

Registered number: 07453502

**EPOINTS REWARDS LIMITED**

**FINANCIAL STATEMENTS**

**INFORMATION FOR FILING WITH THE REGISTRAR**

**FOR THE PERIOD ENDED 31 MARCH 2022**



**EPOINTS REWARDS LIMITED**  
**REGISTERED NUMBER: 07453502**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2022**

	Note	31 March 2022 £	31 December 2020 £
<b>Fixed assets</b>			
Investments	5	1,664,133	1,664,133
<b>Current assets</b>			
Debtors: amounts falling due within one year	6	390,601	214,200
Cash at bank and in hand		27,770	113,765
		418,371	327,965
Creditors: amounts falling due within one year	7	(319,073)	(171,271)
<b>Net current assets</b>		99,298	156,694
<b>Total assets less current liabilities</b>		1,763,431	1,820,827
Creditors: amounts falling due after more than one year	8	(190,000)	(265,000)
<b>Provisions for liabilities</b>			
Other provisions	11	(476,425)	(163,599)
<b>Net assets</b>		1,097,006	1,392,228
<b>Capital and reserves</b>			
Called up share capital		1,700,000	1,700,000
Profit and loss account		(602,994)	(307,772)
		1,097,006	1,392,228

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 have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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

*Bryan Duffy*

B Duffy (Dec 21, 2022, 10:55am)

**B S A Duffy**  
 Director

Date: 21 Dec 2022

The notes on pages 2 to 9 form part of these financial statements.

## EPOINTS REWARDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

#### 1. General information

Epoints Rewards Limited is a private company limited by shares incorporated in England and Wales, United Kingdom. The address of the registered office is Dane End House, Dane End, Hertfordshire, SG12 0LR. Its place of business is 8A Denmark Street, Wokingham, RG40 2BB.

#### 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 Company's functional and presentational currency is Pound Sterling. Figures are shown to the nearest £1.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Company has prepared these financial statements using the going concern basis. The Company has two profitable new product launches, nil cost loans and brand programmes and a pipeline of nearly 100 new clients and has continued to grow despite of the COVID-19 pandemic. In addition, the company issued further share capital during the year to enable the company to meet its ongoing financial commitments.

##### 2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

There are three ways in which the Company generates turnover:

- 1) Sales of epoints to employers – turnover is recognised upon issuing of the epoints to the employer. The issue occurs once payment has been received;
- 2) Sales of epoints to end consumers - turnover is recognised upon the automated issuing of the epoints, which occurs when the customer makes payment to the intermediary payment provider; and
- 3) Software license fees – these are charged to companies using the Epoints platform to generate their own revenue; turnover is recognised over the period the software is being used.

##### 2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each reporting date. Gains and losses on remeasurement are recognised in the Statement of Income and Retained Earnings for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

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

## EPOINTS REWARDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

#### 2. Accounting policies (continued)

##### 2.5 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.

##### 2.6 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.

##### 2.7 Financial instruments

The Company 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.

##### 2.8 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.

##### 2.9 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.

##### 2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### 2.11 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

## EPOINTS REWARDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

#### 2. Accounting policies (continued)

##### 2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

##### 2.13 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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 reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 3. Employees

The average monthly number of employees, including directors, during the period was 3 (2020 - 3).

**EPOINTS REWARDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

**4. Taxation**

	15 Months ended 31 March 2022 £	Year ended 31 December 2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	(18,370)	(86,786)
<b>Taxation on loss on ordinary activities</b>	(18,370)	(86,786)

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	15 Months ended 31 March 2022 £	Year ended 31 December 2020 £
Loss on ordinary activities before tax	(313,592)	(442,196)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(59,582)	(84,017)
<b>Effects of:</b>		
Remeasurement of deferred tax for changes in tax rates	(30,885)	(2,769)
Group relief	72,097	-
<b>Total tax charge for the period/year</b>	(18,370)	(86,786)

**Factors that may affect future tax charges**

The company has carried forward trading losses of approximately £515,000 (31 December 2020 - £581,000) to offset against future profits for corporation tax purposes.

**EPOINTS REWARDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

**5. Fixed asset investments**

	Loans to subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2021	1,664,133
At 31 March 2022	<u>1,664,133</u>

**6. Debtors**

	31 March 2022 £	31 December 2020 £
Trade debtors	39,960	44,942
Amounts owed by group undertakings	187,332	19,665
Other debtors	10,538	-
Prepayments and accrued income	24,084	39,276
Deferred taxation	128,687	110,317
	<u>390,601</u>	<u>214,200</u>

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

	31 March 2022 £	31 December 2020 £
Bank loans	60,000	35,000
Trade creditors	5,576	-
Amounts owed to group undertakings	200,000	75,000
Other taxation and social security	-	19,999
Other creditors	1,994	5,202
Accruals and deferred income	51,503	36,070
	<u>319,073</u>	<u>171,271</u>

**EPOINTS REWARDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

**8. Creditors: Amounts falling due after more than one year**

	31 March 2022 £	31 December 2020 £
Bank loans	190,000	265,000
	<u>190,000</u>	<u>265,000</u>

The following liabilities were secured:

	31 March 2022 £	31 December 2020 £
Bank loans	250,000	300,000
	<u>250,000</u>	<u>300,000</u>

Details of security provided:

The bank loan is secured by a debenture granted by the Company; and is guaranteed up to a value of £300,000 which is provided by MBI MBO Limited, which has a controlling ownership over the Company.

**9. Loans**

Analysis of the maturity of loans is given below:

	31 March 2022 £	31 December 2020 £
<b>Amounts falling due within one year</b>		
Bank loans	60,000	35,000
<b>Amounts falling due 1-2 years</b>		
Bank loans	60,000	60,000
<b>Amounts falling due 2-5 years</b>		
Bank loans	130,000	180,000
<b>Amounts falling due after more than 5 years</b>		
Bank loans	-	25,000
	<u>250,000</u>	<u>300,000</u>

**EPOINTS REWARDS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 MARCH 2022**

**10. Deferred taxation**

	2022 £	2020 £
At beginning of year	110,317	23,531
Charged to profit or loss	18,370	86,786
<b>At end of year</b>	<b>128,687</b>	<b>110,317</b>

The deferred tax asset is made up as follows:

	31 March 2022 £	31 December 2020 £
Tax losses carried forward	128,687	110,317

**11. Provisions**

	Other provisions £
At 1 January 2021	163,599
Charged to profit or loss	312,826
<b>At 31 March 2022</b>	<b>476,425</b>

The expected level of redemption of issued e-points is considered a key accounting estimate. Based on their knowledge of the sector the directors consider that 95% of the issued e-points will be redeemed. This will be kept under review to ensure that it remains representative of the redemption levels that occur over time

## EPOINTS REWARDS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2022

#### 12. Related party transactions

The Company has taken the exemption under FRS 102 (Section 33.1A) to not disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

The Company operated loan accounts with group companies. As at 31 March 2022, £1,664,133 (31 December 2020 - £1,664,133) was owed to the company and is included in fixed asset investments. At 31 March 2022, £187,332 (31 December 2020 - £19,665) was owed to the company and is included in debtors. At 31 March 2022, £200,000 (31 December 2020 - £75,000) was owed by the company and is included in creditors - amounts falling due within one year.

No interest was charged on these loans (year ended 31 December 2020 - £NIL).

#### 13. Controlling party

The immediate controlling party is MBI MBO Limited which is incorporated in England and Wales, by virtue of its interest in 91% of the issued share capital in the company.

B S A Duffy, director, continued to be the ultimate controlling party by virtue of his controlling interest in the share capital of the ultimate holding company, MBI MBO Limited.

#### 14. Auditors' information

The auditors' report on the financial statements for the period ended 31 March 2022 was unqualified.

The audit report was signed on 21 December 2022 by Richard Vass (Senior Statutory Auditor) on behalf of Price Bailey LLP.