Moneta Midco I Limited

Annual report and financial statements

for the year ended 31 December 2020

Registered number: 115889

Moneta Midco I Limited
Company information

Company registration number
115889

Date of incorporation
4 June 2014

Registered office
47 Esplanade
St Helier
Jersey
JE1 0BD

Correspondence address
Floor 5, Zig Zag Building
70 Victoria Street
London
SW1E 6SQ

Independent auditors
BDO LLP
55 Baker Street
London
W1U 7EU

Company secretary
Crestbridge Limited
47 Esplanade
St Helier
Jersey
JE1 0BD

Directors
M Horgan
A Jones

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Strategic report
For the year ended 31 December 2020

The Directors present their Strategic Report for Moneta Midco I Limited (the 'Company') for the year ended 31 December 2020. The Company is domiciled in the United Kingdom (UK) and incorporated in Jersey.

Principal activities and overview
The principal activity of the Company is to provide financing to the Moneycorp Group (see note 22 to the financial statements for the definition of the Moneycorp Group).

Operational review
The profit for the year after taxation amounted to £285k (2019: £176k). Net assets at 31 December 2020 were £52,550k (2019: £52,265k).

On 24 July 2020 the Company received a cash injection of £5,000k in the form of loan notes issued to Bridgepoint Europe IV (Nominees) Limited, the ultimate controlling company. The loan notes carry an interest rate of 10% and are redeemable in full on 31 December 2030. The funding was then passed through to the Company's subsidiary, Moneta Midco II Limited, via way of a shareholder loan agreement, mirroring the terms of the loan notes issued.

The Moneycorp Group's operations were largely uninterrupted by the COVID-19 pandemic. The Moneycorp Group switched to remote working from mid-March 2020 and took the necessary steps to adjust to changing global conditions.

Outlook
The Directors will continue to respond to the COVID-19 pandemic based on the guidance being provided by the relevant health and government authorities, and continue to implement protocols and processes in response to the spread of the virus. As at the date of this report, the Moneycorp Group remains largely in a 'work from home' environment globally but fully operational. Management and the Directors meet regularly to ensure any emerging developments are addressed quickly.

The Directors are not envisaging any significant changes to the business in the next 12 months.

Going concern
The Directors are satisfied that it is appropriate to prepare the financial statements on a going concern basis and this is the basis which has been applied. The assessment of going concern has been undertaken by considering the risk factors outlined below, with particular focus given to the impact of COVID-19 on the Company's risk management, and events arising subsequent to year end. Refer to the Directors' Report for further details.

Risk management
The Company's risk management framework is designed to ensure that material business risks throughout the organisation are identified and effectively managed.

The Company has identified the following key areas of risk:

Financial risk

- **Interest rate risk -** The Company's interest rate risk arises primarily from it borrowings. The fixed nature of its interest rates, however, eliminates exposure to cash flow interest rate risk.
- **Liquidity risk –** The Directors consider that the combination of existing shareholder loan note debt and available Moneycorp Group credit facilities provide sufficient liquidity to meet the funding requirements for the Company.
- **Credit risk -** Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. The main credit exposure to the Company comes from its loan to the subsidiary company therefore credit risk is determined to be low.

Impact of COVID-19 on the Company's risk management
The Directors continue to consider the risks faced by the Company and its investment held in subsidiary companies as a result of the COVID-19 outbreak, including the potential impact on the demand for the Moneycorp Group's foreign currency products, change in credit risk of clients and liquidity of financial assets. The Moneycorp Group, with the exception of its retail business unit, has not experienced any significant change in risks to date since the global pandemic was declared, however the Directors will continue to monitor any developments and respond accordingly.

Impact of COVID-19 on the Company's risk management - continued
The Directors have included the impact of COVID-19 on the business performance to date as part of the assessment of the going concern assumption for the Company. Refer to the Directors' Report for further details.

Litigation
The Company is not involved in any legal proceedings or commercial disputes.

Subsequent events
There are no material subsequent events to disclose between the reporting date and the date of signing this report.

On behalf of the Board

M Horgan
Director
25 June 2021

Moneta Midco I Limited
Directors' report
For the year ended 31 December 2020

The Directors present their report and the audited financial statements of Moneta Midco I Limited (the 'Company') domiciled in the United Kingdom (UK) and incorporated in Jersey for the year ended 31 December 2020.

Controlling interest
The ultimate holding company is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. The ultimate controller of Moneta Topco Limited is Bridgepoint Europe IV (Nominees) Limited.

Principal activities and outlook
The principal activity of the Company is to provide financing to the Moneycorp Group (see note 22 to the financial statements for the definition of the Moneycorp Group).

A review of the business and future developments, including subsequent events, along with the Company's risk management are described within the Strategic Report.

Directors
The Directors listed below have served the Company during the year and up to the date of signing the financial statements unless otherwise stated:

Executive Director	M Horgan	
Representative of Bridgepoint Europe IV (Nominees) Limited	A Jones	(appointed 9 October 2020)
Executive Director	N Haslehurst	(resigned 5 October 2020)
Representative of Bridgepoint Europe IV (Nominees) Limited	S Green	(resigned 29 July 2020)

None of the Directors hold any interest in the shares of the Company.

Further details about the Company can be found in the Company Information on page 1.

Results and dividends
The statement of comprehensive income for the year ended 31 December 2020 is set out on page 11.

No interim dividends were declared during the current or prior year and the Directors do not recommend the payment of a final dividend (2019: nil).

Charitable and political donations
No donations were made for charitable or political purposes during the year (2019: nil).

Going concern assessment
The Directors assess the Company's going concern for a period of at least 12 months from the signing of the annual report and financial statements. The assessment has been undertaken by considering the risk factors outlined in the Strategic Report, with particular focus given to the impact of COVID-19 on the Company's risk management, and events arising subsequent to year end.

In making this assessment the Directors consider:

- whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- whether post balance sheet date trading is in line with expectations;
- if the Company and Moneycorp Group would be able to trade after the impact of a reasonable downside scenario on performance (stress testing);
- the adequacy of insurance cover;
- the continued parental support, including through shareholder loans;
- the continued availability of financing facilities and trading lines;
- complying with, or varying, covenant requirements of financing and facilities;
- the regulatory environment in which the Moneycorp Group operates; and
- the effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

Going concern assessment - continued

Despite the COVID-19 pandemic and its impact on the global economy, the Company has not been adversely impacted given the nature of its principal activities and has continued to perform consistently against prior year results.

Going concern of the Company is considered as part of the Moneycorp Group's going concern assessment. As part of this the Directors have undertaken scenario planning to understand the impact on the EBITDA, cash flows and covenants for the Moneycorp Group including a stress scenario (25% reduction to revenue from the 2021 budget, forecasted out for at least 12 months from the signing date of this report).

The Directors have concluded that even if the stress scenario were to occur, the Moneycorp Group and the Company could continue to operate as a going concern and trade through this uncertain period after giving consideration to the following supporting factors:

- the diversity of the Moneycorp Group's operations, product offerings and client base assists in reducing the overall risk;
- the positive ongoing relationship with the wider Moneycorp Group's lenders including that shown during 2020; and
- the agreed financial support from the ultimate controller to the Moneycorp Group in the form of short term funding or increased equity funding in order to support operations.

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Moneycorp Group and Company were unable to continue as a going concern.

Brexit

Following the passing of the EU (Withdrawal Agreement) Bill on 31 January 2020 the UK left the European Union (EU), but was allowed to continue its current relationship until the end of the transitional period being 31 December 2020.

The Directors have considered current business plans and assessed all the risks faced by the Moneycorp Group, noting that the diversification of the Moneycorp Group's operations (both geographically and product offerings) will assist in minimising any adverse impacts if they eventuate.

The Directors do not believe that the impact of the above will have a significant effect on the Company including its ability to continue as a going concern.

Directors' responsibilities for the financial statements

The Directors are responsible for preparing financial statements for each financial year which give a true and fair view, in accordance with applicable Jersey law and International Financial Reporting Standards, of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable 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 confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that 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 (Jersey) Law, 1991. 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' responsibilities for the financial statements - continued

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

BDO LLP were appointed as auditors for the year ended 31 December 2020 and have indicated their willingness to continue in office. A resolution that they will be reappointed will be proposed at the next meeting of the Board of Directors.

On behalf of the Board

M Horgan
Director
25 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MONETA MIDCO I LIMITED

Opinion on the financial statements

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 year then ended;

- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and

- have been prepared in accordance with the requirements of Companies (Jersey) Law 1991.

We have audited the financial statements of Moneta Midco I Limited ("the Company") for the year ended 31 December 2020 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity, Statement of cash flows and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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

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

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.

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 course of 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.

Other Companies (Jersey) Law 1991 reporting
We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper 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

- 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 for the financial 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.

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which the Company operates, and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies (Jersey) Law 1991 and relevant accounting standards.

We considered compliance with this framework through discussions with management and performed audit procedures on these areas as considered necessary. Our procedures involved enquiries with Management, review of the reporting to the directors with respect to compliance with laws and regulation, review of board meeting minutes and review of legal correspondence.

We focused on laws and regulations that could give rise to a material misstatement in the Company financial statements.

Our tests included, but were not limited to:

- we discussed among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for management bias in the client cash creditor. Furthermore, we communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management;
- testing of journal postings made during the year to identify potential management override of controls;
- review of minutes of board meetings throughout the period; and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://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 Article 113A of the Companies (Jersey) Law 1991. 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.

DocuSigned by:
Kelly Sheppard
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Kelly Sheppard
For and on behalf of BDO LLP
Chartered Accountants
London

Date: 25 June 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Moneta Midco I Limited
Statement of comprehensive income
For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Continuing operations:			
Administrative expenses	7	(28)	(29)
Finance income	8	18,810	16,782
Finance costs	9	(18,538)	(16,536)
Operating profit before tax		244	217
Tax credit/(charge)	10	41	(41)
Profit and total comprehensive income for the year attributable to the owners of the Company		**285**	**176**

No other comprehensive income items were recorded during the year (2019: nil).

The above statement should be read in conjunction with the accompanying notes on pages 15-26.

Moneta Midco I Limited
Balance sheet
As at 31 December 2020

	Note	2020 £000	2019 £000
Non-current assets			
Investment in subsidiary	11	51,365	51,365
Loan to related party	13	209,194	185,384
Total assets		**260,559**	**236,749**
Non-current liabilities			
Borrowings from related parties	14	(206,209)	(182,671)
		(206,209)	**(182,671)**
Current liabilities			
Other payables	15	(1,800)	(1,772)
Current tax liability		-	(41)
		(1,800)	**(1,813)**
Total liabilities		**(208,009)**	**(184,484)**
Net assets		**52,550**	**52,265**
Equity			
Share capital	16	51,365	51,365
Retained earnings		1,185	900
Total equity		**52,550**	**52,265**

The financial statements of Moneta Midco I Limited (registered number 115889) were approved by the Board of Directors and authorised for issue on 25 June 2021. The Directors do not have the power to amend the financial statements after issue. They were signed on behalf of the Board by:

Mark Horgan

M Horgan
Director

The above balance sheet should be read in conjunction with the accompanying notes on pages 15-26.

Moneta Midco I Limited
Statement of changes in equity
For the year ended 31 December 2020

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2019	51,365	724	52,089
Profit for the year	-	176	176
Total comprehensive income	-	176	176
Balance at 31 December 2019	**51,365**	**900**	**52,265**
Balance at 1 January 2020	51,365	900	52,265
Profit for the year	-	285	285
Total comprehensive income	-	285	285
Balance at 31 December 2020	**51,365**	**1,185**	**52,550**

The above statement should be read in conjunction with the accompanying notes on pages 15-26.

Moneta Midco I Limited
Statement of cash flows
For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Cash flows from operating activities			
Net cash from operations	17	-	-
Net cash flow from operating activities		-	-
Net movement in cash and cash equivalents		**-**	**-**
Cash and cash equivalents at the beginning of the year		**-**	**-**
Cash and cash equivalents at the end of the year		**-**	**-**

The above statement should be read in conjunction with the accompanying notes on pages 15-26.

1. GENERAL INFORMATION

Moneta Midco I Limited (the 'Company') is a private company limited by shares, incorporated in Jersey under the Companies (Jersey) Law 1991. The address of the registered office is given in the company information on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report on pages 3 to 4.

2. BASIS OF PREPARATION

Compliance with IFRS
The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

Historical cost convention
The financial statements have been prepared on the historical cost basis as explained in the accounting policies in note 5. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Going concern basis
The Directors assess the Company's going concern for a period of at least 12 months from the signing of the annual report and financial statements. The assessment has been undertaken by considering the risk factors outlined in the Strategic Report, with particular focus given to the impact of COVID-19 on the Company's risk management, and events arising subsequent to the balance sheet date.

In making this assessment the Directors consider:

- whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- whether post balance sheet date trading is in line with expectations;
- if the Company and Moneycorp Group would be able to trade after the impact of a reasonable downside scenario on performance (stress testing);
- the adequacy of insurance cover;
- the continued parental support, including through shareholder loans;
- the continued availability of financing facilities and trading lines;
- complying with, or varying, covenant requirements of financing and facilities;
- the regulatory environment in which the Moneycorp Group operates; and
- the effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

Despite the COVID-19 pandemic and its impact on the global economy, the Company has not been adversely impacted given the nature of its principal activities and has continued to perform consistently against prior year results.

Going concern of the Company is considered as part of the Moneycorp Group's going concern assessment (see note 22 for the definition of the Moneycorp Group). As part of this the Directors have undertaken scenario planning to understand the impact on the EBITDA, cash flows and covenants for the Moneycorp Group including a stress scenario (25% reduction to revenue from the 2021 budget, forecasted out for at least 12 months from the signing date of the financial statements).

The Directors have concluded that even if the stress scenario were to occur, the Moneycorp Group and the Company could continue to operate as a going concern and trade through this uncertain period after giving consideration to the following supporting factors:

- the diversity of the Moneycorp Group's operations, product offerings and client base assists in reducing the overall risk;
- the positive ongoing relationship with the wider Moneycorp Group's lenders including that shown during 2020; and
- the agreed financial support from the ultimate controller to the Moneycorp Group in the form of short term funding or increased equity funding in order to support operations.

2. BASIS OF PREPARATION - CONTINUED

Going concern basis – continued

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would result if the Moneycorp Group and Company were unable to continue as a going concern.

3. NEW AND REVISED STANDARDS ADOPTED IN THE CURRENT YEAR

The Company has adopted the following standards and amendments for the first time for the annual reporting year commencing 1 January 2020:

Standard	New standard / amendment:
- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Material	Amendment
- IFRS 3 *Business Combinations* - Definition of a Business	Amendment
- IFRS 16 *Leases* - COVID-19 Related Rent Concessions	Amendment
- Revised Conceptual Framework for Financial Reporting	Amendment
- IFRS 7 *Financial Instruments: Disclosures,* IFRS 9 *Financial Instruments* and IAS39 *Financial Instruments Recognition and Measurement* - Interest Rate Benchmark Reform	Amendment

None of these developments have had a material effect on how the Company's statement of comprehensive income or balance sheet for the current or prior year have been prepared or presented.

4. NEW AND REVISED STANDARDS NOT YET ADOPTED

On 31 January 2020 the UK exited the EU. During the transition period, which ended on 31 December 2020, companies continued to apply IFRS as adopted by the EU. For financial periods beginning on or after 1 January 2021, companies are to apply IFRS Standards as adopted by the UK (IFRS UK). The Company's 2021 financial statements will therefore be prepared under IFRS UK. Currently the UK-adopted IFRS are identical to EU-adopted IFRS.

Certain new standards and interpretations have been published that are not mandatory for the 31 December 2020 reporting period and have not been early adopted by the Company.

Standard	New standard / amendment:	Effective for annual reporting periods beginning on or after:
- IFRS 17 *Insurance Contracts*	New	1 January 2023
- IAS 1 *Presentation of Financial Statements*	Amendment	1 January 2023
- IAS 16 *Property, Plant and Equipment*	Amendment	1 January 2022
- IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*	Amendment	1 January 2022
- IFRS 3 *Business Combinations*	Amendment	1 January 2022
- Annual Improvements to IFRS Standards 2018-2020: IFRS 9 *Financial Instruments*, IFRS 16 *Leases,* IFRS 1 *First time Adoption of IFRS* and IFRS 4 *Agriculture*	Amendment	1 January 2022
- IAS 28 *Investments in Associates and Joint Ventures*	Amendment	Yet to be advised
- IFRS 10 *Consolidated Financial Statements*	Amendment	Yet to be advised

None of the above standards that are not yet effective are expected to have a material impact on the Company in the current or future reporting periods or on foreseeable future transactions.

5. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in pounds sterling (GBP), which is the Company’s functional and presentation currency, and have been rounded to the nearest thousand pounds, except when otherwise indicated.

Foreign currencies
Trading transactions denominated in currencies other than the Company’s functional currency (foreign currencies) are translated at the exchange rate prevailing on the date of the transaction.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at year end exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates, to the functional currency, are recognised in profit or loss.

Investment in subsidiary
Investment holdings are valued at the lower of cost and net realisable value. The carrying amounts of investments are reviewed annually to determine whether there is any indication of impairment. If any indication exists, the assets recoverable amount is estimated to determine the amount of impairment loss. An impairment loss is recognised in the statement of comprehensive income in the year it arises.

Financial instruments
Financial instruments are classified as financial assets, financial liabilities or equity instruments, and are initially recognised when the Company becomes party to the contractual provisions of the instrument.

Classification:
The Company classifies its financial assets and liabilities in the following measurement categories:
- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

Recognition and derecognition:
Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Company commits to purchase or sell the asset. All financial instruments are initially measured at fair value adjusted for transaction costs.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Company derecognises a financial liability when, and only when, the Company’s obligations are discharged, cancelled or they expire.

The Company classifies its instruments based on the Company’s business model for managing the financial assets and liabilities and the contractual terms of the cash flows. The Company’s financial assets and liabilities are managed and their performance evaluated on a fair value basis.

Financial assets at amortised cost

Loan to related party
The Company has a loan receivable from its subsidiary company. The loan receivable is held for collection of contractual cash flows which represent solely payments of principal and interest. Any interest income earned from the loan is included in finance income using the effective interest method.

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Financial assets at amortised cost - continued

Cash and cash equivalents
Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets is approximately equal to their fair value. Any overdrawn bank accounts are presented separately on the balance sheet within borrowings.

Impairment of financial assets at amortised cost
At the reporting date the Company measures a loss allowance on financial assets other than those at fair value through profit or loss. For the loan receivable the Company recognises an expected credit loss (ECL) amount equal to the lifetime ECL if the risk has increased significantly since initial recognition. If at the balance sheet date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month ECL. The amount of the loss allowance on financial assets is recognised in the statement of comprehensive income within administrative expenses.

Receivables are written off against the net impairment loss where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the counterparty entering bankruptcy or financial reorganisation. Subsequent recoveries of amounts previously written off are credited against the same line item within administrative expenses.

Given the high credit quality and related party nature of the financial assets measured at amortised cost, the Company does not anticipate any material expected credit losses to be applicable for these assets.

Financial liabilities at amortised cost

Borrowings from related parties
Borrowings from related parties are initially measured at fair value less attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, with any interest expense recognised on an effective interest basis.

Borrowings from related parties are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Other payables
Other payables, including accruals, represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid or have been paid on the behalf of the Company by another Moneycorp Group entity. Other payables are presented as current liabilities unless payment is not due within 12 months of the balance sheet date. They are recognised initially at original invoice or contract value being the best estimate of fair value and subsequently measured at amortised cost using the effective interest method.

Share capital
Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Taxation
The tax expense represents the sum of the tax currently payable and deferred tax.

5. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Current taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using the tax rates that are enacted, or substantively enacted, at the balance sheet date.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base. Deferred tax assets are recognised only if it is probable that future taxable profit will be available to utilise those temporary differences and losses. The amount of the asset or liability is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred liability is settled.

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 5, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

In the course of preparing the financial statements, no critical judgements have been made in the process of applying the Company's accounting policies, other than those involving estimations (refer to the below), that have had a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Impairment assessment of investment in subsidiary

As described in note 5, the Company reviews the investment in subsidiary for impairment annually. The Directors apply estimation in the impairment review of the investment in subsidiary as future projected earnings of the subsidiary undertakings are taken into consideration to determine whether impairment has taken place or not.

Impairment of financial assets at amortised cost

Under IFRS 9 *Financial Instruments*, a forward-looking impairment model, based on ECLs, applies to financial assets held at amortised cost. ECLs are probability-weighted estimates of credit losses. In calculating this ECL allowance, the Company considers information about past events and current conditions as well as supportable information about future events and economic conditions. In addition, for loans to which the three-stage general model of impairment is applied, judgement is required to determine which indicators represent a significant increase in credit risk and thereby trigger the recognition of a lifetime ECL allowance. See note 18 for further details.

7. ADMINISTRATIVE EXPENSES

Administrative expenses comprise the following:

	2020 £000	2019 £000
Auditor's remuneration (see note 7a)	18	21
Legal and professional	10	8
	28	29

7a. Auditor's remuneration
The analysis of the auditor's remuneration is as follows:

	2020 £000	2019 £000
Fees paid to the Company's auditors		
Audit of the Company's current year annual financial statements	18	20
Audit of the Company's prior year financial statements – incurred in the current year	-	1
Total fees to the Company's auditor	18	21

Fees paid in relation to the 2019 audit were paid to PricewaterhouseCoopers who were the Company's auditor in 2019. Fees in relation to the current year engagement totalling £18k relate to BDO LLP who were appointed as the Company's auditor in 2020.

7b. Staff costs
The Company has no employees, other than the Directors, throughout the current and previous year. Their emoluments were borne by TTT Moneycorp Limited (other related party), or Moneta Topco Limited (the parent company).

8. FINANCE INCOME

	2020 £000	2019 £000
Related party loan notes interest	18,810	16,782
	18,810	16,782

Loan notes interest was received from Moneta Midco II Limited, the subsidiary company (see note 13 for further details).

9. FINANCE COSTS

	2020 £000	2019 £000
Related party loan notes interest paid	18,538	16,536
	18,538	16,536

See note 14 for further details over the loan notes.

10. TAX CREDIT/CHARGE

	2020 £000	2019 £000
Corporation tax:		
Current year charge	-	41
Overprovision in respect of prior years	(41)	-
Total tax (credit)/charge	(41)	41

10. TAX CREIDT/CHARGE - CONTINUED

Corporation tax is calculated at 19.00% (2019: 19.00%) of the estimated assessable profit for the year.

The total tax (credit)/charge for the year can be reconciled to the profit per the statement of comprehensive income as follows:

	2020 £000	2019 £000
Profit before tax on continuing operations	244	217
Tax at the UK corporation tax rate of 19.00% (2019: 19.00%)	46	41
Tax effect of expenses that are not deductible	(46)	-
Over provision in respect of prior years	(41)	-
Total tax (credit)/charge for the year	(41)	41

Whilst the Company is incorporated in Jersey, it is domiciled in the UK and is a UK tax resident.

On 11 March 2020 it was announced (and received Royal assent on 22 July 2020) that the UK corporation tax rate would remain at 19% and not reduce to 17% (the previously enacted rate from 1 April 2020). On 3 March 2021, it was announced that from 1 April 2023, the main rate of corporation tax will increase to 25%. As this new law has not been substantively enacted at the balance sheet date, its effects are not included in the financial statements.

11. INVESTMENT IN SUBSIDIARY

Information about the direct subsidiary of the Company at the balance sheet date is set out below. The country of incorporation or registration is also the principal place of business.

Name of entity	Place of incorporation (or registration)	Principal activity	Proportion of ownership interest and voting power held	
			2020	2019
Moneta Midco II Limited	Jersey	Investment holding	100%	100%

The investment in subsidiary is stated at cost less impairment.

There have been no acquisitions or disposals during the current or prior year.

Carrying amount of investment in subsidiary

	2020 £000	2019 £000
Moneta Midco II Limited	51,365	51,365
	51,365	51,365

Management assessed the investment held by the Company for impairment at the balance sheet date. The future projected growth of the international payments and Financial Institutions Group (FIG) businesses, held by Moneta Midco II Limited via its investments in subsidiaries, showed the enterprise value of these businesses to be greater than the carrying amount of the investments held and thus the investment was not considered to be impaired.

There are no significant restrictions on the ability of the Company to access or use assets and settle liabilities of its subsidiaries other than client held funds.

11. INVESTMENT IN SUBSIDIARY - CONTINUED

The Company is the intermediate parent entity of the following companies at the balance sheet date:

Name of entity	Place of incorporation (or registration)	Principal activity	Proportion of ownership interest and voting power held 2020	2019
Moneta Bidco Limited	Jersey	Investment holding	100%	100%
Regent Acquisitions (Holdings) Limited	Jersey	Investment holding	100%	100%
TTT Moneycorp Limited	UK	Payment services	100%	100%
Moneycorp Financial Risk Management Limited	UK	Regulated derivatives	100%	100%
Moneycorp Technologies Limited	UK	Technology	100%	100%
Moneycorp CFX Limited	UK	Foreign exchange provider	100%	100%
Moneycorp Shared Services Limited	UK	Service company	100%	100%
First Rate FX Limited	UK	Dormant	100%	100%
Moneycorp Bank Limited	Gibraltar	Banking services	100%	100%
Moneycorp Technologies Limited	Ireland	Regulated derivatives & payment services	100%	100%
Moneycorp SLU	Spain	Dormant *	100%	100%
Moneycorp Inc	USA	Introducing broker	100%	100%
Moneycorp US, Inc	USA	Payment services	100%	100%
Moneycorp International Payments Canada, Inc. **	Canada	Introducing broker	100%	-
TTT Moneycorp Pty Limited	Australia	Foreign exchange provider	100%	100%
Rochford Capital Pty Limited	Australia	Advisory services	100%	100%
Moneycorp (Hong Kong) Limited	Hong Kong	Foreign exchange provider	100%	100%
Moneycorp Brasil Participacoes Ltda	Brazil	Investment holding	100%	100%
Novo Mundo Holding Financeira S/A	Brazil	Investment holding	92.3%	90%
Moneycorp Banco de Câmbio S.A.	Brazil	Foreign exchange provider	92.3%	90%

** Moneycorp SLU previously had a principal activity of introducing broker however following the migration of European clients and business to Moneycorp Technologies Limited (Ireland) in Quarter 4 2020, this company is now dormant.*

*** Incorporated during the 2020 financial year.*

12. FINANCIAL ASSETS AND LIABILITIES

Categories of financial instruments	2020 £000	2019 £000
Financial assets		
Financial assets at amortised cost		
Loan to related party	209,194	185,384
	209,194	185,384
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings from related parties	(206,209)	(182,671)
Other payables	(1,800)	(1,772)
	(208,009)	(184,443)

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements to approximate their fair values.

13. LOAN TO RELATED PARTY

	2020 £000	2019 £000
Non-current		
Related party balance owing from subsidiary	209,194	185,384
	209,194	185,384

Loan notes were issued by Moneta Midco II Limited, the subsidiary company, to the Company in August 2014 for the sum of £111,635k.The notes are redeemable in full on 31 December 2024.

On 24 July 2020 a further £5,000k loan notes were issued which are redeemable on 31 December 2030 (see note 14 for further details). All notes are unsecured and carry an interest rate of 10% which rolls up annually on 31 December.

14. BORROWINGS FROM RELATED PARTIES

	2020 £000	2019 £000
Non-current		
Related party loan notes	206,209	182,671
	206,209	182,671

On 29 August 2014 the Company issued £106,619k of unsecured loan notes to Bridgepoint Europe IV (Nominees) Limited, ultimate controlling company, and £3,381k to the management team of TTT Moneycorp Limited, other related company. The notes carry an interest rate of 10% which rolls up annually on 31 December. The notes are redeemable in full on 31 December 2024.

Amendments to related party loan notes
On 24 July 2020 the Company received a cash injection of £5,000k in the form of loan notes issued to Bridgepoint Europe IV (Nominees) Limited, the ultimate controlling company. The funding was then passed down to the Company's subsidiary, Moneta Midco II Limited, via way of additional loan notes being issued (see note 13). The loan notes carry an interest rate of 10% and are redeemable in full on 31 December 2030.

15. OTHER PAYABLES

	2020 £000	2019 £000
Amounts falling due within one year:		
Balance owing to the parent company	1,635	1,635
Balance owing to other related parties	147	117
Accruals	18	20
	1,800	1,772

Balance owing to other related parties is payable to TTT Moneycorp Limited, a Moneycorp Group other related party. All related party payables are unsecured, non-interest bearing and repayable on demand with no fixed date of repayment.

16. SHARE CAPITAL

	2020 £000	2019 £000
Authorised:		
51,364,959 (2019: 51,364,959) ordinary shares of £1 each	51,365	51,365
Issued and fully paid:		
51,364,959 (2019: 51,364,959) ordinary shares of £1 each	51,365	51,365

The Company has one class of ordinary shares which carry no rights to fixed income.

17. NOTES TO THE STATEMENT OF CASH FLOWS

Net cash from operations	2020 £000	2019 £000
Operating profit before tax	244	217
Movements in working capital:		
Increase in loan to related party	(23,810)	(16,782)
Increase in borrowings from related parties	23,538	16,536
Increase in other payables	28	29
Net cash from operations	-	-

18. FINANCIAL RISK MANAGEMENT

Financial risk management objectives
The main risks arising from the Company's financial instruments are market risk (primarily interest rate), credit risk and liquidity risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below.

18a. Market risk management
Market risk includes foreign currency risk, interest rate risk and price risk.

Foreign currency risk management
The Company is exposed to limited foreign currency risk as both the loan to related party and borrowings from related parties are maintained in pounds sterling, as are the majority of other balance sheet accounts.

The Company does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The sensitivity to market risk in relation to derivatives is therefore nil.

Interest rate risk management
The Company's interest rate risk arises primarily from it borrowings from and to related parties. The fixed nature of its interest rates, however, eliminates exposure to cash flow interest rate risk.

Other price risks
The Company is not exposed to any other price risks.

18b. Credit risk management
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company.

Credit risk for financial assets at amortised cost
The Company has one type of financial assets that is subject to the expected credit loss (ECL) model:
- loan to related party.

Given the counterparty of the loan is a subsidiary company, the Company is not exposed to any material credit risk therefore the ECL is immaterial. All related party receivables are deemed fully recoverable.

18c. Liquidity risk management
As part of the loan note refinancing that occurred during the year (see note 14 for further details) the Company and Moneycorp Group also has access to a further £5,000k in the form of unsecured redeemable loan notes from the ultimate controller, which remains available as at the balance sheet date.

Additionally there is a wider Moneycorp Group financing facility available, including a committed revolving facility to provide short term liquidity, which the Company has access to if required. Liquidity and cash is managed on a daily basis by the Moneycorp Group Treasury team. The Company seeks to manage this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

18. FINANCIAL RISK MANAGEMENT - CONTINUED

18c. Liquidity risk management - continued

The following tables detail the maturity profile of the Company's remaining contractual financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows. For all financial liabilities the expected maturities are the same as the contractual maturities.

	Within 1 year £000	1-2 years £000	2-5 years £000	5+ years £000	Total £000
At 31 December 2020					
Borrowing principal and interest payments:					
- Related party loan notes	-	-	294,339	13,540	307,879
Other payables	1,800	-	-	-	1,800
	1,800	-	294,339	13,540	309,679
At 31 December 2019					
Borrowing principal and interest payments:					
- Related party loan notes	-	-	294,339	-	294,339
Other payables	1,772	-	-	-	1,772
	1,772	-	294,339	-	296,111

19. CAPITAL RISK MANAGEMENT

Capital risk is the risk that the Company has an insufficient level or composition of capital to support the Company's business activities and associated risks during both normal economic environments and under stressed conditions. The capital risk management objective for the Company is to maintain sufficient capital after debt servicing to enable it to continue as a going concern while maximising returns to shareholders.

The capital structure of the Company consists of net cash and equity (comprising issued capital and retained earnings).

The Company is not subject to any externally imposed capital requirements.

20. COMMITMENTS AND CONTINGENT LIABILITIES

At the balance sheet date the Company has no financial commitments or contingent liabilities outside of the liabilities presented on the balance sheet (2019: nil).

21. RELATED PARTY BALANCES AND TRANSACTIONS

21a. Trading transactions

Finance income earned from, and costs paid to, related parties are disclosed in notes 8 and 9 respectively.

Related party loans owing to and from related parties are disclosed in notes 14 and 13 respectively.

All expenses that have been paid during the year have been settled by TTT Moneycorp Limited, other related party.

Other payables owing to related parties at the balance sheet date are disclosed in note 15.

21. RELATED PARTY BALANCES AND TRANSACTIONS - CONTINUED

21b. Remuneration of key management personnel

The Directors of the Company are also directors of other related Moneycorp Group companies. Emoluments are paid to the Directors by TTT Moneycorp Limited (other related party), or Moneta Topco Limited (the parent company). No emoluments were paid during the year in respect of their services to the Company.

No directors received compensation for loss of office during the year.

22. PARENT COMPANY AND CONTROLLING ENTITY

At balance sheet date, the Directors consider that the Company's immediate parent and controlling party is Moneta Topco Limited (100% effective holding), incorporated and registered in Jersey, Channel Islands. This company produces consolidated financial statements, and this group (referred to within these financial statements as the 'Moneycorp Group') represents the largest group that the Company is a subsidiary of for which consolidated financial statements are prepared.

The ultimate controller of Moneta Topco Limited at balance sheet date was Bridgepoint Europe IV (Nominees) Limited.

The consolidated financial statements for Moneta Topco Limited may be obtained from Floor 5, Zig Zag Building, 70 Victoria Street, SW1E 6SQ.

23. EVENTS AFTER THE BALANCE SHEET DATE

There are no material subsequent events to disclose between the balance sheet date and date of signing the financial statements.