Moneta Midco I Limited

Annual report and financial statements
for the year ended 31 December 2018

Registered number: 115889

Moneta Midco I Limited
Company information

Independent auditors
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
7 More London Riverside
London
SE1 2RT

Registered office
47 Esplanade
St Helier
Jersey
JE1 0BD

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

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

Directors
S Green
N Haslehurst
M Horgan

Company registration number
115889

Date of incorporation
4 June 2014

Trading name
Moneta Midco I Limited

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Moneta Midco I Limited
Strategic report
For the year ended 31 December 2018

The Directors present their strategic report for Moneta Midco I Limited (the 'Company') for the year ended 31 December 2018. The Company is domiciled in the United Kingdom and incorporated in Jersey.

Principal activities and overview
The principal activity of the Company is to provide financing to the Moneycorp Group.

Operational review
The profit for the year after taxation amounted to £205k (2017: £187k loss).

Net assets
Net assets at 31 December 2018 were £52,089k (2017: £51,884k).

Outlook
The Company is 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 below as well as the factors detailed in the significant estimates and judgements section of the accounting policies (see note 5).

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 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 loans to other Group companies.

Physical risk
Physical risk arises from the Company's exposure to theft, misappropriation or damage to its physical assets. The Company maintains appropriate physical security measures and operates suitable policies and procedures to mitigate this risk. The Company also maintains appropriate levels of insurance to limit its exposure.

On behalf of the board

N Haslehurst
Director
16 August 2019

Moneta Midco I Limited
Directors report
For the year ended 31 December 2018

The Directors present their report and the audited financial statements of Moneta Midco I Limited (the 'Company') domiciled in the United Kingdom and incorporated in Jersey for the year ended 31 December 2018.

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.

Directors
The Directors listed below have served the Company during the year and up to the date of this report:

Representative of Bridgepoint Europe IV (Nominees) Limited	S Green	Chairman
Executive Director	N Haslehurst	Chief Financial and Operating Officer
Executive Director	M Horgan	Chief Executive

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.

No interim dividends were declared during the current or prior year and the Directors do not recommend the payment of a final dividend (2017: nil).

Charities and donations
No donations were made for charitable or political purposes during the year (year ended 31 December 2017: nil).

Principal activities and outlook
The principal activities and outlook for the Company are disclosed in the Strategic Report.

Risk management
The Company's risk management framework is set out in the Strategic Report.

Going concern assessment
The Directors assess the Company's going concern for a period of at least 12 months from the date of signing the balance sheet and take into account the facts and circumstances during that period. 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 trading is in line with expectations;
- If the Company would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support, including through shareholder loans;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The regulatory environment in which the Company operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

After making enquiries and considering a range of scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has therefore prepared these financial statements on a going concern basis.

Brexit
The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the Company and the wider Moneycorp group's trade, customers, suppliers and the wider economy.

Brexit - continued

The Directors have considered current business plans and assessed all the risks faced by the Company, including the ability to continue as a going concern as a result of Brexit. Having made appropriate investigations and enquiries, the Directors have concluded that the Company can continue to operate as a going concern, and that the impact of Brexit to the current business plan is not significantly affecting this conclusion. However the Directors continue to monitor this situation and will respond to market situations accordingly.

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable laws and regulations.

Companies (Jersey) Law 1991 requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ('EU IFRS'). 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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable EU IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 they have complied with all of the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991.

The Directors 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.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The auditors PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they will be reappointed will be proposed at the next meeting of the Board of Directors.

The financial statements on pages 8 to 22 were approved by the Board of Directors and authorised for issue on 16 August 2019. They were signed on its behalf by:

N Haslehurst
Director
16 August 2019

Independent auditors' report to the members of Moneta Midco I Limited

Report on the audit of the financial statements

Opinion

In our opinion, Moneta Midco I Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of the company's profit and cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

We have audited the financial statements, included within the Annual Report and financial statements (the "Annual Report"), which comprise: the balance sheet as at 31 December 2018; the statement of comprehensive income, the cash flow statement, and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Article 113A of the Companies (Jersey) Law 1991 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies (Jersey) Law 1991 exception reporting

Under the Companies (Jersey) Law 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the company; or
- proper returns adequate for our audit have not been received from branches not visited by us; or
- the company's financial statements are not in agreement with the accounting records and returns

We have no exceptions to report arising from this responsibility.

PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Chartered Accountants
London
16 August 2019

Moneta Midco I Limited
Statement of comprehensive income
For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Continuing operations:			
Administrative expenses	6	(19)	(34)
Finance income	7	15,321	13,387
Finance costs	8	(15,097)	(13,540)
Operating profit/(loss) before tax		205	(187)
Tax	9	-	-
Profit/(loss) and total comprehensive income/(expense) for the year attributable to the owners of the Company		205	(187)

No other comprehensive income items were recorded during the year (2017: nil).

The above statement should be read in conjunction with the accompanying notes on pages 12 to 22.

Moneta Midco I Limited
Balance sheet
As at 31 December 2018

	Note	2018 £000	2017 £000
Non-current assets			
Investment in subsidiary	10	51,365	51,365
Loans to related parties	12	168,602	153,281
Total assets		**219,967**	**204,646**
Non-current liabilities			
Borrowings from related parties	13	(166,135)	(151,038)
		(166,135)	**(151,038)**
Current liabilities			
Other payables	14	(1,743)	(1,724)
		(1,743)	**(1,724)**
Total liabilities		**(167,878)**	**(152,762)**
Net assets		**52,089**	**51,884**
Equity			
Share capital	15	51,365	51,365
Retained earnings		724	519
Total equity		**52,089**	**51,884**

The above balance sheet should be read in conjunction with the accompanying notes on pages 12 to 22.

The financial statements of Moneta Midco I Limited (registered number 115889) on pages 8 to 22 were approved by the Board of Directors and authorised for issue on 16 August 2019. The Directors do not have the power to amend the financial statements after issue. They were signed on its behalf by:

Director

N Haslehurst

16 August 2019

Moneta Midco I Limited
Statement of changes in equity
For the year ended 31 December 2018

	Share capital £000	Retained earnings £000	Total equity £000
Balance at 1 January 2017	51,365	706	52,071
Loss for the year	-	(187)	(187)
Total comprehensive expense	-	(187)	(187)
Balance at 31 December 2017	51,365	519	51,884
Balance at 1 January 2018	51,365	519	51,884
Profit for the year	-	205	205
Total comprehensive income	-	205	205
Balance at 31 December 2018	51,365	724	52,089

The above statement should be read in conjunction with the accompanying notes on pages 12 to 22.

Moneta Midco I Limited
Statement of cash flows
For the year ended 31 December 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash from operations	16	-	-
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 12 to 21.

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 page 3.

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.

2. NEW AND REVISED STANDARDS ADOPTED IN THE CURRENT PERIOD

The Company has adopted the following standards and amendments for the first time for their annual reporting year commencing 1 January 2018:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers

IFRS 9 Financial Instruments
IFRS 9 *Financial Instruments* replaced the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

The adoption of IFRS 9 from 1 January 2018 resulted in changes in accounting policies and classification of amounts recognised in the financial statements. The new accounting policies are set out within note 4.

Classification and measurement
On 1 January 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial instruments held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The main effects resulting from this reclassification are as follows:

	IAS 39 classification	IAS 39 measurement	IFRS 9 classification and measurement
Financial Assets			
Loans to related parties	Loans and receivables	Amortised cost	Amortised cost
Financial Liabilities			
Other payables	Other financial liabilities	Amortised cost	Other financial liabilities at amortised cost
Borrowings from related parties	Other financial liabilities	Amortised cost	Other financial liabilities at amortised cost

There were no impacts between original carrying amounts and new carrying amounts under IFRS 9.

Impairment of financial assets:
The Company has one type of financial asset that is subject to IFRS 9's new expected credit loss model:
- Loans to related parties

The Company applies the IFRS 9 simplified approach to measuring expected credit losses ("ECL's") which uses a lifetime expected loss allowance. The Company has assessed the impact of the above asset held at amortised cost. Based on the associated high credit quality of the Company's counterparties, the identified expected loss is immaterial.

2. NEW AND REVISED STANDARDS ADOPTED IN THE CURRENT PERIOD – CONTINUED

IFRS 15 Revenue from contracts with customers

IFRS 15 *Revenue from Contracts with Customers*, which replaces IAS 18 *Revenue* and IAS 11 *Construction Contracts*, was adopted by the Company effective from 1 January 2018. The Company has earned no revenue in the current year and hence there is no impact of adoption on the Company.

3. NEW AND REVISED STANDARDS NOT YET ADOPTED

The following new accounting Standards and Interpretations were in issue but not yet effective (and in some cases had not yet been adopted by the EU) for the 31 December 2018 reporting year, and have not been early adopted by the Company:

Standard	**New standard / amendment:**	**Effective for annual reporting periods beginning on or after:**
IFRS 16 – Leases	New	1 January 2019
IFRS 17 – Insurance Contracts	New	1 January 2021
IFRS 3 - Business Combinations	Amendment	Not yet endorsed for use in the EU
IFRS 11 Joint Arrangements	Amendment	Not yet endorsed for use in the EU
IAS 12 - Income Taxes	Amendment	Not yet endorsed for use in the EU
IAS 23 - Borrowing Costs	Amendment	Not yet endorsed for use in the EU
IAS 28 - Investments in Associates and Joint Ventures	Amendment	Not yet endorsed for use in the EU
IAS - 19 Employee Benefits	Amendment	Not yet endorsed for use in the EU

The Directors do not expect that the adoption of the new and revised standards will have a material impact on the financial statements of the Company in the current or future reporting periods or on foreseeable future transactions.

4. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with the requirements of International Financial Reporting Standards ("IFRSs") as adopted by the European Union and interpretations issued by the IFRS Interpretations Committee ("IFRS IC").

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

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

These financial statements have been rounded to the nearest thousand pounds sterling, except when otherwise indicated.

Going concern

The Directors assess the Company's going concern for a period of at least 12 months from the date of signing the balance sheet and take into account the facts and circumstances during that period. 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 trading is in line with expectations;
- If the Company would be able to trade after the impact of a reasonable downside scenario on performance and covenants;
- The adequacy of insurance cover;
- Continued parental support, including through shareholder loans;
- Continued availability of financing facilities and trading lines;
- Complying with covenant requirements of financing and facilities;
- The regulatory environment in which the Company operates; and
- The effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Going concern - continued
After making enquiries and considering a range of scenarios, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company has therefore prepared these financial statements on a going concern basis.

Foreign currencies
Trading transactions denominated in currencies other than the Company's functional currency (foreign currencies) are translated at the exchange rates prevailing on the dates of the transactions.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities at year end exchange rates, are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Investment in subsidiary
Investment holdings are valued at the lower of cost and net realisable value at the balance sheet date. The carrying amounts of investments are reviewed at each balance sheet date 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 period 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:
From 1 January 2018, 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 financial liabilities 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

Cash and cash equivalents
Cash and cash equivalents comprise cash, including wholesale bank notes, and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value.

Loans to related parties
The Company has loans receivable from related parties. The loans to related parties are 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.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment of financial assets at amortised cost
At the reporting date, the Company measures the loss allowance on financial assets, other than those at fair value through profit or loss, at an amount equal to the lifetime ECLs if the risk has increased significantly since initial recognition. If at the reporting date, the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month ECLs. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that a loss allowance may be required. Given the high credit quality of the financial asset measured at amortised cost, the Company does not anticipate any material expected credit losses to be applicable.

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 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 receipts (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 represent liabilities for goods and services provided to the Company prior to the end of 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 after the reporting period. 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.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

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.

Current taxation
The tax currently payable is based on taxable profit/(loss) for the year. Taxable profit/(loss) differs from net profit/(loss) as reported in the statement of comprehensive income because 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 tax rates that have been enacted or substantively enacted by the balance sheet date.

4. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable results and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the income statement, except when they relate to items that are recognised in other comprehensive income in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

5. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 4, 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 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 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 4, the Company reviews the investment in subsidiary at the end of each reporting period. The Directors apply estimation in the impairment review of the investment in subsidiary as future projected earnings of the subsidiary are taken into consideration to determine whether impairment has taken place or not.

Impairment of financial assets at amortised cost

Under IFRS 9, 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 Group 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.

6. ADMINISTRATIVE EXPENSES

Included within administrative expenses are the following:

	2018 £000	2017 £000
Auditors' remuneration (see note 6a.)	9	24
Other professional fees	10	10

6a. Auditors' remuneration

The analysis of the auditors' remuneration is as follows:

	2018 £000	2017 £000
Fees paid to the Company's auditors and their associates		
Audit of the Company's current year annual financial statements	8	8
Audit of the Company's prior year financial statements – incurred in the current year	1	16
Total fees to the Company's auditors	9	24

6b. 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 or Moneta Topco Limited, both related parties.

7. FINANCE INCOME

	2018 £000	2017 £000
Loan notes interest received from related party	15,321	13,387
	15,321	13,387

Loan notes interest was received from Moneta Midco II Limited, a subsidiary company (see note 12 for further details).

8. FINANCE COSTS

	2018 £000	2017 £000
Loan notes interest paid to related parties	15,097	13,540
	15,097	13,540

See note 13 for further details over the loan notes.

9. TAX

	2018 £000	2017 £000
Current tax	-	-
Deferred tax	-	-
Total tax for the year	-	-

Corporation tax is calculated at 19.00% (2017: 19.25%) of the estimated assessable profit/(loss) for the year.

9. TAX - CONTINUED

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

	2018 £000	2017 £000
Profit/(loss) before tax on continuing operations	205	(187)
Tax at the UK corporation tax rate of 19.00% (2017: 19.25%)	39	(36)
Tax effect of Group relief (received)/given	(39)	36
Total tax for the year	-	-

At Budget 2016, the Government announced that the corporation tax rate applicable from 1 April 2020 would be reduced to 17%.

10. 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 2018	2017
Moneta Midco II Limited	Jersey	Investment holding	100%	100%

Carrying amount of investment in subsidiary	2018 £000	2017 £000
Moneta Midco II Limited	51,365	51,365
	51,365	51,365

The investment in subsidiary is stated at cost less impairment.
There have been no acquisitions or disposals during the current or prior year.

Management assessed the investment held by the Company for impairment at the balance sheet date. The future projected growth of the international payments and cash businesses, held by Moneta Midco II Limited via their investments in subsidiaries, showed the enterprise value of these businesses to be greater than 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.

10. INVESTMENT IN SUBSIDIARY - CONTINUED

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

Name of entity	Place of incorporation (or registration)	Principal activity	Proportion of ownership interest and voting power held 2018	2017
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 CFX Limited	UK	Foreign exchange provider	100%	100%
Moneycorp Bank Limited	Gibraltar	Banking services	100%	100%
Moneycorp Financial Risk Management Limited	UK	Foreign exchange options broker	100%	100%
Moneycorp Shared Services Limited	UK	Service company	100%	100%
Moneycorp, Inc.	USA	Introducing broker	100%	100%
Moneycorp Technologies Limited	UK	Technology	100%	100%
Moneycorp Brasil Participacoes Ltda	Brazil	Investment holding	100%	100%
Moneycorp Technologies Limited	Ireland	Dormant	100%	100%
Moneycorp SLU	Spain	Introducing broker	100%	100%
TTT Moneycorp Pty Limited	Australia	Foreign exchange provider	100%	100%
Moneycorp (Hong Kong) Limited	Hong Kong	Foreign exchange provider	100%	100%
Moneycorp SAS	France	Dormant	-	100%
First Rate FX Limited *	UK	Dormant	100%	-
Moneycorp US, Inc. *	USA	Payment services	100%	-
Novo Mundo Holding Financeira S/A *	Brazil	Investment holding	42.5%	-

**Acquired during the 2018 financial year*

11. FINANCIAL ASSETS AND LIABILITIES

Categories of financial instruments

	2018 £000	2017 £000
Financial assets		
Financial assets at amortised cost		
Loans to related parties	168,602	153,281
	168,602	153,281
Financial liabilities		
Financial liabilities at amortised cost		
Borrowings from related parties	(166,135)	(151,038)
Other payables	(1,743)	(1,724)
	(167,878)	(152,762)

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.

12. LOANS TO RELATED PARTIES

	2018 £000	2017 £000
Non-current		
Related party balance owed from subsidiary	168,602	153,281
	168,602	153,281

Loan notes were issued by Moneta Midco II Limited, a subsidiary company, to the Company in August 2014 for the sum of £111,635k. The notes are unsecured and carry an interest rate of 10% which rolls up annually on 31 December. The notes are redeemable in full on 31 December 2024.

13. BORROWINGS FROM RELATED PARTIES

	2018 £000	2017 £000
Non-current		
Related party loan notes	166,135	151,038
	166,135	151,038

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, a 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.

14. OTHER PAYABLES

	2018 £000	2017 £000
Amounts falling due within one year:		
Balance owed to parent company	1,635	1,635
Balance owed to related party	100	81
Accruals	8	8
	1,743	1,724

Balance owed to related party is payable to TTT Moneycorp Limited.

15. SHARE CAPITAL

	2018 £000	2017 £000
Authorised:		
51,364,959 (2017: 51,364,959) ordinary shares of £1 each	51,365	51,365
Issued and fully paid:		
51,364,959 (2017: 51,364,959) ordinary shares of £1 each	51,365	51,365

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

16. NOTES TO THE CASH FLOW STATEMENT

Net cash from operations	2018 £000	2017 £000
Operating profit/(loss) before tax	205	(187)
Movements in working capital:		
Increase in loans to related parties	(15,321)	(13,388)
Increase in borrowings from related parties	15,097	13,540
Increase in other payables	19	35
Net cash from operations	-	-

17. 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.

Market risk
The Company is exposed to limited foreign currency risk as the loans to related parties and borrowings from related parties balances are maintained in pounds sterling.

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.

17. FINANCIAL RISK MANAGEMENT - CONTINUED

Interest rate risk management
The Company's interest rate risk arises primarily from it borrowings from 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.

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 arises from the possibility that the Company will incur losses through the failure of its counterparties to meet their obligations. Given the counterparties are primarily other Group entities, the Company is not exposed to any material credit risk.

No financial assets were past due or impaired as at the 31 December 2018 (2017: nil).

Liquidity risk management
The following tables detail the Company's remaining contractual maturity for its 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	Between 1 and 2 years £000	Between 2 and 5 years £000	5+ years £000	Total £000
At 31 December 2018					
Borrowing principal and interest payments:					
- Related party loan notes	-	-	-	294,339	294,339
Other payables	1,743	-	-	-	1,743
	1,743	-	-	294,339	296,082
At 31 December 2017					
Borrowing principal and interest payments:					
- Related party loan notes	-	-	-	294,339	294,339
Other payables	1,724	-	-	-	1,724
	1,724	-	-	294,339	296,063

18. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders. The capital risk management objective for the Company is to maintain sufficient liquidity after debt servicing to enable it to continue as a going concern.

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

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

18. CAPITAL RISK MANAGEMENT - CONTINUED

Gearing ratio
The gearing ratio at the year-end is as follows:

	2018 £000	2017 £000
Borrowings from related parties	166,135	151,038
Net debt	166,135	151,038
Equity	52,089	51,884
Net debt to equity ratio	319%	291%

Borrowings are defined as long- and short-term borrowings as detailed in note 13. Equity includes all capital and retained earnings of the Company that are managed as capital.

The net debt to equity is in line with expectations.

19. COMMITMENTS AND CONTINGENT LIABILITIES

The Company has no financial commitments or contingent liabilities outside of the liabilities presented on the face of the balance sheet at the reporting date.

20. RELATED PARTY BALANCES AND TRANSACTIONS

20a. Trading transactions

Finance income earned from, and costs paid to, related parties are disclosed in notes 7 and 8 respectively.

All expenses that have been paid during the year have been settled by a related party.

Related party loans owing to and from related parties are disclosed in notes 12 and 13 respectively.

Other payables owed from related parties at the balance sheet date are disclosed in note 14.

20b. Remuneration of key management personnel

The Directors of the Company are also directors of other related companies. Emoluments are paid to the Directors by related parties TTT Moneycorp Limited and Moneta Topco Limited. 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.

21. ULTIMATE HOLDING COMPANY AND CONTROLLING ENTITY

At balance sheet date, the Directors consider that the Company's ultimate parent and controlling party is Moneta Topco Limited (100% effective holding), incorporated and registered in Jersey, Channel Islands. This company produces consolidated financial statements which may be obtained from Floor 5, Zig Zag Building, 70 Victoria Street, SW1E 6SQ.

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

22. EVENTS AFTER THE BALANCE SHEET DATE

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