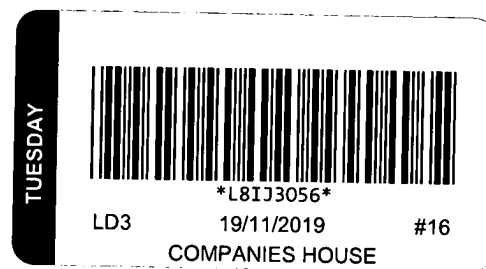


Registered number: 06035209

**NVAYO LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2018**



## **NVAYO LIMITED**

### **COMPANY INFORMATION**

<b>Directors</b>	C Jacklin P Seymour (resigned 31 January 2019) L Kirkham (appointed 23 January 2019)
<b>Company secretary</b>	R Schelin
<b>Registered number</b>	06035209
<b>Registered office</b>	1 King William Street London EC4N 7AF
<b>Independent auditors</b>	Price Bailey LLP Chartered Accountants & Statutory Auditors Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
<b>Bankers</b>	Santander UK plc 2 Triton Square Regent's Place London NW1 3AN

**NVAYO LIMITED**

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## **NVAYO LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

#### **Directors' responsibilities statement**

The directors are responsible for preparing 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Directors**

The directors who served during the year were:

C Jacklin  
P Seymour (resigned 31 January 2019)

#### **Disclosure of information to auditors**

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

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

#### **Auditors**

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

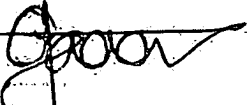
**NVAYO LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**C. Jacklin**  
Director

Date: 19/11/2019

## NVAYO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NVAYO LIMITED

#### Opinion

We have audited the financial statements of Nvayo Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

- 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.

#### 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 Auditors' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

## NVAYO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NVAYO LIMITED (CONTINUED)

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 1, 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.

## NVAYO LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NVAYO LIMITED (CONTINUED)

#### 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

#### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Richard Vass (Senior Statutory Auditor)

for and on behalf of  
**Price Bailey LLP**

Chartered Accountants  
Statutory Auditors

Causeway House  
1 Dane Street  
Bishop's Stortford  
Hertfordshire  
CM23 3BT

Date: *19<sup>th</sup> November 2017*



**NVAYO LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	As restated 2017 £
Turnover	8,453,305	4,984,574
Cost of sales	(387,507)	(309,908)
<b>Gross profit</b>	<b>8,065,798</b>	<b>4,674,666</b>
Administrative expenses	(81,515)	(562,730)
<b>Operating profit</b>	<b>7,984,283</b>	<b>4,111,936</b>
Interest receivable and similar income	9,930	2,929
<b>Profit before tax</b>	<b>7,994,213</b>	<b>4,114,865</b>
Tax on profit	(907,032)	(194,411)
<b>Profit for the financial year</b>	<b>7,087,181</b>	<b>3,920,454</b>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2018 (2017 - £NIL).

The notes on pages 10 to 14 form part of these financial statements.

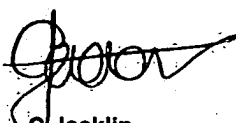
**NVAYO LIMITED**  
**REGISTERED NUMBER: 06035209**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2018**

	Note	2018 £	As restated 2017 £
<b>Fixed assets</b>			
Tangible assets	4	3,565	485
<b>Current assets</b>			
Debtors: amounts falling due within one year	5	11,217,371	4,859,037
Cash at bank and in hand	6	2,024,024	62,809
		13,241,395	4,921,846
Creditors: amounts falling due within one year	7	(1,493,894)	(258,446)
<b>Net current assets</b>		11,747,501	4,663,400
<b>Net assets</b>		11,751,066	4,663,885
<b>Capital and reserves</b>			
Called up share capital	8	7,851,580	7,851,580
Other reserves	9	4,244,666	4,244,666
Profit and loss account	9	(345,180)	(7,432,361)
		11,751,066	4,663,885

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**C Jacklin**  
 Director

Date: 19/11/2019

The notes on pages 10 to 14 form part of these financial statements.

**NVAYO LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018 (as previously stated)	7,851,580	4,244,666	(11,339,783)	756,463
Prior year adjustment	-	-	3,907,422	3,907,422
At 1 January 2018 (as restated)	<u>7,851,580</u>	<u>4,244,666</u>	<u>(7,432,361)</u>	<u>4,663,885</u>
<b>Comprehensive Income for the year</b>				
Profit for the year	-	-	7,087,181	7,087,181
<b>Total comprehensive income for the year</b>	<u>-</u>	<u>-</u>	<u>7,087,181</u>	<u>7,087,181</u>
<b>Total transactions with owners</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>At 31 December 2018</b>	<u><u>7,851,580</u></u>	<u><u>4,244,666</u></u>	<u><u>(345,180)</u></u>	<u><u>11,751,066</u></u>

The notes on pages 10 to 14 form part of these financial statements.

**NVAYO LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Capital contribution	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	7,851,580	4,244,666	(11,352,815)	743,431
<b>Comprehensive Income for the year</b>				
Restated profit for the year	-	-	3,920,454	3,920,454
<b>Total comprehensive income for the year</b>	-	-	3,920,454	3,920,454
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 December 2017 (Restated)</b>	<u>7,851,580</u>	<u>4,244,666</u>	<u>(7,432,361)</u>	<u>4,663,885</u>

The notes on pages 10 to 14 form part of these financial statements.

## NVAYO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 1. General Information

Nvayo Limited is a Company limited by shares incorporated in England & Wales within the United Kingdom. The address of the Registered Office is given in the company information of these financial statements.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling.

###### Transactions and balances

Foreign currency transactions are translated into the functional currency using the previous month end rates at the dates of the transactions.

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

##### 2.3 Revenue

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

Income from the company's principle activities is recognised when a cardholder has executed a transaction and associated fees can be charged in line with contractual agreements.

##### 2.4 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

## NVAYO LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 2. Accounting policies (continued)

##### 2.5 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

##### 2.6 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

##### 2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	-	33% straight-line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

##### 2.8 Debtors

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

##### 2.9 Cash and cash equivalents

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

**NVAYO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.10 Creditors**

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

**2.11 Financial instruments**

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

**3. Employees**

The average monthly number of employees, including directors, during the year was 4 (2017 - 3).

**4. Tangible fixed assets**

	Computer equipment £
<b>Cost or valuation</b>	
At 1 January 2018	62,055
Additions	4,140
At 31 December 2018	<u>66,195</u>
<b>Depreciation</b>	
At 1 January 2018	61,570
Charge for the year on owned assets	1,060
At 31 December 2018	<u>62,630</u>
<b>Net book value</b>	
At 31 December 2018	<u>3,565</u>
At 31 December 2017	<u>485</u>

**NVAYO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**5. Debtors**

	2018	As restated 2017
	£	£
Trade debtors	-	11,111
Amounts owed by group undertakings	10,433,167	4,176,257
Other debtors	624,017	530,329
Prepayments and accrued income	160,187	141,340
	11,217,371	4,859,037

**6. Cash and cash equivalents**

	2018	2017
	£	£
Cash at bank and in hand	2,024,024	62,809

**7. Creditors: Amounts falling due within one year**

	2018	As restated 2017
	£	£
Trade creditors	8,680	12,653
Corporation tax	1,101,443	194,411
Other taxation and social security	16,935	8,755
Customer liabilities	259,677	-
Other creditors	2,757	1,769
Accruals and deferred income	104,402	40,858
	1,493,894	258,446

As required by the Electronic Money Regulations 2011, client money is safeguarded in safeguarded bank accounts and not included as part of the balance of cash at bank.

**8. Share capital**

	2018	2017
	£	£
<b>Allotted, called up and fully paid</b>		
7,851,580 (2017 - 7,851,580) Ordinary shares of £1.00 each	7,851,580	7,851,580



**NVAYO LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. Reserves**

**Capital contribution reserve**

This represents capital contributions received from shareholders for no additional shares in the company.

**Profit and loss account**

The profit and loss reserve represents accumulated comprehensive income for the year and prior periods less any dividends paid.

**10. Prior year adjustment**

In the prior year, an adjustment has been made in regard to revenue and associated expenditure belonging to the Company that had been initially recognised in AU Card LLC, a fellow group company. These transactions arose as part of the financial services operations in which the Company operates. These transactions have now been subsequently transferred to the correct entity. This has resulted in the company now generating a pre tax profit of £4,114,865 having previously stated a pre tax profit of £13,032.

**11. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £4,697 (2017 - £2,128).

The contributions of £1,804 (2017 - £389) were outstanding to the fund at 31 December 2018.

**12. Commitments under operating leases**

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	27,960	5,809
	<u>27,960</u>	<u>5,809</u>

**13. Controlling party**

The ultimate holding Company is PMA Media Group Inc. a Company incorporated in the USA.

The Company's immediate holding Company during the year is AU Card Limited a Company incorporated in the UK under the same trading address.