

Registered number: 08507554

WITH REACH UK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2020



WITH REACH UK LIMITED

COMPANY INFORMATION

Directors

S Ranieri
A E Treutler

Registered number

08507554

Registered office

Fifth Floor Suite 23
63/66 Hatton Garden
London
England
EC1N 8LE

Independent auditors

PKF Littlejohn LLP
Statutory Auditors
15 Westferry Circus
Canary Wharf
London
E14 4HD

WITH REACH UK LIMITED

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WITH REACH UK LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 NOVEMBER 2020

The Directors present their strategic report of the Group and the Company for the year ended 30 November 2020.

Strategy and business model

The Company was incorporated in April 2013 as Gointerpay Limited and changed its name to With Reach UK Limited in March 2018. The Company has been dormant since incorporation and only started trading in November 2019. Following a corporate restructuring in the year the Company became a parent company to 4 other subsidiaries, together forming the Reach Group.

The purpose of the Company is to generate profits for its shareholders. It does this by enabling online merchants to sell to shoppers in countries different from their own. To this end it built a platform that facilitates the processing of payments in multiple currencies, while reducing fraudulent payments. It also needs to maintain entities in multiple jurisdictions to facilitate the above.

Business performance and trends

The rapid spread of COVID-19 around the world in 2020 has accelerated the trend for people to shop online instead of in physical stores. This has benefitted the Company during a time when others suffered. During its first year as a standalone entity the Company has exceeded its own targets as can be seen in its financial statements.

Principal risks and uncertainties

The principal risks facing the Company are:

- Ability to maintain banking relationships.
- Compliance issues regarding Anti-money laundering and fraud prevention

The Company manages these risks by maintaining a very focused compliance regime.

Financial key performance indicators

The management monitors the activities and performance of the company on a regular basis. It uses financial indicators based on budget versus actual performance. Indicators used to assess performance during the year have included turnover, volume of transactions, gross profit margin and operating profit margin.

This report was approved by the board on 12 April, 2021 and signed on its behalf.



S Ranieri
Director

WITH REACH UK LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 NOVEMBER 2020**

The directors present their report and the financial statements for the year ended 30 November 2020.

Results and dividends

The profit for the year, after taxation, amounted to £888,995 (2019 - £1,098).

Directors

The directors who served during the year were:

S Ranieri
A E Treutler

Future developments

The Company is investing heavily to accelerate growth, mainly by growing its IT team. This will result in lower EBITDA. The Company plans to take on debt to finance this growth.

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 and the Group'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 and the Group's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Group since the year end.

Auditors

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 12 April, 2021 and signed on its behalf.



S Ranieri
Director

WITH REACH UK LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 NOVEMBER 2020**

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WITH REACH UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WITH REACH UK LIMITED

Opinion

We have audited the financial statements of With Reach UK Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 30 November 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company 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 Group's and of the parent Company's affairs as at 30 November 2020 and of the Group's 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 Group 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 Group's or the parent 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.

WITH REACH UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WITH REACH UK LIMITED (CONTINUED)

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.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement 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, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

WITH REACH UK LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WITH REACH UK 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 Group 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 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.



Azhar Rana (Senior Statutory Auditor)

for and on behalf of
PKF Littlejohn LLP

Statutory Auditors
15 Westferry Circus
Canary Wharf
London
E14 4HD
Date: 13 April 2021

WITH REACH UK LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Note	2020 £	2019 £
Turnover	4	15,426,090	1,049,330
Cost of sales		(9,671,272)	(627,181)
Gross profit		5,754,818	422,149
Administrative expenses		(4,586,030)	(564,231)
Operating Profit/(Loss)	5	1,168,788	(142,082)
Revaluation gain on customer list		-	145,264
Interest receivable and similar income		37	-
Interest payable and expenses		(272)	-
Profit before taxation		1,168,553	3,182
Tax on profit	9	(279,558)	(2,084)
Profit for the financial year		888,995	1,098
Total comprehensive income for the year		888,995	1,098
Profit for the year attributable to:			
Owners of the parent Company		888,995	1,098
		888,995	1,098
Total comprehensive income for the year attributable to:			
Owners of the parent Company		888,995	1,098
		888,995	1,098

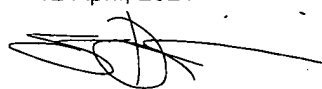
The notes on pages 17 to 30 form part of these financial statements.

WITH REACH UK LIMITED
REGISTERED NUMBER: 08507554

CONSOLIDATED BALANCE SHEET
AS AT 30 NOVEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible fixed assets	10	518,356	573,744
Tangible assets	11	60,085	53,663
		<u>578,441</u>	<u>627,407</u>
Current assets			
Debtors: amounts falling due within one year	13	11,206,215	6,999,325
Cash at bank and in hand	14	4,438,515	1,212,601
		<u>15,644,730</u>	<u>8,211,926</u>
Creditors: amounts falling due within one year	15	(15,333,077)	(8,838,234)
Net current assets/(liabilities)		<u>311,653</u>	<u>(626,308)</u>
Total assets less current liabilities		<u>890,094</u>	<u>1,099</u>
Net assets		<u>890,094</u>	<u>1,099</u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		890,093	1,098
		<u>890,094</u>	<u>1,099</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
12 April, 2021



S Ranieri
Director

The notes on pages 17 to 30 form part of these financial statements.

WITH REACH UK LIMITED
REGISTERED NUMBER: 08507554

COMPANY BALANCE SHEET
AS AT 30 NOVEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	10	513,126	570,673
Tangible assets	11	1,368	-
Investments	12	560,095	557,936
		<u>1,074,589</u>	<u>1,128,609</u>
Current assets			
Debtors: amounts falling due within one year	13	15,350,397	9,704,331
Cash at bank and in hand	14	1,950,777	220,847
		<u>17,301,174</u>	<u>9,925,178</u>
Creditors: amounts falling due within one year	9	(17,217,327)	(10,621,901)
Net current assets/(liabilities)		<u>83,847</u>	<u>(696,723)</u>
Total assets less current liabilities		<u>1,158,436</u>	<u>431,886</u>
Net assets		<u><u>1,158,436</u></u>	<u><u>431,886</u></u>
Capital and reserves			
Called up share capital		1	1
Profit and loss account		1,158,435	431,885
		<u><u>1,158,436</u></u>	<u><u>431,886</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 April, 2021


S Ranieri
Director

The notes on pages 17 to 30 form part of these financial statements.

WITH REACH UK LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 December 2018	1	-	1
Comprehensive income for the year			
Profit for the year	-	1,098	1,098
	<hr/>	<hr/>	<hr/>
At 1 December 2019	1	1,098	1,099
Comprehensive income for the year			
Profit for the year	-	888,995	888,995
	<hr/>	<hr/>	<hr/>
At 30 November 2020	1	890,093	890,094

The notes on pages 17 to 30 form part of these financial statements.

WITH REACH UK LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 NOVEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 December 2018	1	-	1
Comprehensive income for the year			
Profit for the year	-	431,885	431,885
	<hr/>	<hr/>	<hr/>
At 1 December 2019	1	431,885	431,886
Profit for the year	-	726,550	726,550
	<hr/>	<hr/>	<hr/>
At 30 November 2020	1	1,158,435	1,158,436
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 17 to 30 form part of these financial statements.

WITH REACH UK LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 NOVEMBER 2020

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	888,995	1,098
Adjustments for:		
Amortisation of intangible assets	79,965	4,796
Interest paid	272	-
Interest received	(37)	-
Taxation charge	279,558	2,084
(Increase) in debtors	(6,004,012)	(3,842,725)
Decrease/(increase) in amounts owed by groups	1,797,122	(3,156,600)
Increase in creditors	7,035,504	8,041,850
(Decrease)/increase in amounts owed to groups	(809,240)	1,354,320
Net fair value losses/(gains) recognised in P&L	-	(145,264)
Foreign exchange	(439)	834
Corporation tax (paid)/received	(10,897)	-
Net cash generated from operating activities	3,256,791	2,260,393
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,159)	(433,276)
Purchase of tangible fixed assets	(28,483)	(56,581)
Purchase of fixed asset investments	-	(557,936)
Interest received	37	-
Net cash from investing activities	(30,605)	(1,047,793)
Cash flows from financing activities		
Interest paid	(272)	-
Net cash used in financing activities	(272)	-
Net increase in cash and cash equivalents	3,225,914	1,212,600
Cash and cash equivalents at beginning of year	1,212,601	1
Cash and cash equivalents at the end of year	4,438,515	1,212,601
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,438,515	1,212,601
	4,438,515	1,212,601

The notes on pages 17 to 30 form part of these financial statements.

WITH REACH UK LIMITED

Net debt Reconciliation:

The Net Debt Reconciliation comprises only of the corporate cash and cash equivalents, as the Group does not have any borrowings.

The cash and cash equivalents at the beginning of the period, the cash flows arising during the period, any exchange rate movements and the cash and cash equivalents at the end of the period are disclosed within the Cash Flow Statement above.

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2020

1. General information

The Company is a private Company limited by shares and is incorporated and domiciled in England. The Company's registered address is Fifth Floor Suite 23, 63/66 Hatton Garden, London, England, EC1N 8LE.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Going Concern

This is the first full year of trading for the group and the Company, given the Group derives its revenue from online sales transactions, and that online sales have benefited from the enforced social distancing due to COVID19, the Group continues to be profitable. The Directors have a reasonable expectation that the Group will be able to meet its liabilities as they fall due for next 12 months from the approval of financial statements. As such, the financial statements have been prepared on a going concern basis.

2.3 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements, incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at reporting date.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

Rendering of services

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

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

Foreign exchange revenue, processing revenue, fraud management revenue and chargeback control revenue is recognised when the related performance obligations are performed.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2. Accounting policies (continued)

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Taxation

Tax is recognised in profit or loss 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 and the Group operate and generate income.

2.9 Intangible assets

Intangible assets are initially recognised at cost. Subsequent measurement is at cost less any accumulated amortisation, less any accumulated impairment losses. Where there are any indicators of impairment at the reporting date an impairment review is performed. An intangible asset will be impaired if its carrying value exceeds its recoverable amount or value in use.

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

The estimated useful life for the customer list is 10 years.

2.10 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:

Office equipment	-	25%
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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 profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Where there are indicators of impairment at the reporting date, an impairment review is performed. An investment will be impaired if its carrying value exceeds its recoverable value or value in use.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2. Accounting policies (continued)

2.12 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.

2.13 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 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.

2.15 Financial instruments

The Group only enters into basic financial instrument 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 ordinary shares.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

2. Accounting policies (continued)

2.16 Offsetting

Financial assets and liabilities are offset and the net amounts presented in the Financial Statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

a) Critical judgements in applying the entity's accounting policies

No judgements have been made in applying the entity's accounting policies that would have a significant effect on the amounts recognised in these Financial Statements.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below;

(i) Recoverability of debtors and bad debt provision

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing the impairment of trade of other debtors, management considers factors including the current credit rating of the debtor, the aging profile and historical experience. The Company recognises a bad debt provision to the extent a debtor is considered irrecoverable.

(ii) Impairment of Intangible assets

Intangible fixed assets are amortised over their useful lives taking into account residual values, where appropriate. The Company factors in the current and future economic benefits arising from the intangible assets to assess the requirement to impair part or all of the balance.

(iii) Impairment of Investment in subsidiary undertakings

The Company makes an estimate of the value in use or the recoverable amount of its investment in subsidiaries in order to determine whether any provision for impairment is required. When assessing these values management considers the current net asset position of each subsidiary, its recent and budgeted trading results and any Group strategic plans that may impact the subsidiary.

(iv) Estimated useful life of intangible assets

Intangible assets are amortised over their useful lives. All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

WITH REACH UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Foreign exchange revenue	6,106,923	383,301
Processing fee revenue	8,710,337	618,348
Technology development revenue	214,974	29,786
Fraud management revenue	223,893	17,668
Chargebacks and other revenue	169,963	227
	<u>15,426,090</u>	<u>1,049,330</u>

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2020 £	2019 £
Auditor's remuneration	65,000	46,000
Amortisation of Intangible asset	57,547	4,796
Depreciation charge	22,061	2,918
Exchange differences	48,103	(588)
	<u>192,711</u>	<u>53,926</u>

6. Employees

The average number of employees for the Group, including Directors, during the year was as follows :

	2020 No.	2019 No.
Accounting	5	-
Customer care and Risk	6	-
Development	10	-
Merchant success	5	-
Product	3	-
Sales and business development	3	-
Others	9	-
	<u>41</u>	<u>-</u>

The Company had 1 employee in the year (2019 : 0).

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

6. Employees (continued)

Staff costs, including Director's remuneration, were as follows:

	2020	2019
	£	£
Wages and Salaries	2,495,828	157,776
Taxes and Social security	217,708	9,773
Other staff costs and benefits	278,700	8,941
	<u>2,992,236</u>	<u>176,490</u>

Only one director was paid remuneration in the year of CAD 163,979 (GBP 94,962).

7. Interest receivable

	2020	2019
	£	£
Other interest receivable	37	-
	<u>37</u>	<u>-</u>

8. Interest payable and similar expenses

	2020	2019
	£	£
Bank interest payable	272	-
	<u>272</u>	<u>-</u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

9. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	230,951	-
	<u>230,951</u>	<u>-</u>
Foreign tax		
Foreign tax on income for the year	48,607	2,084
	<u>48,607</u>	<u>2,084</u>
Total current tax	<u>279,558</u>	<u>2,084</u>
Deferred tax		
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>279,558</u>	<u>2,084</u>

The tax assessed for the year is higher than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>958,698</u>	<u>431,885</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	182,153	82,058
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	-	29
Utilisation of tax losses	-	(109,339)
Adjustments to tax charge in respect of prior periods	22,378	-
Remeasurement of deferred tax for changes in tax rates	(236)	-
Deferred tax not recognised	26,656	24,384
Change in tax rates	-	2,868
Foreign tax	48,607	2,084
Total tax charge for the year	<u>279,558</u>	<u>2,084</u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

10. Intangible assets

Group

	Customer list £	Goodwill £	Total £
Cost			
At 1 December 2019	575,469	3,071	578,540
Additions	-	2,159	2,159
At 30 November 2020	<u>575,469</u>	<u>5,230</u>	<u>580,699</u>
Amortisation			
At 1 December 2019	4,796	-	4,796
Charge for the year on owned assets	57,547	-	57,547
At 30 November 2020	<u>62,343</u>	<u>-</u>	<u>62,343</u>
Net book value			
At 30 November 2020	<u>513,126</u>	<u>5,230</u>	<u>518,356</u>
At 30 November 2019	<u>570,673</u>	<u>3,071</u>	<u>573,744</u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

10. Intangible assets (continued)

Company

	Customer list £
Cost	
At 1 December 2019	575,469
At 30 November 2020	<u>575,469</u>
Amortisation	
At 1 December 2019	4,796
Charge for the year	57,547
At 30 November 2020	<u>62,343</u>
Net book value	
At 30 November 2020	<u>513,126</u>
At 30 November 2019	<u>570,673</u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

11. Tangible fixed assets

Group

	Office equipment £
Cost	
At 1 December 2019	56,581
Additions	28,483
At 30 November 2020	<u>85,064</u>
Depreciation	
At 1 December 2019	2,918
Charge for the year on owned assets	22,061
At 30 November 2020	<u>24,979</u>
Net book value	
At 30 November 2020	<u>60,085</u>
At 30 November 2019	<u>53,663</u>

WITH REACH UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020

11. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
Additions	1,758
At 30 November 2020	<u>1,758</u>
Depreciation	
Charge for the year on owned assets	390
At 30 November 2020	<u>390</u>
Net book value	
At 30 November 2020	<u><u>1,368</u></u>
At 30 November 2019	<u><u>-</u></u>

12. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 December 2019	557,936
Additions	2,159
At 30 November 2020	<u><u>560,095</u></u>

WITH REACH UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Reach Ltd.	Canada	Ordinary	100%
With Reach (USA) LLC	USA	N/a	100%
With Reach (Australia) Pty Ltd	Australia	Ordinary	100%
With Reach (EU) Limited OU	Estonia	Ordinary	100%

All the above subsidiaries are included in the consolidation.

13. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	996,235	742,838	856,152	742,838
Amounts owed by related parties	1,359,478	3,156,600	10,224,907	7,442,175
Other debtors	7,831,591	2,917,528	3,338,239	1,428,652
Prepayments and accrued income	40,627	100,492	11,262	68,745
Other tax debtors and deposits	978,284	81,867	919,837	21,921
	11,206,215	6,999,325	15,350,397	9,704,331

14. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	4,438,515	1,212,601	1,950,777	220,847
	4,438,515	1,212,601	1,950,777	220,847

Included within Cash is £356,807 (Company: £29,348) held in e-wallets (2019: Group-£172,514, Company-£68,367).

WITH REACH UK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 NOVEMBER 2020**

15. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Trade creditors	257,793	108,463	177,281	59,109
Amounts owed to related parties	545,080	1,354,320	2,792,618	3,243,763
Corporation tax	268,579	-	230,951	-
Other creditors	13,962,038	7,079,267	13,906,918	7,078,039
Accruals and deferred income	299,587	296,184	109,559	240,990
	<u>15,333,077</u>	<u>8,838,234</u>	<u>17,217,327</u>	<u>10,621,901</u>

16. Share capital

	2020 £	<i>2019 £</i>
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

17. Related party transactions

The Company is not required to disclose transactions with wholly owned subsidiaries due to the exemptions available under Section 33 of FRS 102.

Anthony Treutler is a Director of Calforex Limited, With Reach UK Limited and Calgary Foreign Exchange Limited.

The Company owed Mr. Anthony Treutler £450,156 (2019: £474,647) at the year end.

During the year, there were flows of funds between the Reach Group and Calforex Limited and Calgary Foreign Exchange Limited relating to FX trades and payment processing transactions. As at 30 November 2020, the Group had a net receivable of £1,166,410 from Calforex Limited and net payable of £351,945 to Calgary Foreign Exchange Limited.

At 30 November 2020, With Reach UK limited owed £1,370,896 to Calgary Foreign Exchange Limited and had a payable to Calforex Limited of £153,331.

Anthony Treutler is a Director in Biosphere Limited (a company registered in Isle of Man) and 9189278 Alberta (a company registered in Canada). During the year, the Company paid £80,000 for consultancy services to Biosphere Limited and £114,676 (CAD 198,000) to 9189279 Alberta. The Company also paid £89,488 (CAD 154,550) to 9189279 Alberta towards marketing services provided in the year.

18. Controlling party

The ultimate controlling party is Mr. Anthony Treutler.