

## **Britannia Global Payments Limited**

### **Annual report and financial statements**

For the year ended 31 December 2021

Registered number: 12136387

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COMPANIES HOUSE

## Company Information

### Directors

Daniel Reiser

Sofia Saracho

### Company secretary

Gabriela Maldonado

### Registered number

12136387

### Registered office

Level 29

52 Lime Street

London

EC3M 7AF

### Independent auditor

Buzzacott LLP

130 Wood Street

London

EC2V 6DL

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## Directors' report

### For the year ended 31 December 2021

The directors present their report together with the Strategic report and the financial statements of Britannia Global Payments Limited ('the company' or 'BGPL') for the year ended 31 December 2021. The comparative information presented in these financial statements is for the period from incorporation on 2 August 2019 to 31 December 2020. The company is a wholly-owned member of the group headed by Britannia Financial Group Limited ('the parent undertaking').

### Incorporation and FCA Authorisation

The company was incorporated on 2 August 2019, and became authorised by the Financial Conduct Authority ('the FCA') as an Electronic Money Institution on 9 April 2020 and began operations on 6 May 2020.

BGPL ceased conducting business in May 2022. It applied to the FCA to cancel its permissions on 9 October 2022 (Application Ref: 0003339736). The FCA confirmed the cancellation on 14 November 2022. BGPL no longer appears on the Financial Services Register. BGPL has commenced an orderly wind down beginning with a capital reduction, which will be followed by voluntary strike-off at Companies House. BGPL's parent, Britannia Financial Group Limited will make arrangements to retain all documentation required by FCA rules for the relevant statutory period.

### Results and dividends

The loss for the year, after taxation, was £264,966 (period ended 31 December 2020 – profit of £90,168). The directors did not recommend any dividends during the year (period ended 31 December 2020 - £Nil).

### Directors

The directors who served during the period were:

Julio Herrera

Daniel Reiser

Sofia Saracho

Julio Herrera resigned as a director on the 23 November 2021.

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the company's financial statements and then 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;
- 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## Directors' report (continued)

For the year ended 31 December 2021

### Statement on going concern

The company will be entering a voluntary liquidation process, which is expected to be completed within 12 months of approval of these financial statements. The accounts have therefore been prepared on a break-up basis.

### Matters covered in the strategic report


The company has chosen, in accordance with s.414((11) of the Companies Act 2006, to set out in the company's Strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, and Part 2 of The Companies (Miscellaneous Reporting) Regulations 2018 to be contained in the Directors' report. It has done so in respect of risk exposure, future developments, and engagement with suppliers, customers and others.

### Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the Board on 10 February 2023 and signed on its behalf, by:

  
Daniel Reiser (Frb 10, 2023 04:10 GMT+0)

Daniel Reiser

Director

## Strategic report

For the year ended 31 December 2021

### Introduction

The directors have pleasure in presenting the Strategic report of the company for the year ended 31 December 2021. The directors aim to present a balanced and comprehensive review of the development and performance of the company's business during the period and its position at the period-end.

### Principal activities

The principal activities of the company in the period were the provision of foreign currency exchange and international payments services to corporate and private clients.

### Review of business and future developments

BGPL ceased conducting business in May 2022. It applied to the FCA to cancel its permissions on 9th October 2022 (Application Ref: 0003339736). The FCA confirmed the cancellation on 14 November 2022. BGPL no longer appears on the Financial Services Register. BGPL has commenced an orderly wind down beginning with a capital reduction, followed by voluntary strike-off at Companies House. BGPL's parent, Britannia Financial Group Limited will make arrangements to retain all documentation required by FCA rules for the relevant statutory period.

### Climate change

Britannia is in the process of developing an ESG (Environment, Social, Governance) strategy to tackle climate change and continues to ensure commitment towards fostering a better environment, playing a part in improving social issues in the communities that it serves and aims to eliminate discrimination in the financial services industry

### Section 172 Statement

This section serves as our section 172 statement and should be read in conjunction with the rest of this Strategic report. Section 172 of the Companies Act 2006 requires directors to take into consideration the interests of stakeholders in their decision making. The directors of Britannia Global Payments Limited are aware of their duty under s.172 of the Companies Act 2006 to act in the way, which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

- the likely consequences of any decision in the long term;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company, (the s.172(1) Matters).

The likely consequences of any decision in the long term and the need to foster the company's business relationships with suppliers and customers, including how these stakeholders have been considered in the company's decision making, are considered elsewhere in this report.

Induction materials provided on appointment of a director include an explanation of directors' duties. To ensure the company is operating in line with good corporate practice, the group's General Counsel and Company Secretary have provided the directors with training in relation to the scope and application of s.172. This focused activity allows the board to reflect on how the company engages with its stakeholders and provides for enhancement in the future. The board reviews our principal stakeholders and how we engage with them. The stakeholder voice is brought into the boardroom throughout the annual cycle through information provided by the group's Executive Directors who are also directors of the company themselves. We aim to work responsibly with our suppliers and customers and are committed to supporting and respecting human rights in the workplace and in the communities. On an ongoing basis, the group's General Counsel and Company Secretary will continue to provide support to the board to help ensure that sufficient consideration is given to stakeholder issues.

## Strategic report (continued)

For the year ended 31 December 2021

### Principal risks and uncertainties

#### *Regulatory and compliance risk*

During the year the company operated in a complex regulated environment requiring FCA approval. The company continually assessed and responded to regulatory and compliance risks.

The senior management team mitigates regulatory and compliance risks by using expert support, rigorous control procedures and compliance training for the directors.

#### *Operational risk*

The company maintains robust policies and procedures to control and mitigate risk in all of its operations. The senior management team monitors operational risks on a daily basis with key information reported to the Executive Directors.

#### *Currency risk*

The company does not undertake proprietary trading and whilst FCA authorised matched its outstanding positions with banking counterparties within strictly defined limits.

#### *Credit risk*

The company has the skills and processes in place to assess credit risk before entering into any transaction as well as to monitor and assess ongoing credit risk.


#### *Liquidity risk*

The company has systems, procedures and working capital in place to monitor and mitigate significant liquidity events. It also maintains facilities with a number of global transaction banks to provide independent sources of currency supply.

### Financial key performance indicators

The company's most significant KPIs are revenue and total equity, which have shown satisfactory growth during the period. In contrast to the two measures, EBITDA has declined in year ended 31 December 2021 in comparison to the period ended 31 December 2020.

This report was approved by the Board on 10 February 2023 and signed on its behalf, by:

  
Daniel Reiser (Feb 10, 2023 04:10 GMT+4)

Daniel Reiser

Director



## **Independent auditor's report to the members of Britannia Global Payments Limited**

**For the year ended 31 December 2021**

### **Opinion**

We have audited the financial statements of Britannia Global Payments Limited (the 'company') for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 company's affairs as at 31 December 2020 and of its profit for the period 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

### **Emphasis of matter – financial statements prepared on a basis other than going concern**

We draw attention to note 2.2 to the financial statements which explains that the directors intend to liquidate the company and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in note 2.2. Our opinion is not modified in respect of this matter.

### **Other information**

The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual report. 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.



# Buzzacott

## **Independent auditor's report to the members of Britannia Global Payments Limited (continued)**

**For the year ended 31 December 2021**

### **Other information (continued)**

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 this gives rise to a material misstatement in the financial statements themselves. 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 matters 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 Directors' report and the Strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report or the Strategic report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

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

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

## **Independent auditor's report to the members of Britannia Global Payments Limited (continued)**

**For the year ended 31 December 2021**

### **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.

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:

#### *How the audit was considered capable of detecting irregularities including fraud*

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations including knowledge specific to auditing electronic money institutions;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the company through discussions with directors and other management at the planning stage, and from our knowledge and experience of electronic money institutions;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company including the Companies Act 2006, the Electronic Money Regulations 2011, employment and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure throughout the period for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process; reviewed journal entries throughout the period to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated

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## Independent auditor's report to the members of Britannia Global Payments Limited (continued)

### Auditor's responsibilities for the audit of the financial statements (continued)

any large variances from the prior period;

- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the company's management; and
- carried out substantive testing to check the occurrence and cut off of expenditure.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing legal expenditure and enquiring with the company's legal advisors where appropriate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Peter Chapman (Senior statutory auditor)  
for and on behalf of

**Buzzacott**  
LLP Statutory  
Auditor130  
Wood Street  
London  
EC2V 6DL

# Statement of comprehensive income

For the year ended 31 December 2021

	Year ended 31 December 2021	Period ended 31 December 2020
Turnover	307,268	124,814
<b>Gross Profit</b>	<b>307,268</b>	<b>124,814</b>
Administrative expenses	(572,234)	(34,646)
<b>Operating (Loss) / Profit</b>	<b>(264,966)</b>	<b>90,168</b>
<b>(Loss) / Profit before tax</b>	<b>(264,966)</b>	<b>90,168</b>
Tax credit / (charge) on profit/(loss)	-	-
<b>Profit for the financial period</b>	<b>(264,966)</b>	<b>90,168</b>

All amounts relate to continuing operations.

There was no other comprehensive income for the year ended 31 December 2021 or the period ended 31 December 2020.

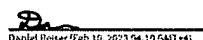
The notes on pages 15 to 21 form part of these financial statements.

# Statement of financial position

As at 31 December 2021

	2021	2020
	£	£
<b>Current assets</b>		
Debtors	339,173	5,201
Cash at bank and in hand	957,309	1,101,467
	<u>1,296,482</u>	<u>1,106,668</u>
Creditors: amounts falling due within one year	(271,280)	(16,500)
<b>Net current assets</b>	<u>1,025,202</u>	<u>1,090,168</u>
<b>Total assets less current liabilities</b>	<u>1,025,202</u>	<u>1,090,168</u>
<b>Net assets</b>	<u>1,025,202</u>	<u>1,090,168</u>
<b>Capital and reserves</b>		
Called up share capital	1,200,000	1,000,000
Profit and loss account	(174,798)	90,168
	<u>1,025,202</u>	<u>1,090,168</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 10 February 2023 by:

  
Daniel Reiser (Feb 10, 2023 04:20:54) +4j

Daniel Reiser

Director

The notes on pages 15 to 21 form part of these financial statements.

# Statement of changes in equity

For the year ended 31 December 2021

	£	£	£
At 2 August 2019	-	-	-
<b>Comprehensive income for the period</b>			
Profit for the period	-	90,168	90,168
<b>Total comprehensive income for the period</b>	-	90,168	90,168
Shares issued during the period	1,000,000	-	1,000,000
<b>Total transactions with owners</b>	1,000,000	-	1,000,000
At 31 December 2020	1,000,000	90,168	1,090,168
At 1 January 2021	1,000,000	90,168	1,090,168
<b>Comprehensive income for the year</b>			
Loss for the year	-	(264,966)	(264,966)
<b>Total comprehensive income for the year</b>	-	(264,966)	(264,966)
Shares issued during the year	200,000	-	200,000
<b>Total transactions with owners</b>	200,000	-	200,000
<b>At 31 December 2021</b>	<b>1,200,000</b>	<b>(174,798)</b>	<b>1,025,202</b>

The notes on pages 15 to 21 form part of these financial statements.

# Notes to the financial statements

For the year ended 31 December 2021

## 1. General information

Britannia Global Payments Limited is a private company limited by shares and was incorporated in England and Wales. The principal place of business and registered office of the company is Level 29, 52 Lime Street, London, EC3M 7AF.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Going concern

As described in the Directors' report, the directors intend to liquidate the company. The company will be wound up and this process is expected to be completed within 12 months of approval of these financial statements. The accounts have therefore been prepared on a break-up basis. Accordingly, full provision has been made in these accounts for all unknown liabilities and anticipated losses on realisation of assets.

### 2.3 FRS 102 – disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

- the requirements of Section 7 Statement of Cash Flows; and
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Britannia Financial Group Limited as at 31 December 2021 and these financial statements are publicly available from The Registrar of Companies.

## Notes to the financial statements

For the year ended 31 December 2021

### 2. Accounting policies (continued)

#### 2.4 Turnover

Turnover represents transaction processing fees and currency conversion fees. These are recognised on a transaction date basis.

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### *Rendering of services*

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.5 Foreign currency translation

##### *Functional and presentation currency*

The company's functional and presentational currency is GBP.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period-end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to currency exchange are presented in profit or loss as turnover. All other foreign exchange gains and losses are presented in profit or loss within administrative expenses.

#### 2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.



## Notes to the financial statements

For the year ended 31 December 2021

### 2. Accounting policies (continued)

#### 2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

#### 2.8 Customer funds

The company holds money on behalf of its customers in accordance with the requirements of the Electronic Money Regulations. Customer funds held in segregated bank accounts in accordance with these requirements and the corresponding liabilities to these clients are not recognised on the Statement of financial position.

At 31 December 2021, the amount of customer funds held in accordance with these regulations is stated in note 10.

#### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.10 Intangible assets

Intangible assets are initially recognized at cost. After recognition, under the cost model, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 10 years.

Intangible assets under construction are not available for use as intended by management and so are not amortized.

#### 2.11 Financial instruments

The company only enters into transactions that result in the recognition of basic financial instruments like trade and other debtors and creditors and loans to/from related parties.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

## Notes to the financial statements

For the year ended 31 December 2021

### 2.11 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

### 3. Judgements in applying accounting policies 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 for assets and liabilities as at the reporting date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The directors do not consider there to be any significant judgements or key sources of estimation uncertainty involved in the preparation of these financial statements, other than regarding the treatment of customer funds (see note 2.8) and a potential deferred tax asset (see note 8).

### 4. Turnover

The whole of the turnover is attributable to the company's principal business activity.

All turnover arose from activities performed in the United Kingdom.

### 5. Staff costs and average number of employees

During the period, the company had no employees other than the directors, who are not on employment contracts and did not receive any remuneration.

### 6. Operating profit

The operating profit is stated after charging:

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Exchange differences	(16,140)	(18,458)

### 7. Auditor's remuneration

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Fees payable to the company's auditor for the audit of the company's financial statements	25,000	7,500

# 8. Taxation

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
Total current tax	-	-
Deferred tax	-	-
Total deferred tax	-	-
Taxation on profit/ (loss) on ordinary activities	-	-

## *Factors affecting tax charge for the period*

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19% (2020 – 19%). The differences are explained below:

	Year ended 31 December 2021 £	Period ended 31 December 2020 £
(Loss)/profit on ordinary activities before tax	(264,966)	90,168
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 – 19%)	(50,344)	17,132
Group relief	-	(17,132)
Remeasurement of deferred tax for changes in tax rates	(15,898)	-
Deferred tax not recognised	66,241	-
<b>Total tax charge for the period</b>	-	-

## *Factors that may affect future tax charges*

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From this date, the rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000. A deferred tax asset of £66,241 (2020 - £Nil) measured at 25%, being the rate that was substantively enacted at the reporting date, in respect of taxable losses carried forward, has not been recognised due to the uncertainty over future realisation of the asset.

**9. Debtors**

	2021	2020
	£	£
Other debtors	22,512	3,898
Prepayments and accrued income	1,271	1,303
Amounts owed by group undertaking	315,390	-
	<b>339,173</b>	<b>5,201</b>

**10. Cash and cash equivalents**

	2021	2020
	£	£
Cash and cash equivalents	957,309	1,101,467
	<b>957,309</b>	<b>1,101,467</b>

At 31 December 2021, the amount of customer funds held in accordance with the Electronic Money Regulations was £50,335,280 (2020 - £4,635,932).

**11. Creditors: amounts falling due within one year**

	2021	2020
	£	£
Accruals and deferred income	75,000	16,500
Amounts owed to group undertaking	195,137	-
Other creditors	1,143	-
	<b>271,280</b>	<b>16,500</b>

**12. Share capital**

	2021	2020
	£	£
Allotted, called up and fully paid 1,200,000 Ordinary shares of £1.00 each	<b>1,200,000</b>	<b>1,000,000</b>

During the year, 200,000 Ordinary shares were issued at par.

### **13. Reserves**

#### *Profit and loss account*

The profit and loss account includes the current and prior period's retained earnings.

### **14. Contingent liabilities**

There were no contingent liabilities at 31 December 2021 or 31 December 2020.

### **15. Capital commitments**

The company had no capital commitments at 31 December 2021 or 31 December 2020.

### **16. Related party transactions**

The financial statements do not include disclosures of transactions between the company and other entities which are wholly owned within the group headed by Britannia Financial Group Limited. This is because as a subsidiary whose shares are 100% controlled within the group, the company is exempt from the requirements to disclose such transactions, under Financial Reporting Standard 102 paragraph 33.1A Related Party Disclosures.

There were no other related party transactions disclosable under FRS 102 Section 33 Related Party Disclosures.

### **17. Events after the reporting period**

As mentioned in the Strategic report, management have ceased conducting business in BGPL as of May 2022 following a reassessment of the future business model of the wider parent Britannia Financial Group Limited.

As such, the directors have decided to enter the company into a voluntary liquidation process which is expected to be completed within 12 months of the date of approval of these financial statements.

### **18. Controlling party**

The parent undertaking is Britannia Financial Group Limited by virtue of holding 100% of the share capital of the company.

The largest and smallest group of undertakings for which consolidated financial statements are prepared of which the company is a member is that headed by Britannia Financial Group Limited. The registered office address of Britannia Financial Group Limited is Floor 28, 52 Lime Street, London, EC3M 7AF.

In the opinion of the directors, the ultimate controlling party is The Geneva Trust Company (GTC) SA, a Trust registered in Switzerland, by virtue of its 100% shareholding in Britannia Financial Group Limited.