
VALITOR INTERNATIONAL LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

VALITOR INTERNATIONAL LIMITED
REGISTERED NUMBER: 05268834

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	7	-	980,695
		-	980,695
Current assets			
Stocks	8	-	715,428
Debtors: amounts falling due within one year	9	-	1,274,092
Cash at bank and in hand		47,216	37,296
		47,216	2,026,816
Creditors: amounts falling due within one year	10	(2,014,237)	(4,068,872)
Net current liabilities		(1,967,021)	(2,042,056)
Total assets less current liabilities		(1,967,021)	(1,061,361)
Creditors: amounts falling due after more than one year	11	(6,269,854)	(6,194,334)
Net liabilities		(8,236,875)	(7,255,695)
Capital and reserves			
Called up share capital	12	100	100
Merger reserve		(6,781,950)	(6,781,950)
Profit and loss account		(1,455,025)	(473,845)
		(8,236,875)	(7,255,695)

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 comprehensive income 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 on 4 June 2020.

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H Vifilsdottir
Director

The notes on pages 4 to 13 form part of these financial statements.

VALITOR INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Merger reserve £	Profit and loss account £	Total equity £
At 1 January 2018	100	(6,781,950)	2,169,316	(4,612,534)
Comprehensive income for the year				
Loss for the year	-	-	(2,643,161)	(2,643,161)
Total comprehensive income for the year	-	-	(2,643,161)	(2,643,161)
At 1 January 2019	100	(6,781,950)	(473,845)	(7,255,695)
Comprehensive income for the year				
Loss for the year	-	-	(981,180)	(981,180)
Total comprehensive income for the year	-	-	(981,180)	(981,180)
At 31 December 2019	<u>100</u>	<u>(6,781,950)</u>	<u>(1,455,025)</u>	<u>(8,236,875)</u>

The notes on pages 4 to 13 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Valitor International Limited is a private company limited by shares and is incorporated in England and Wales.

The registered office address is Stansted House, Raynham Road, Bishops Stortford, Hertfordshire, CM23 5PD.

The principal activity of the Company in the year under review was that of provision of payment services.

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

The company ceased trading on 31 March 2019.

On 1 April 2019, the trade and assets were transferred to a group company, Valitor Limited. Pursuant to the agreement, no proceeds were received upon this transfer due to the net liability position of the company at 31 March 2019.

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 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.

2.3 Turnover

Turnover represents the sale and hire of payment processing equipment, excluding value added tax, and associated revenues. Income is recognised at the point of invoicing, when the company obtains the right to consideration. Income invoiced in advance is recognised evenly over the period to which it relates.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.5 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.6 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Defined benefit pension plan

The Company also operated a defined benefit plan in respect of one director holding office during the period. The nature of the scheme is such that the directors can alter the final salary level to be funded based on the value of contribution the company wishes to make. 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 Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.7 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 reporting date in the countries where the Company operates and generates income.

2.8 Intangible assets

Computer Software

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

2.9 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:

Leasehold property improvements	-	4%	on cost
Plant and machinery etc	-	25%	on cost and 33% on cost

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.11 Financial instruments

The Company only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to and from related parties.

(i) Financial assets

Basic financial assets, including trade and other debtors, and amounts due from related companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the Statement of Income and Retained Earnings.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other creditors and accruals, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 8 for the carrying amount of the property plant and equipment, and note 2.10 for the useful economic lives for each class of assets.

4. Employees

The average monthly number of employees, including directors, during the year was 93 (2018 - 74).

5. Directors' remuneration

	2019	<i>2018</i>
	£	£
Directors' emoluments	25,000	260,646
Company contributions to defined contribution pension schemes	2,500	11,532
	<u>27,500</u>	<u>272,178</u>

During the period retirement benefits were accruing to 1 director (2018 - 1) in respect of defined contribution pension schemes.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

6. Intangible assets

	Computer software £
At 1 January 2019	89,612
Intra-group transfers	(89,612)
At 31 December 2019	-
At 1 January 2019	89,612
Amortisation transfer from group	(89,612)
At 31 December 2019	-
Net book value	
At 31 December 2019	-
At 31 December 2018	-

VALITOR INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
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7. Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Total £
At 1 January 2019	5,669	1,701,976	495,146	2,202,791
Additions	-	-	67,643	67,643
Transfers intra group	(5,669)	(1,701,976)	(562,789)	(2,270,434)
At 31 December 2019	-	-	-	-
At 1 January 2019	57	921,368	300,671	1,222,096
Charge for the year on owned assets	57	119,621	20,272	139,950
Transfers intra group	(114)	(1,040,989)	(320,943)	(1,362,046)
At 31 December 2019	-	-	-	-
Net book value				
At 31 December 2019	-	-	-	-
At 31 December 2018	5,613	780,608	194,474	980,695

8. Stocks

	2019 £	2018 £
Finished goods and goods for resale	-	715,428
	-	715,428

VALITOR INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

9. Debtors

	2019 £	2018 £
Trade debtors	-	631,360
Other debtors	-	109,645
Prepayments and accrued income	-	533,087
	<u>-</u>	<u>1,274,092</u>

10. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	682	-
Trade creditors	-	1,790,536
Amounts owed to group undertakings	2,013,555	1,769,783
Other taxation and social security	-	79,903
Other creditors	-	20,201
Accruals and deferred income	-	408,449
	<u>2,014,237</u>	<u>4,068,872</u>

11. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group undertakings	6,269,854	6,194,334
	<u>6,269,854</u>	<u>6,194,334</u>

12. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
100 (2018 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Pension commitments

The company operated a defined contributions 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 £28,602 (2018: £129,409). Contributions totalling £Nil (2018: £9,866) were payable to the fund at the balance sheet date and are included in other creditors.

The pension scheme ceased upon the transfer of the trade and assets to Valitor Limited.

14. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	-	137,951
Later than 1 year and not later than 5 years	-	436,947
Later than 5 years	-	380,000
	<u>-</u>	<u>954,898</u>

15. Related party transactions

During the period the company was party to a rental operating lease with Stansted House Investments and the Trustees of the Chip & Pin Solutions DB SASS, of which a previous director had a controlling interest.

16. Controlling party

The company is a 100% owned subsidiary of Iteron Holding Limited. The company's ultimate parent undertaking is Valitor Holding hf.

The company is exempt from the obligation to prepare and deliver group accounts as it is included within the EEA group accounts of a larger group, s.400 of the Companies Act 2006.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.