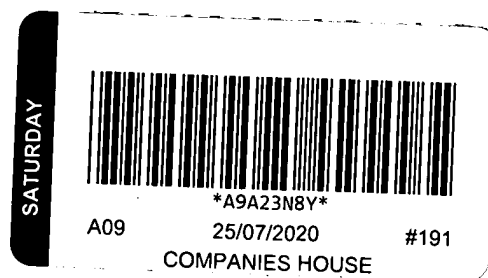


Registration number: 09990597

OVAL MONEY LTD
Consolidated Financial Statements
for the Year Ended 31 December 2019



BREBNERS
Chartered Accountants & Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

OVAL MONEY LTD

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OVAL MONEY LTD

Company Information

Directors	B A Lucini
	C Bedino
	E Benedetto
	S Marzola
	B Del Genio
	E M Carluccio
	S Fraternali
Registered office	183-185 Bermondsey Street London SE1 3UW
Auditors	Brebners Chartered Accountants & Statutory Auditor 130 Shaftesbury Avenue London W1D 5AR

OVAL MONEY LTD

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company and group is the development and distribution of a personal finance and investment application.

Activities

Oval is a unique platform personalised for each user that allows aggregation and access to a growing range of financial products and services through a user friendly interface. The platform is ready to scale and fully integrated to our financial partners.

The platform allows users to set aside savings generated from personalised savings rules in order to accumulate capital for the purpose of investing. All the process is fully automated and works on a recurring basis.

Fair review of the business

During 2019 the business has experienced a large expansion of its customer base and operations, thus establishing the pillars to expand its operations replicating the model geographically into southern Europe.

The investment section of the app was launched in October 2018 in Beta and January 2019 for everyone, providing opportunities to users to assess level of risk and themed products to make their money grow over a long-term horizon.

During the second half of the year, the product team has worked on integrating the app with Banca5, our banking provider in Italy to offer clients a savings account with an associated bank card and possibility to make online payments and transfers.

The group has a subsidiary, BEC s.r.l., based in Turin, Italy. Most of the management is based in the Italian office heading up the operations, design and software development. The headquarters in London is responsible for corporate functions such as compliance and finance. Both BEC s.r.l. and Oval Money Ltd. have moved offices during 2019 to support the growth of the workforce and create a great environment for employees. During the year, the group has increased the workforce from 19 to 38 employees including senior employees to support the founders in the management of the firm.

The company is in the final stages of establishing a subsidiary based in Madrid as a response to Brexit. The subsidiary will be fully regulated as an investment firm with similar permissions to its UK parent.

Financial and Non-financial KPIs

The main performance indicators the management considers in the business are growth of registered users, active users and assets under management. At this stage of the business model, the company is concentrating its efforts to improve the product, enhance the customer experience and build a great reputation for the app.

Registered users increased 98% during the year showing at the end of the year 356,000 users. In terms of financial results, the group has increased revenues to £245,487 from £2,119 in 2018. The main costs of the business are salaries, marketing and variable costs related to client servicing. Net loss during the year was £3,083,288 which was financed with additional capital issuance. As such, the group are in a strong cash position as at the year end seeing a cash increase from £145,644 in 2018 to £1,880,604 in 2019. As the Company is a start up and in a loss-making phase for the next 2 years the fundraising activity is crucial to survive as is the reality for many fintech companies at this stage.

OVAL MONEY LTD

Strategic Report for the Year Ended 31 December 2019

Financial Instruments

The group uses basic financial instruments, other than derivatives, comprising bank balances, and various other items such as trade debtors and trade creditors. The main purpose of these instruments is to raise funds for and finance for the group's operations.

It is and has been throughout the year under review, the group's policy that no trade in non-basic financial instruments shall be undertaken.

The group does not enter into any formal hedging arrangements.

Principal risks and uncertainties

Systems and controls are in place to mitigate risks at all times. Even though the group does not require a specific risk management function due to its size and complexity, the directors and management are responsible for the day to day management, monitoring and oversight of the key risks.

The directors have considered the potential effect of the current COVID-19 crisis and, although there is no certainty as to when this will end, the current view is that the impact will be manageable as the group operates in the financial services market.

The business started to operate remotely at the beginning of March in both Italy and UK locations. Systems and employees were already prepared for a contingency of homeworking as being a tech firm gives the group an advantage. In order to minimise the financial impact of COVID-19 the firm is managing the cash flow by reducing marketing expenses, freezing recruitment and cutting down 20% of salary costs since April. The group is reducing other expenses whenever possible until the impact from COVID-19 is clearer. The group operates within the Fintech sector offering online personal finance services and an investments portal. This industry may suffer initially from the pandemic, but it is expected to recover quickly with the need for the public to quickly react to their personal finance and investment needs when markets recover. The group has launched new investment opportunities adapted to customers' needs which resulted in record investments. In terms of new customers, the group believes that any reduction in marketing expenditure will not cause a significant drop in new users as a large proportion of users are referrals coming from blogs and social media channels. Further details of the directors assessment are set out in the notes to the financial statements.

During 2019 there was little evidence to suggest that Brexit was having any significant impact on the business. The main customer bases are Italy and UK and no significant impact of the Brexit negotiations throughout 2019 was seen through analysis of customer data. The directors have been planning for potential impacts of Brexit on the business and included within their strategy is the development of a regulated subsidiary entity in Madrid, Spain.

The group has developed a Risk Management Framework to strengthen its risk management processes and practices. The following are the key risks impacting the group:

Operational Risk

This is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, including legal and regulatory risk. The group seeks to minimise operational risks through a controls framework, particularly when engaging in new business ventures.

Business Risk

Business risk arises from external sources such as changes to the economic environment or one-off economic shocks, and also from internal sources such as poor decisions or suboptimal allocation of resources resulting in poor performance and damage to the group's reputation.

Credit Risk

The group is exposed to credit risk mainly on cash held at regulated credit institutions and electronic money partners. There are no significant outstanding balances owed by customers or partners.

OVAL MONEY LTD

Strategic Report for the Year Ended 31 December 2019

Market risk

The group does not have exposure to market risk with the exception of foreign exchange risk as the subsidiary's accounts are expressed in euro as well as certain balances with creditors and debtors expressed in foreign currency.

Liquidity Risk

Liquidity risk is the risk that the group may be unable to meet short term financial liabilities. The group manages its cash flow in a prudent way and ensures it has sufficient cash to manage its short term liabilities.

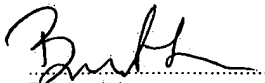
Future Developments

The growth plan includes expansion into different markets and consolidation in Italy as well as developing the product to integrate multiple financial assets to users.

Research and Development

The group continues to develop the existing app platform adding new features and functionalities in accordance with its development plan.

Approved by the Board on 24/06/2020 and signed on its behalf by:


B A Lucini
Director

OVAL MONEY LTD

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the consolidated financial statements for the year ended 31 December 2019.

Directors of the group

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

B A Lucini

S Torre (ceased 21 January 2019)

G Bertoldi (ceased 21 January 2019)

C Bedino

E Benedetto

S Marzola (appointed 28 October 2019)

S Borgese (appointed 21 January 2019 and ceased 26 March 2020)

B Del Genio (appointed 21 January 2019)

The following directors were appointed after the year end:

E M Carluccio (appointed 10 January 2020)

S Fraternali (appointed 17 April 2020)

Information included in the Strategic Report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of research and development, future developments and financial instruments.

Important non adjusting events after the financial period

Subsequent to the year end the following share issues have taken place at a nominal share value of £0.0004;

913,115 B Ordinary shares issued for a consideration of £1,114,000.

6,583 Employees Ordinary shares issued for a consideration of £230.40.

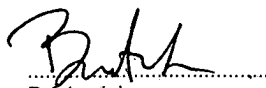
54,750 Employees Ordinary shares issued for a consideration of £1,916.25.

1,304,960 A Ordinary shares have been allocated for which a consideration of £1,521.98 is due to be paid.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved by the Board on 24/06/2020 and signed on its behalf by:


B A Lucini
Director

OVAL MONEY 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

OVAL MONEY LTD

Independent Auditor's Report to the Members of Oval Money Ltd

Opinion

We have audited the financial statements of Oval Money Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019, which comprise the Consolidated Statement of Income and Retained Earnings, Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Statement of Financial Position, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

Other Matters

Without qualifying our opinion, we draw attention to the accounting policies on page 17 to the financial statements and the fact that the comparative information in the accounts was unaudited as the company was entitled to exemption from audit.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements, which indicates that in conjunction with the uncertainty connected with the COVID-19 crisis, the group made a loss after tax for the year ended 31 December 2019 of £3,083,288 and is forecast to incur further losses while it establishes itself in its marketplace.

As stated in note 2, these events or conditions, along with other matters as set forth in note 2, indicate that a material uncertainty exists that may cast significant doubt on the group's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the group was unable to continue as a going concern. Our opinion is not modified in respect of this matter.

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.

OVAL MONEY LTD

Independent Auditor's Report to the Members of Oval Money Ltd

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.

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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 [set out on page 6], 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 group's and the parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

OVAL MONEY LTD

Independent Auditor's Report to the Members of Oval Money Ltd

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Darren Bond (Senior Statutory Auditor)
For and on behalf of

Brebners, Statutory Auditor
130 Shaftesbury Avenue
London
W1D 5AR

Date: 24/06/2020

OVAL MONEY LTD

Consolidated Statement of Income for the Year Ended 31 December 2019

	Note	2019 £	unaudited 2018 £
Turnover	3	245,487	2,119
Cost of sales		<u>(1,238,341)</u>	<u>(533,692)</u>
Gross loss		(992,854)	(531,573)
Administrative expenses		<u>(2,527,666)</u>	<u>(962,302)</u>
Operating loss	4	<u>(3,520,520)</u>	<u>(1,493,875)</u>
Other interest receivable and similar income	5	54	16
Interest payable and similar charges	6	<u>(16,964)</u>	<u>(14,514)</u>
		<u>(16,910)</u>	<u>(14,498)</u>
Loss before tax		(3,537,430)	(1,508,373)
Taxation	10	<u>454,142</u>	<u>222,610</u>
Loss for the financial year		<u>(3,083,288)</u>	<u>(1,285,763)</u>
Profit/(loss) attributable to:			
Owners of the company		<u><u>(3,083,288)</u></u>	<u><u>(1,285,763)</u></u>

The notes on pages 17 to 35 form an integral part of these financial statements.

OVAL MONEY LTD

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 £	unaudited 2018 £
Loss for the year	(3,083,288)	(1,285,763)
Foreign currency translation gains/(losses)	<u>(19,626)</u>	<u>(15,829)</u>
Total comprehensive income for the year	<u>(3,102,914)</u>	<u>(1,301,592)</u>
Total comprehensive income attributable to:		
Owners of the company	<u>(3,102,914)</u>	<u>(1,301,592)</u>

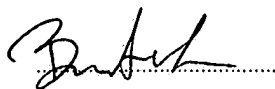
The notes on pages 17 to 35 form an integral part of these financial statements.

OVAL MONEY LTD

Consolidated Statement of Financial Position as at 31 December 2019

	Note	2019 £	(As restated) unaudited 2018 £
Fixed assets			
Intangible assets	11	1,233,047	548,975
Tangible assets	12	<u>139,314</u>	<u>57,917</u>
		<u>1,372,361</u>	<u>606,892</u>
Current assets			
Debtors	14	810,850	259,154
Cash at bank and in hand		<u>1,880,604</u>	<u>145,644</u>
		2,691,454	404,798
Creditors: Amounts falling due within one year	16	<u>(1,076,959)</u>	<u>(815,247)</u>
Net current assets/(liabilities)		<u>1,614,495</u>	<u>(410,449)</u>
Total assets less current liabilities		<u>2,986,856</u>	<u>196,443</u>
Creditors: Amounts falling due after more than one year	16	<u>(450,748)</u>	<u>(610,670)</u>
Net assets/(liabilities)		<u>2,536,108</u>	<u>(414,227)</u>
Capital and reserves			
Called up share capital	18	15,675	9,516
Share premium reserve	19	7,648,675	1,601,585
Profit and loss account	19	<u>(5,128,242)</u>	<u>(2,025,328)</u>
Equity attributable to owners of the company		<u>2,536,108</u>	<u>(414,227)</u>
Total equity		<u>2,536,108</u>	<u>(414,227)</u>

Approved and authorised by the Board on 24/06/2020 and signed on its behalf by:


B A Lucini
Director

Company registration number: 09990597

The notes on pages 17 to 35 form an integral part of these financial statements.

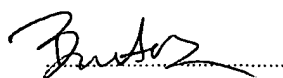
OVAL MONEY LTD

Statement of Financial Position as at 31 December 2019

	Note	2019 £	(As restated) unaudited 2018 £
Fixed assets			
Intangible assets	11	1,202,904	527,701
Tangible assets	12	10,266	8,451
Investments	13	8,940	8,940
		<u>1,222,110</u>	<u>545,092</u>
Current assets			
Debtors	14	567,031	266,485
Cash at bank and in hand		<u>1,363,059</u>	<u>32,561</u>
		1,930,090	299,046
Creditors: Amounts falling due within one year	16	<u>(1,597,959)</u>	<u>(1,664,187)</u>
Net current assets/(liabilities)		<u>332,131</u>	<u>(1,365,141)</u>
Net assets/(liabilities)		<u>1,554,241</u>	<u>(820,049)</u>
Capital and reserves			
Called up share capital	18	15,675	9,516
Share premium reserve		7,648,675	1,601,585
Profit and loss account		<u>(6,110,109)</u>	<u>(2,431,150)</u>
Total equity		<u>1,554,241</u>	<u>(820,049)</u>

The company made a loss after tax for the financial year of £3,678,959 (2018 unaudited - loss of £1,569,626).

Approved and authorised by the Board on 24/06/2020 and signed on its behalf by:


B A Lucini
Director

Company registration number: 09990597

The notes on pages 17 to 35 form an integral part of these financial statements.

OVAL MONEY LTD

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2019
Equity attributable to the parent company

	Share capital £	Share premium £	Profit and loss account £	Total £	Total equity £
At 1 January 2019	9,516	1,601,585	(2,025,328)	(414,227)	(414,227)
Loss for the year	-	-	(3,083,288)	(3,083,288)	(3,083,288)
Other comprehensive income	-	-	(19,626)	(19,626)	(19,626)
Total comprehensive income	-	-	(3,102,914)	(3,102,914)	(3,102,914)
New share capital subscribed	6,159	6,047,090	-	6,053,249	6,053,249
At 31 December 2019	15,675	7,648,675	(5,128,242)	2,536,108	2,536,108

	Share capital £	Share premium £	Profit and loss account £	Total £	Total equity £
At 1 January 2018 - unaudited	7,450	346,758	(723,736)	(369,528)	(369,528)
Loss for the year	-	-	(1,285,763)	(1,285,763)	(1,285,763)
Other comprehensive income	-	-	(15,829)	(15,829)	(15,829)
Total comprehensive income	-	-	(1,301,592)	(1,301,592)	(1,301,592)
New share capital subscribed	2,066	1,254,827	-	1,256,893	1,256,893
At 31 December 2018 - unaudited	9,516	1,601,585	(2,025,328)	(414,227)	(414,227)

The notes on pages 17 to 35 form an integral part of these financial statements.

OVAL MONEY LTD

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

	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2019	9,516	1,601,585	(2,431,150)	(820,049)
Loss for the year	-	-	(3,678,959)	(3,678,959)
Total comprehensive income	-	-	(3,678,959)	(3,678,959)
New share capital subscribed	6,159	6,047,090	-	6,053,249
At 31 December 2019	15,675	7,648,675	(6,110,109)	1,554,241
	Share capital £	Share premium £	Profit and loss account £	Total £
At 1 January 2018 - unaudited	7,450	346,758	(861,524)	(507,316)
Loss for the year	-	-	(1,569,626)	(1,569,626)
Total comprehensive income	-	-	(1,569,626)	(1,569,626)
New share capital subscribed	2,066	1,254,827	-	1,256,893
At 31 December 2018 - unaudited	9,516	1,601,585	(2,431,150)	(820,049)

The notes on pages 17 to 35 form an integral part of these financial statements.

OVAL MONEY LTD

Consolidated Statement of Cash Flows for the Year Ended 31 December 2019

	Note	2019 £	(As restated) unaudited 2018 £
Cash flows from operating activities			
Loss for the year		(3,083,288)	(1,285,763)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	253,153	8,195
Finance income	5	(54)	(16)
Finance costs	6	16,964	14,514
Income tax expense	10	(454,142)	(222,610)
Foreign exchange (gains) / losses		<u>(19,626)</u>	<u>(2,048)</u>
		(3,286,993)	(1,487,728)
Working capital adjustments			
Increase in trade debtors	14	(297,394)	(37,281)
Increase in trade creditors	16	<u>230,918</u>	<u>675,837</u>
Cash generated from operations		(3,353,469)	(849,172)
Income taxes received	10	<u>199,840</u>	<u>157,947</u>
Net cash flow from operating activities		<u>(3,153,629)</u>	<u>(691,225)</u>
Cash flows from investing activities			
Interest received		54	16
Acquisitions of tangible assets		(98,901)	(53,060)
Acquisition of intangible assets	11	<u>(919,721)</u>	<u>(513,460)</u>
Net cash flows from investing activities		<u>(1,018,568)</u>	<u>(566,504)</u>
Cash flows from financing activities			
Interest paid	6	(16,964)	(14,514)
Proceeds from issue of ordinary shares, net of issue costs		6,053,249	1,257,854
Repayment of other borrowing		<u>(129,128)</u>	<u>(102,412)</u>
Net cash flows from financing activities		<u>5,907,157</u>	<u>1,140,928</u>
Net increase/(decrease) in cash and cash equivalents		1,734,960	(116,801)
Cash and cash equivalents at 1 January		<u>145,644</u>	<u>262,445</u>
Cash and cash equivalents at 31 December		<u>1,880,604</u>	<u>145,644</u>

The notes on pages 17 to 35 form an integral part of these financial statements.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

1 GENERAL INFORMATION

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

The principal activity of the company and group is the development and distribution of a personal finance and investment application.

The address of its registered office is:

183-185 Bermondsey Street

London

SE1 3UW

2 ACCOUNTING POLICIES

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.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except any items disclosed in the accounting policies as being shown at fair value and are presented in sterling, which is the functional currency of the entity.

The comparative information presented in the accounts was unaudited as the company was entitled to exemption from audit.

Summary of disclosure exemptions

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) No cash flow statement has been presented
- (b) Disclosures in respect of financial instruments have not been presented.
- (c) Disclosures in respect of key management personnel compensation in total have not been presented.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Going concern

During the year the group incurred a loss after tax of £3,083,288 but had net assets of £2,536,108 at the year-end including net current assets of £1,614,495 and cash at bank and in hand of £1,880,604. Further losses are anticipated while the group continues to establish itself in its marketplace.

The subsidiary company currently has a loan from the bank of €800,000 and has a good relationship with the bank which has indirectly invested in the group's share capital and has a participating stake of over 20%. The group relies on crowdfunding and the support of its investors. Equity subscribed during the year ended 31 December 2019 amounted to £6,044,204 and subsequent to the year end continued support has been made by way of a further equity share issue for additional working capital of £1,114,000.

The COVID-19 pandemic and measures taken by various governments worldwide to contain the virus could have a significant impact on the liquidity and/or solvency of all businesses, including Oval group as there is now uncertainty about the long term outlook.

This industry may suffer initially from the pandemic, but it is expected to recover quickly with the need for the public to immediately react to their personal finance and investment needs when markets recover. The group has launched new investment opportunities adapted to customers' needs which resulted in record investments in the first part of 2020.

The directors have considered the impact of the current crisis and have taken the following steps in relation to managing the increased risk.

- The business started to operate remotely from March 2020 in both UK and Italy.
- Reducing marketing expenses, freezing recruitment and cutting down 20% of salary costs as of April 2020.

The directors have produced a forecast of the projected financial performance of the group for the next 12 months on a stressed basis, factoring in the potential impact of the COVID-19 pandemic on both the turnover and costs of the business and these indicate that further funds will be required by the group. Having done so, in order for the group to continue to be able to manage its liabilities as they fall due additional funding will be required towards the end of 2020 and into 2021. Indications suggest that the subsidiary company has successfully negotiated a further loan from the bank of €1m. Furthermore, the parent company is in the advanced stages of negotiating a convertible loan with the same bank for £1m and management are confident this will be matched by a government investment scheme currently on offer in the UK. Following this, further crowdfunding campaigns are set to take place in early 2021. The success and timing of these cash inflows will be key to the group being able to manage its working capital.

Having considered this and the projected financial performance of the group, which the directors believe are a conservative basis The directors are confident that the business can, despite the current pandemic, sustain itself, covering its fixed overheads as they become due, taking into account the available future funding noted above.

After making enquiries and taking into account the circumstances outlined above, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Accordingly they continue to adopt the going concern basis in preparing the financial statements.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2019.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Income Statement from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Prior period adjustments

In the current year the directors amended their policy for recognition of capitalised software development costs. This has resulted in the requirement for a prior year adjustment in both the group and company accounts, the impact of which has been to increase capitalised costs in the prior period by reducing current period additions, by an amount of £505,072. There is no impact on the tax charge.

	Relating to the current period disclosed in these financial statements £	Relating to the prior period disclosed in these financial statements £	Relating to periods before the prior period disclosed in these financial statements £
Software development cost	-	505,072	-
Creditors	-	(505,072)	-

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. Key assumptions and other estimation uncertainty may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Judgements and estimates that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

Software Development Expenditure

Development expenditure is capitalised in accordance with the accounting policy given below. The initial capitalisation of such costs is based on management's judgement as to the technical and economic feasibility of project completion and assumptions regarding expected future cash generation, expected period of benefit and discount rates applied.

Other than those involving estimations there are no judgements that management have made in the process of applying the entity's accounting policies that have a significant effect on the amounts recognised in the financial statements.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Revenue recognition

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

The company earns revenue from introductory fees from its clients placing funds with its designated investment managers and receives income based upon the level of funds held under management by these managers. Revenues and fees are also received from its clients usage of the personal finance application, referral fees and other branded smart account services.

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's 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 rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Fixtures, Fittings and Equipment	4 years straight line

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Separately acquired trademarks and licenses are shown at historical cost.

Trademarks, licenses (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licenses (including software) and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Software Development costs	5 years straight line

Research and development

Research expenditure is written off in the period in which it is incurred.

Software Development expenditure incurred is capitalised as an intangible asset when all of the following criteria are met:

- It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- There is the intention to complete the intangible asset and use or sell it;
- There is the ability to use or sell the intangible asset;
- The use or sale of the intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Expenditure that does not meet the above criteria is expensed as incurred. Development expenditure includes wages and salaries costs where appropriate.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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 change in value.

Debtors

Trade debtors are amounts due from customers for services performed in the ordinary course of business.

Trade debtors 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 debtors 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.

Creditors

Trade creditors 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 the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Income Statement over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

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.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

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.

Defined contribution pension obligation

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

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability when this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity

3 REVENUE

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

	2019 £	unaudited 2018 £
Rendering of services - UK	13,264	401
Rendering of services - Europe	232,223	1,718
	<u>245,487</u>	<u>2,119</u>

4 OPERATING LOSS

Arrived at after charging/(crediting)

	2019 £	unaudited 2018 £
Depreciation expense	17,504	8,195
Amortisation expense	235,649	-
Foreign exchange (gains)/losses	(8,616)	34,793
	<u>(8,616)</u>	<u>34,793</u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

5 OTHER INTEREST RECEIVABLE AND SIMILAR INCOME

	2019 £	unaudited 2018 £
Interest income on bank deposits	<u>54</u>	<u>16</u>

6 INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	unaudited 2018 £
Interest expense on other finance liabilities	<u>16,964</u>	<u>14,514</u>

7 STAFF COSTS

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

	2019 £	unaudited 2018 £
Wages and salaries	1,099,716	597,328
Social security costs	270,803	109,637
Pension costs, defined contribution scheme	72,237	31,663
Other employee expense	9,499	4,248
	<u>1,452,255</u>	<u>742,876</u>

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

	2019 No.	unaudited 2018 No.
Production	34	15
Administration and support	<u>4</u>	<u>4</u>
	<u>38</u>	<u>19</u>

8 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2019 £	unaudited 2018 £
Remuneration	<u>60,133</u>	<u>38,150</u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

9 AUDITORS' REMUNERATION

	2019 £	unaudited 2018 £
Audit of these financial statements	<u>7,500</u>	<u>-</u>

10 TAXATION

Tax charged/(credited) in the income statement

	2019 £	unaudited 2018 £
Foreign tax	<u>(454,142)</u>	<u>(222,610)</u>

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% (2018 - 19%).

The differences are reconciled below:

	2019 £	unaudited 2018 £
Loss before tax	<u>(3,537,430)</u>	<u>(1,508,373)</u>
Corporation tax at standard rate	(672,112)	(286,591)
Effect of tax losses	672,112	286,591
Tax increase arising from overseas tax suffered/expensed	41,839	18,287
Tax decrease from effect of adjustment in research and development tax credit	<u>(495,981)</u>	<u>(240,897)</u>
Total tax credit	<u>(454,142)</u>	<u>(222,610)</u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

11 INTANGIBLE ASSETS

Group

	Software Development Costs £
Cost or valuation	
At 1 January 2019 (unaudited) (as restated)	548,975
Additions acquired separately	<u>919,721</u>
At 31 December 2019	<u>1,468,696</u>
Amortisation	
Amortisation charge	<u>235,649</u>
At 31 December 2019	<u>235,649</u>
Carrying amount	
At 31 December 2019	<u><u>1,233,047</u></u>
At 31 December 2018 (unaudited)	<u><u>548,975</u></u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Company

	Software Development Costs £
Cost or valuation	
At 1 January 2019 (unaudited) (as restated)	527,701
Additions acquired separately	<u>910,852</u>
At 31 December 2019	<u>1,438,553</u>
Amortisation	
Amortisation charge	<u>235,649</u>
At 31 December 2019	<u>235,649</u>
Carrying amount	
At 31 December 2019	<u><u>1,202,904</u></u>
At 31 December 2018 (unaudited)	<u><u>527,701</u></u>

12 TANGIBLE ASSETS

Group

	Furniture, fittings and equipment £
Cost or valuation	
At 1 January 2019 (unaudited)	66,112
Additions	<u>98,901</u>
At 31 December 2019	<u>165,013</u>
Depreciation	
At 1 January 2019 (unaudited)	8,195
Charge for the year	<u>17,504</u>
At 31 December 2019	<u>25,699</u>
Carrying amount	
At 31 December 2019	<u><u>139,314</u></u>
At 31 December 2018 (unaudited)	<u><u>57,917</u></u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

Company

	Furniture, fittings and equipment £
Cost or valuation	
At 1 January 2019 (unaudited)	9,017
Additions	<u>4,616</u>
At 31 December 2019	<u>13,633</u>
Depreciation	
At 1 January 2019 (unaudited)	566
Charge for the year	<u>2,801</u>
At 31 December 2019	<u>3,367</u>
Carrying amount	
At 31 December 2019	<u><u>10,266</u></u>
At 31 December 2018 (unaudited)	<u><u>8,451</u></u>

13 INVESTMENTS

Group

The group has no investments.

Company

	2019 £	unaudited 2018 £
Investments in subsidiaries	<u><u>8,940</u></u>	<u><u>8,940</u></u>
Subsidiaries		£
Cost or valuation		
At 1 January 2019		<u>8,940</u>
Provision		
Carrying amount		
At 31 December 2019		<u><u>8,940</u></u>
At 31 December 2018 (unaudited)		<u><u>8,940</u></u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

DETAILS OF UNDERTAKINGS

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
SUBSIDIARY UNDERTAKINGS				
BEC S.R.L	TURIN (TO) VIA ALFIERI 11 CAP 10121 ITALY	€1 Ordinary shares	100%	100%

14 DEBTORS

	Note	Group		Company (As restated)	
		2019 £	unaudited 2018 £	2019 £	unaudited 2018 £
Trade debtors		31,178	130	7,427	129
Amounts owed by related parties	22	-	-	286,760	238,640
Other debtors		137,126	52,927	77,312	12,257
Prepayments		199,496	17,349	195,532	15,459
Corporation tax asset	10	443,050	188,748	-	-
		<u>810,850</u>	<u>259,154</u>	<u>567,031</u>	<u>266,485</u>

15 CASH AND CASH EQUIVALENTS

	Group		Company	
	2019 £	unaudited 2018 £	2019 £	unaudited 2018 £
Cash at bank	<u>1,880,604</u>	<u>145,644</u>	<u>1,363,059</u>	<u>32,561</u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

16 CREDITORS

	Note	Group (As restated)		Company (As restated)	
		2019 £	unaudited 2018 £	2019 £	unaudited 2018 £
Due within one year					
Loans and borrowings	20	141,317	110,523	-	-
Trade creditors		505,493	483,400	475,215	180,413
Amounts due to related parties	22	-	-	1,032,113	1,421,369
Social security and other taxes		198,828	97,027	14,225	7,607
Outstanding defined contribution pension costs		2,588	811	2,588	811
Other payables		135,047	67,332	52,716	23,715
Accruals		<u>93,686</u>	<u>56,154</u>	<u>21,102</u>	<u>30,272</u>
		<u>1,076,959</u>	<u>815,247</u>	<u>1,597,959</u>	<u>1,664,187</u>
Due after one year					
Loans and borrowings	20	<u>450,748</u>	<u>610,670</u>	<u>-</u>	<u>-</u>

17 PENSION AND OTHER SCHEMES

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £21,995 (2018 (unaudited) - £31,663).

Contributions totalling £2,588 (2018 (unaudited) - £811) were payable to the scheme at the end of the year and are included in creditors.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

18 SHARE CAPITAL

Allotted, called up and fully paid shares

	2019		unaudited 2018	
	No.	£	No.	£
Preference D of £0.0004 each	15,399,635	6,159.85	-	-
Ordinary A of £0.0004 each	15,760,160	6,304.06	15,760,160	6,304.06
Ordinary B of £0.0004 each	6,178,277	2,471.31	6,178,277	2,471.31
Ordinary C of £0.0004 each	1,849,833	739.93	1,849,833	739.93
	<u>39,187,905</u>	<u>15,675.16</u>	<u>23,788,270</u>	<u>9,515.31</u>

New shares allotted

On 28th October 2019 6,527,737 Preferred D shares of £0.0004 each were issued for a total consideration of 2,247,500.

On 28th October 2019 3,792,477 Preferred D shares of £0.0004 each were issued for a total consideration of 1,305,750.

On 28th October 2019 5,079,421 Preferred D shares of £0.0004 each were issued for a total consideration of 2,500,000.

19 RESERVES

Group

Share premium reserve

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss account includes all current and prior period retained earnings and accumulated losses.

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

	Retained earnings £	Total £
Foreign currency translation gains/(losses)	<u>(19,626)</u>	<u>(19,626)</u>

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

The changes to each component of equity resulting from items of other comprehensive income for the prior year were as follows:

	Retained earnings £	Total £
	<u>(15,829)</u>	<u>(15,829)</u>
Foreign currency translation gains/(losses) - unaudited		

Company

Share premium reserve

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

Profit and loss account

The profit and loss account includes all current and prior period retained earnings and accumulated losses.

20 LOANS AND BORROWINGS

	Group unaudited		Company unaudited	
	2019 £	2018 £	2019 £	2018 £
Non-current loans and borrowings				
Other borrowings	<u>450,748</u>	<u>610,670</u>	<u>-</u>	<u>-</u>

	Group unaudited		Company unaudited	
	2019 £	2018 £	2019 £	2018 £
Current loans and borrowings				
Other borrowings	<u>141,317</u>	<u>110,523</u>	<u>-</u>	<u>-</u>

Group

Bank borrowings

The bank loan is denominated in Euros with a fixed interest rate of 2.35% plus the three-month EURIBOR rate (base 360). An interest rate swap was sought to swap the variable element to a fixed rate of 0.2%, and the final instalment is due on 24 January 2024. The carrying amount at year end is £592,065 (2018 (unaudited) - £721,193).

The loan is for a total duration of 84 months. Repayments of interest only will be made quarterly from 24th April 2017 to 24th January 2024. Repayments of capital will be made quarterly from 24th April 2019 to 24th January 2024.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

21 OBLIGATIONS UNDER LEASES AND HIRE PURCHASE CONTRACTS

Group

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	unaudited 2018 £
Not later than one year	92,406	-
Later than one year and not later than five years	233,919	-
Later than five years	222,572	-
	<u>548,897</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £73,623 (2018 (unaudited) - £Nil).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2019 £	unaudited 2018 £
Not later than one year	36,188	-
Later than one year and not later than five years	9,047	-
	<u>45,235</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £26,750 (2018 (unaudited) - £Nil).

22 RELATED PARTY TRANSACTIONS

Company

Summary of transactions with all subsidiaries

Exemption is taken under FRS 102 paragraph 33.1A not to disclose transactions or balances with companies wholly owned within the group.

OVAL MONEY LTD

Notes to the Financial Statements for the Year Ended 31 December 2019

23 FINANCIAL INSTRUMENTS

Group

Categorisation of financial instruments

	2019 £	Unaudited 2018 £
Financial assets that are debt instruments measured at amortised cost	2,449,599	398,020
	<u>2,449,599</u>	<u>398,020</u>
Financial liabilities measured at amortised cost	1,427,634	1,328,891
	<u>1,427,634</u>	<u>1,328,891</u>

Company

Categorisation of financial instruments

	2019 £	Unaudited 2018 £
Financial assets that are debt instruments measured at amortised cost	1,681,655	271,330
	<u>1,681,655</u>	<u>271,330</u>
Financial liabilities measured at amortised cost	1,682,490	1,656,579
	<u>1,682,490</u>	<u>1,656,579</u>

24 NON ADJUSTING EVENTS AFTER THE FINANCIAL PERIOD

Subsequent to the year end the following share issues have taken place at a nominal share value of £0.0004;

913,115 B Ordinary shares issued for a consideration of £1,114,000.

6,583 Employees Ordinary shares issued for a consideration of £230.40.

54,750 Employees Ordinary shares issued for a consideration of £1,916.25.

1,304,960 A Ordinary shares have been allocated for which a consideration of £1,521.98 is due to be paid.