by management in its significant accounting estimates.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's Directors 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 obtained 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.

D Brydon

Daniel Brydon (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
25 May 2021

FAIR PAYMENTS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Revenue and gross profit	**4**	**125,520**	**118,132**
Administrative (expenses) / income		(6,669)	(3,696)
Amortisation charge		(27,327)	(27,327)
Profit before tax	5	**91,524**	**87,109**
Tax expense	9	-	-
Profit for the financial year and total comprehensive income		**91,524**	**87,109**

All income and expenses arise from continuing operations.

The notes on pages 14 to 21 form an integral part of these financial statements.

FAIR PAYMENTS LIMITED

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Non-current assets			
Intangible assets	10	9,146	36,473
		9,146	36,473
Current assets			
Trade and other receivables	11	95,394	134,006
Cash and cash equivalents	12	728,329	510,651
		823,723	644,657
TOTAL ASSETS		832,869	681,130
EQUITY AND LIABILITIES			
Equity attributable to equity holders			
Share capital	13	350,001	350,001
Retained earnings		217,139	125,615
Total equity		567,140	475,616
Current liabilities			
Trade and other payables	14	265,729	205,514
		265,729	205,514
TOTAL EQUITY AND LIABILITIES		832,869	681,130

The notes on pages 14 to 21 form an integral part of these financial statements.

The financial statements on pages 10 to 21 were approved by the Board on 25 May 2021 and signed on its behalf by:

Mr Anthony James Quirke
Director

FAIR PAYMENTS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Retained earnings	Total
	£	£	£
At 1 January 2019	350,001	38,506	388,507
Profit for the financial year and total comprehensive income	-	87,109	87,109
At 31 December 2019	350,001	125,615	475,616
Profit for the financial year and total comprehensive income	-	91,524	91,524
At 31 December 2020	350,001	217,139	567,140

The notes on pages 14 to 21 form an integral part of these financial statements.

FAIR PAYMENTS LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Profit before tax		91,524	87,109
Cash flow from operating activities			
Adjustments for:			
Amortisation		27,327	27,327
Decrease in trade and other receivables		38,612	170,502
Increase / (decrease) in trade and other payables		60,215	(126,127)
Net cash inflow from operating activities		217,678	158,811
Net increase in cash and cash equivalents		217,678	158,811
Cash and cash equivalents at the beginning of the year		510,651	351,840
Cash and cash equivalents at the end of the year	12	728,329	510,651

The notes on pages 14 to 21 form an integral part of these financial statements.

1. General information

The Company is a private limited company limited by shares, registered in England and Wales and domiciled in the UK. The Company is a wholly owned subsidiary through direct holdings of Equals Group Plc.

2. New standards, amendments and interpretations to published standards

New and revised accounting standards and interpretations adopted, none of which had any material impact to the Group:

- *Amendments to References to Conceptual Framework in IFRS Standards*
- *Definition of Material (Amendments to IAS 1 and IAS 8)*
- Definition of a Business (Amendments to IFRS 3)
- *Covid-19-Related Rent Concessions – Amendment to IFRS 16*

New standards, amendments and interpretations issued but not yet effective, none of which is expected to have a material impact on the Group:

- *Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) (effective 1 January 2021)*
- *Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37) (effective 1 January 2022)*
- *Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16) (effective 1 January 2022)*
- *IFRS 17 Insurance Contracts (effective date of 1 January 2023)*
- *Classification of Liabilities as Current or Non-current (Amendments to IAS 1) (effective date of 1 January 2023)*

3. Basis of presentation, significant accounting policies and judgements and 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. The financial statements have been prepared on a historical cost basis.

Basis of presentation

These financial statements have been prepared in accordance with The Companies Act 2006 as applicable to companies using IFRS. The financial statements are presented in sterling, the Company and Group's presentational currency.

IFRS requires management to make certain accounting estimates and to exercise judgement in the process of applying the Company accounting policies. These estimates are based on the Directors best knowledge and past experience and are explained further in the judgement and estimates section disclosed below.

Going concern

Based on the Company's budgets and financial projections, the Directors are satisfied that the Company is a going concern and therefore the financial statements have been prepared on a going concern basis. This assessment is based on whether there is sufficient liquidity and financing to support the business, including support from the Group, post balance sheet trading of the Company, the regulatory environment and the effectiveness of risk management policies.

Foreign currency

In preparing these financial statements, transactions in currencies other than the Company's presentational currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transaction. At each statement of financial position date monetary items in foreign currencies are translated into the presentational currency at the exchange rate prevailing at statement of financial position date.

Exchange differences arising on the settlements of monetary items and on the retranslation of monetary items are included in the consolidated statement of comprehensive income for the year.

3. Basis of presentation of significant accounting policies (continued)

Income recognition

The Company has two distinct revenue streams, account residency charges and transaction-based charges. The account residency charge is due monthly, and the revenue is recognised when the monthly service has been provided and it is probable that payment will be received. The transaction-based charges are recognised at the time the transaction is entered into by the customer and deducted from the customer's account.

Taxation
The tax expense comprises current and deferred tax.

Deferred tax
Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the realised tax benefit will be realised.

Intangible assets
(i) Recognition and measurement
Intangible assets comprise licenses that are acquired by the Company and have finite useful lives. They are measured at cost less accumulated amortisation and any accumulated impairment losses.

(ii) Subsequent expenditure
Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

(iii) Amortisation
Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognised in profit or loss. The estimated useful lives for current and comparative periods are as follows:

Licences - 3 years

Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Trade and other receivables
Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Company's impairment policies and the calculation of the loss allowance are provided in the impairment disclosures below.

Other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less estimated credit losses.

3. Basis of presentation of significant accounting policies (continued)

Cash and cash equivalents
These include cash in hand and deposits held at call with banks. Any cash held on behalf of customers is segregated from Company cash and safeguarded in accordance with our regulatory obligations. The Company does not account for customer cash in the Company's financial statements.

Trade and other payables
These are initially recognised at fair value and then carried at amortised cost using the effective interest method.

Impairment

The Company's financial assets measured at amortised cost fall within the scope of IFRS 9 and comprise:
(i) trade and other receivables; and
(ii) cash and cash equivalents.

The Company applies the IFRS 9 simplified approach to the recognition of an expected credit loss ("ECL") on trade and other receivables. The Company does not track changes in credit risk, instead the Company recognised a loss allowance based on a lifetime ECL at the reporting date.

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

Guarantees
The Company policy is to only enter into financial guarantees with entities which are wholly owned by its ultimate parent company Equals Group PLC.

Judgements and estimates
In the process of applying the Company's accounting policies, management makes various judgements which can significantly affect the amounts recognised in the financial statements. They are also required to use certain accounting estimates and assumptions regarding the future that may have a risk of giving rise to a material adjustment to the carrying values of assets and liabilities within the next financial year. The Company has not made any judgements, assumptions and estimates during the year which could significantly affect the amounts recognised in the financial statements.

4. Revenue and segmental analysis

The Company only has one operating segment, Banking, which is reported to the Board of Directors (being the chief operating decision maker) to assess both performance and support strategic decisions. These financial statements present the results of the one operating segment and as such segment results have not been disclosed again in this note.

IFRS 15 requires the presentation of disaggregated revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affects by economic factors. Revenue is derived from a single segment in the UK. This is consistent with the Board strategy. Therefore, no segmental reporting is provided.

5. Profit before tax

Profit before tax in stated after charging the following:

	2020	2019
	£	£
Amortisation of intangibles	27,327	27,327
Net foreign currency differences	2,685	-

6. Staff costs

The average number of persons employed by the Company (including Directors with a service contract with the company) during the year was:

	2020	2019
	Headcount	Headcount
Administration staff	-	4

7. Directors' remuneration

None of the Directors were remunerated in respect of their services as a Director of the Company.

8. Auditors' remuneration

The auditors' remuneration of £13,000 excluding VAT (2019: £11,000 excluding VAT) for the statutory audit of the Company is borne by the ultimate parent company, Equals Group Plc. There are no non-audit fees.

9. Tax expense

The charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	2020	2019
	£	£
Profit before tax	91,524	87,109
Taxation at the UK corporation rate tax of 19.00% (2019: 19.00%)	17,390	16,551
Group relieved losses	(17,390)	(16,551)
Total tax expense for the year	-	-

10. Intangible assets

	2020 Licences £	2019 Licences £
Cost at 1 January and 31 December	81,981	81,981
Accumulated amortisation		
At 1 January	45,508	18,181
Charge for the year	27,327	27,327
At 31 December	72,835	45,508
Net book value		
At 31 December	9,146	36,473

11. Trade and other receivables

	2020 £	2019 £
Amounts owed by related parties	-	25,616
Other receivables	94,219	107,930
Prepayments and accrued income	1,175	460
	95,394	134,006

12. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and on hand	728,329	510,651

13. Share capital

	2020 £	2019 £
Authorised, issued and fully paid up capital		
350,001 (2019: 350,001) ordinary shares of £1 each	350,001	350,001

14. Trade and other payables

	2020	2019
	£	£
Trade creditors	14,827	16,304
Amounts due to related parties	250,902	189,210
	265,729	205,514

15. Financial risk management objectives and policies

The Company's financial instruments comprise cash, and various items arising directly from its operations. The main purpose of these financial instruments is to provide working capital for the Company. In common with other businesses, the Company is exposed to the risk that arises from its use of financial instruments. The Company does not deal in any financial instrument contracts for its own benefit. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them.

Principal financial instruments

The principal financial instruments of the Company, from which financial instrument risk arises, are as follows:

	2020	2019
	£	£
Cash and cash equivalents	728,329	510,651
Trade and other receivables	94,219	133,546
Trade and other payables	(265,729)	(205,514)

Credit risk

As required under IFRS 9, the Company analysed its trade debtors and split them into portfolios: bank and other financial institutions, financial service providers and customers. The Company has significant short-term receivables and security collateral arrangements with bank and other financial institutions and financial service providers; which have either settled post balance sheet date or are considered negligible due to the financial strength of the counterparty. As such the impact of expected credit losses under IFRS 9 have been assessed as minimal.

The ageing of financial assets at the statement of financial position date is as follows:

2020	On demand and within one month	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	Total
Company	£	£	£	£	£
Trade and other receivables	94,219	-	-	-	94,219

2019	On demand and within one month	Betwee n 1 and 3 months	Betwee n 3 and 12 months	Over 1 year	Total
Company	£	£	£	£	£
Trade and other receivables	133,546	-	-	-	133,546

15. Financial risk management objectives and policies (continued)

Liquidity risk

Management of liquidity risk is achieved by monitoring budgets and forecasts and actual cash flows and available cash balances. The daily settlement flows in respect of financial asset and liability, spot and swap contracts require adequate liquidity which is provided through intra-day settlement facilities. Further details of the risk management objectives and policies are disclosed in the principal risks and uncertainties section of the Strategic Report.

The table below analyses the Company's gross undiscounted financial liabilities by their contractual maturity date.

2020	Current and not impaired	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	Individually impaired	Total
Company	**£**	**£**	**£**	**£**	**£**	**£**
Trade and other payables	265,729	-	-	-	-	265,729

2019	Current and not impaired	Between 1 and 3 months	Between 3 and 12 months	Over 1 year	Individually impaired	Total
Company	**£**	**£**	**£**	**£**	**£**	**£**
Trade and other payables	205,514	-	-	-	-	205,514

Foreign currency risk

Foreign currency risk arises from having assets and liabilities in currencies other than sterling. The Group's balance sheet includes foreign currency balances placed with card issuers and currency trade creditors. The sterling equivalent of USD foreign currency balances with card providers at year end was £82,578. The sterling equivalent of foreign currency balances with trade creditors at year end was £14,827, comprising USD and Euro balances.

Capital management policy and procedures

The Company's ongoing capital requirement as an EMI was €350,000 or Sterling equivalent. The Company's capital management objectives are:

- to ensure that the Group and Company will be able to continue as a going concern; and
- to maximise the income and capital return to the Company's shareholders.

The Directors monitor the financial position of the Company throughout the year to ensure it has sufficient capital arising from its existing operations to meet its capital requirement.

16. Contingent liabilities

The Company has no contingent liabilities at 31 December 2020 (2019 £350,000 guarantee to Equals Group PLC as security for a loan of £350,000 made by Equals Group PLC to Q Money Limited)

17. Related party transactions

Summary of transactions with key management
Key management who are responsible for controlling and directing the activities of the Company comprise the Directors of the Group and the Directors of the Company.

The total amount payable to all key management personnel in respect of their services to the Company was £nil (2019: £nil).

Other related party transactions:

	Transaction values for the year ended	
	2020	**2019**
	£	**£**
Subsidiaries of ultimate parent entity Equals Group Plc		
Cost recharged	252,164	163,788

Balances outstanding from / to related parties are disclosed in notes 11 and 14.

There are no other related party transactions which, as a single transaction or in their entirety, are or may be material to the Company and have been entered into by the Company during the year ended 31 December 2020.

18. Post balance sheet events

On 1 January 2021, the UK Brexit transition period ended and the UK was therefore no longer a member of the European Union (EU) single market and customs union. The impact on the Company is considered to be limited as it has no significant customer activity in the EU and does not acquire any goods or services from the EU. The wider Group is considering alternative access arrangements to the EU and these will be shared with the Company if and when they become available.

19. Ultimate controlling party

Equals Group Plc is the Company's ultimate parent company and is considered by the Directors to be the ultimate controlling party. The largest and smallest group in which the results of the Company are consolidated is that headed by Equals Group PLC, the direct parent of the Company. Copies of the consolidated accounts may be obtained from https://www.equalsplc.com/content/investors.