

Glint Pay UK Limited

Annual report and financial statements

Registered number 9696898

31 December 2017

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Strategic Report

The directors present their strategic report for the year ended 31st December 2017.

Review of the Company's business

Glint Pay UK Limited (the "Company") has been developing Glint, a comprehensive micro-services architecture to create a highly scalable and resilient savings and payments platform which is both independent of and integrated into the existing global regulated payment infrastructure. In doing so, the company has solved the key settlement cycle limitation that made allocated physical gold unusable for high velocity card transactions and peer-to-peer payments. Glint transcends financial networks.

Glint is reintroducing physical gold as money, to be used as a global currency in today's electronic payments system. By enabling gold as money Glint is developing a new global currency, foreign exchange and payments account platform which is more independent and reliable than normal bank accounts.

Glint will enable clients to securely store, exchange, send and spend domestic and foreign currencies, including for the first-time physical gold – the most universally trusted form of money. Glint will allow you to pay with your Glint smartphone app and Glint Mastercard, as well as transfer monies via peer-to-peer and the global banking clearing system.

During Q4 2017 Glint has moved into the Beta testing phase where it has partly launched the product in line with plans. Once testing is complete the Company will licence out Glint to Glint Pay Services Limited (a related entity within the same group) and third parties.

As the Company continues to develop Glint, it suffered a total comprehensive loss for the year of £1,073,359 (2016: £253,568), this is in line with the budget.

The Glint group which the Company makes part of has received a significant level of investment during the year, which investment has been registered to share capital on 17th January 2018. This puts the group in a strong balance sheet position and together with further investment planned for 2018 the funding will be sufficient enough to cover expected costs for the year ahead.

PRINCIPAL RISK & UNCERTAINTIES

Business risk

The directors consider that the Company's principal business risk is that of failing to generate the required funds to finalise and fully launch the product.

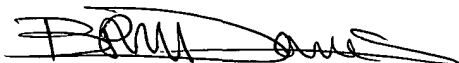
Liquidity risk

The Company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the group has sufficient liquid resources to meet the operating needs of the business.

Foreign currency risk

The Company's principal foreign currency exposures arise from trading with overseas companies and the Company currently has no foreign currency revenue and a low level of foreign currency costs.

By order of the board



B P M Davies
Director

20 April 2018

Directors' Report

Proposed dividend

The directors do not recommend the payment of a dividend (2016: none).

Research and development

The Company's development programme commenced in late 2015 and continued throughout the year under review. Research & development (R&D) activity was carried out on the initial design and rapid prototyping phases of the platform, with activity focussed on the micro-services architecture and associated software design constructs.

Development activities undertaken during the year under review were in the areas of technological research, high level system design architecture, data science, mathematical and software constructs, design of algorithms, building of prototypes and system testing. All software that was created is deemed to be part of the Glint platform, which in total is considered to be a technological advance in the field of digital commodity transaction platforms, and therefore qualifies as R&D.

Directors

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

J D Cozens

B P M Davies

M S Mahaffey

O Bolitho

H Fukuda OBE

M Grubb

Political contributions

The Company made no political donations or incurred any political expenditure during the year.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

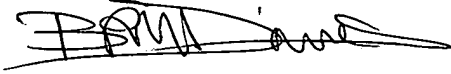
An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 3.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board

B P M Davies
Director

A handwritten signature in black ink, appearing to read 'BPM Davies', written over a horizontal line.

Unit 4.01 Tea Building
56 Shoreditch High Street
London E1 6JJ
England

20 April 2018

Statement of directors' responsibilities in respect of the Strategic Report, the Directors' Report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Glint Pay UK Limited

Opinion

We have audited the financial statements of Glint Pay UK Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet and the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have nothing to report in these respects.

Independent auditor's report to the members of Glint Pay UK Limited *(continued)*

Directors' responsibilities

As explained more fully in their statement set out on page 6, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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



Kelly Dunn (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Botanic House
100 Hills Road
Cambridge
CB2 1AR

20 April 2018

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2017

	<i>Note</i>	2017 £	2016 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Administrative expenses	2,3,4	(1,609,795)	(352,005)
		<hr/>	<hr/>
Operating loss before taxation		(1,609,795)	(352,005)
Tax on loss	5	536,436	98,437
		<hr/>	<hr/>
Loss for the financial year		(1,073,359)	(253,568)
		<hr/>	<hr/>
Other comprehensive income		<hr/>	<hr/>
		<hr/>	<hr/>
Total comprehensive loss for the year		<u>(1,073,359)</u>	<u>(253,568)</u>

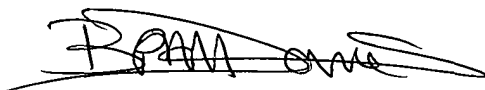
The notes on pages 12 – 22 form part of these financial statements.

Balance Sheet
at 31 December 2017

	<i>Note</i>	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	6	2,506,585		741,135	
Deferred tax asset	11	12,864		-	
Tangible assets	7	127,077		5,076	
		<u>2,646,526</u>		<u>746,211</u>	
Current assets					
Stocks	8	16,040		-	
Debtors	9	764,311		269,442	
Cash at bank and in hand		297,794		1,467,813	
		<u>1,078,145</u>		<u>1,737,255</u>	
Creditors: amounts falling due within one year	10	(4,903,603)		(2,689,262)	
		<u>(3,825,458)</u>		<u>(952,007)</u>	
Provision for liabilities					
Deferred tax liability	11		-		(62,195)
			<u>-</u>		<u>(62,195)</u>
Total assets less current liabilities			(1,178,932)		(267,991)
Capital and reserves					
Called up share capital	13		1		1
Share based payment reserve			162,418		-
Profit and loss account			(1,341,351)		(267,992)
			<u>(1,178,932)</u>		<u>(267,991)</u>
Shareholders' deficit			(1,178,932)		(267,991)

The notes on pages 12 – 22 form part of these financial statements.

These financial statements were approved by the board of directors on and were signed on its behalf by:



B P M Davies
Director

Company registered number: 9696898

Statement of Changes in Equity

	Called up share capital	Share based payments reserve	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2016	1	-	(14,424)	(14,423)
Loss for the year	-	-	(253,568)	(253,568)
Total comprehensive income for the period	-	-	(253,568)	(253,568)
Balance at 31 December 2016	1	-	(267,992)	(267,991)
Balance at 1 January 2017	1	-	(267,992)	(267,991)
Total comprehensive income for the period				
Loss for the year	-	-	(1,073,359)	(1,073,359)
Total comprehensive income for the period	-	-	(1,341,351)	(1,341,351)
Equity-settled share based payments transactions	-	162,418	-	162,418
Balance at 31 December 2017	1	162,418	(1,341,351)	(1,178,932)

Notes

(forming part of the financial statements)

1 Accounting Policies

Glint Pay UK Limited (the “Company”) is a private company incorporated, domiciled and registered in England and Wales in the UK. The registered number is 9696898 and the registered address is Unit 4.01 Tea Building, 56 Shoreditch High Street, London E1 6JJ, England.

These financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1.

The Company’s parent undertaking, Glint Pay Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Glint Pay Limited are available to the public and may be obtained from the Companies House website. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis except for financial instruments that are measured at fair value through the profit and loss.

1.2 Going concern

Notwithstanding net liabilities of £1,178,932, the financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The directors believe that with continued support of its parent, the company will have sufficient resources to meet its liabilities as they fall due.

The group’s projections forecast a significant outflow of cash during 2018 to further develop the product being developed by another group company and also penetrate the market during the Beta testing phase.

The directors are confident of securing any additional financial support that is required and consider it appropriate to prepare the financial statements on a going concern basis.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company’s functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- where the instrument will or may be settled in the company’s own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company’s own equity instruments or is a derivative that will be settled by the company’s exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

Notes (continued)

1 Accounting policies (continued)

1.5 Classification of financial instruments issued by the Company (continued)

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

1.6 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

1.7 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example computer equipment is treated differently to fixtures & fittings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Computer equipment 3 years
- Software & licences 2 years
- Fixtures and fittings 5 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.8 Intangible assets

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Other intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and less accumulated impairment losses.

Notes (continued)

1 Accounting policies (continued)

1.9 Intangible assets (continued)

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

- Patents & trade-marks 5 years
- Capitalised development costs 5 years
- Other capitalised development costs 5 years

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication an intangible asset may be impaired.

1.10 Stocks

Stocks are stated at the lower of cost and replacement cost. Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.11 Impairment excluding stocks

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Notes (continued)

1 Accounting policies (continued)

1.12 Employee benefits

Share-based payment transactions

Share-based payment arrangements in which the entity receives goods or services as consideration for its own equity instruments are accounted for as equity-settled share-based payment transactions, regardless of how the equity instruments are obtained by the entity.

The grant date fair value of share-based payments awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period in which the employees become unconditionally entitled to the awards. The fair value of the awards granted is measured based on using an option valuation model, taking into account the terms and conditions upon which the awards were granted. The amount recognised as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

1.13 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

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

Notes *(continued)*

2 Expenses and auditor's remuneration

Auditor's remuneration:

	2017 £	2016 £
Audit of these financial statements	<u>7,000</u>	<u>-</u>

3 Staff numbers and costs

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

	Number of employees	
	2017	2016
Directors	3	3
Employees	14	1
	<u>17</u>	<u>4</u>

The aggregate payroll costs of these persons were as follows:

	2017 £	2016 £
Wages and salaries	1,136,479	202,644
Share based payments (see note 12)	162,418	-
Social security costs	135,323	20,554
Capitalised development costs	(883,140)	(177,809)
	<u>551,080</u>	<u>45,389</u>

4 Directors' remuneration

	2017 £	2016 £
Directors' remuneration	<u>288,381</u>	<u>163,309</u>

Notes (continued)

5 Taxation

	2017	2016
	£	£
Total tax expense recognised in the profit and loss account, other comprehensive income and equity		
Current tax	461,376	151,177
Deferred tax (see note 11)	75,060	(52,740)
Total tax	536,436	98,437

	2017			2016		
	£	£	£	£	£	£
	Current tax	Deferred tax	Total tax	Current tax	Deferred tax	Total tax
Recognised in Profit and Loss Account	461,376	75,060	536,436	151,177	(52,740)	98,437
Recognised in other comprehensive income	-	-	-	-	-	-
Total tax	461,376	75,060	536,436	151,177	(52,740)	98,437

Analysis of current tax recognised in profit and loss

	2017	2016
	£	£
Research & development tax credit	461,376	151,177

Reconciliation of effective tax rate

	2017	2016
	£	£
Loss for the year	(1,073,359)	(253,568)
Total tax income	(536,436)	(98,437)
Loss excluding taxation	(1,609,795)	(352,005)
Tax using the UK corporation tax rate of 19% (2016:20%)	(305,861)	(70,401)
Tax credit adjustment	(604,558)	(208,520)
Difference in tax credit rate	143,185	57,343
Effect of change in corporate tax rate	1,390	-
Other temporary differences	229,408	123,141
Total tax income included in profit or loss	(536,436)	(98,437)

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax assets and liabilities at the Balance Sheet date have been calculated based on these rates.

Notes (continued)

6 Intangible assets and goodwill

	Patents and trade-marks	Development costs	Other development costs	Total
	£	£	£	£
Cost				
Balance at 1 January 2017	567	679,399	61,396	741,362
Other acquisitions – internally developed	-	883,140	-	883,140
Other acquisitions – externally purchased	-	742,410	182,495	924,905
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	567	2,304,949	243,891	2,549,407
	<hr/>	<hr/>	<hr/>	<hr/>
Amortisation and impairment				
Balance at 1 January 2017	227	-	-	227
Amortisation for the year	113	38,416	4,066	42,595
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	340	38,416	4,066	42,822
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 1 January 2017	340	679,399	61,396	741,135
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	227	2,266,533	239,826	2,506,585
	<hr/>	<hr/>	<hr/>	<hr/>

Capitalised development costs are not treated as a realised loss for the purpose of determining the Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

Notes (continued)

7 Tangible fixed assets

	Computer equipment £	Software licenses £	Fixtures & fittings £	Total £
Cost				
Balance at 1 January 2017	5,826	-	-	5,826
Other acquisitions	93,919	33,000	10,850	137,769
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	99,745	33,000	10,850	143,595
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation				
Balance at 1 January 2017	750	-	-	750
Depreciation charge for the year	11,100	4,125	543	15,768
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	11,850	4,125	543	16,518
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value				
At 1 January 2017	5,076	-	-	5,076
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	87,894	28,875	10,307	127,077
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

8 Stocks

	2017 £	2016 £
Glint debit cards	16,040	-
	<hr/> <hr/>	<hr/> <hr/>

Glint debit cards recognised in profit and loss for the year amounted to £24 (2016: £nil).

Notes *(continued)*

9 Debtors

	2017 £	2016 £
Amount owed by group undertaking	17,875	3,489
Other debtors	608,535	265,953
Prepayments	137,901	-
	764,311	269,442
	764,311	269,442
Due within one year	764,311	269,442

Other debtors include research & development tax credit amounting to £461,374 (2016: £165,267).

10 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	94,560	94,069
Amounts owed to parent company	4,644,889	2,526,225
Taxation and social security	52,718	-
Other creditors	-	33,940
Accruals	111,436	35,028
	4,903,603	2,689,262
	4,903,603	2,689,262

11 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2017 £	2016 £	Liabilities 2017 £	2016 £	Net 2017 £	2016 £
Accelerated capital allowances	4	-	(452,870)	(135,880)	(452,866)	(135,880)
Unused tax losses	465,731	73,685	-	-	465,731	73,685
	465,731	73,685	(452,870)	(135,880)	12,865	(62,195)
Net tax assets / (liabilities)	465,731	73,685	(452,870)	(135,880)	12,865	(62,195)

Notes *(continued)*

12 Employee benefits

Share based payments

The Company operates share options scheme which is currently open to key permanent employees. During the year, 30,446 options over new Ordinary Shares of £0.01 were granted with a weighted average exercise price of £90.95 per option (2016: nil). No share options have been exercised during the year.

The conditions for vesting vary for directors and for the rest of the employees. For directors, options vest upon specific events specified in their contract, whereas for employees these options vest 25% annually commencing from their employment start date and also upon specific events specified in the options contracts. All options must be exercised within ten years of the date of grant. Options are forfeited if the individual leaves the Company before the options vest.

The number and weighted average exercise prices of share options are as follows:

	Weighted average exercise price 2017	Number of options 2017	Weighted average exercise price 2016	Number of options 2016
Granted during the year	£90.95	30,466	-	-
Outstanding at the end of the year	£90.95	30,466	-	-
Exercisable at the end of the year	-	-	-	-

The fair value of services received is measured by reference to the fair value of share options granted and is based on recent transaction in the entity's share. This has been calculated at 120.14 per option.

The expected volatility is wholly based on the historic volatility adjusted for any expected changes to future volatility due to publicly available information.

The total expenses recognised for the year from share-based payments are as follows:

	2017 £000	2016 £000
Total share based payment expense	162,418	-

Notes *(continued)*

13 Capital and reserves

Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
1 ordinary share of £1	1	1
	<u>1</u>	<u>1</u>

14 Financial instruments

Carrying amount of financial instruments

The carrying amounts of the financial assets and liabilities measured at fair value include:

	2017	2016
	£	£
Assets measured at fair value through profit or loss	297,794	1,467,813
Assets measured at amortised cost	764,311	269,442
Liabilities measured at amortised cost	(4,902,404)	(2,689,262)
	<u>297,794</u>	<u>1,467,813</u>

15 Commitments

Capital commitments

The Company has no contractual commitments to purchase tangible fixed assets at the year-end (2016: nil).

The contractual commitments regarding acquisition of other development costs at the year-end were £6,825 (2016: £nil).

16 Related parties

The Company has taken advantage of the exemption provided in FRS102 from disclosing transactions with members of the same group that are wholly owned.

17 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Glint Pay Limited which is also the ultimate controlling party.

The smallest group in which they are consolidated is that headed by Glint Pay Limited whose registered office address is Unit 4.01 Tea Building 56 Shoreditch High Street, London E1 6JJ, England. The consolidated financial statements of this group are available to the public on the Companies House website.