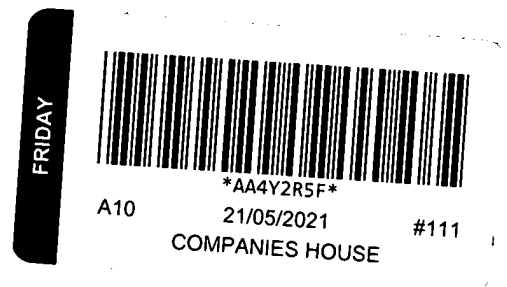


Global Processing Services Group Limited

Company Registration Number: 11319858

Company and Group Financial Statements

For the year ended 31 December 2020



Global Processing Services Group Limited
For the year ended 31 December 2020
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Group Strategic Report

I am pleased to present the consolidated results for Global Processing Services Group Ltd ("the Group") for the year ended 31st December 2020.

Global Processing Services (UK) Ltd ("GPS (UK) Ltd") has been trading profitably whilst Global Processing Services Ltd ("GPS Ltd") has had annually increasing revenues for a number of years and the Group has established itself as the leading issuer processor to, and enabler of, European fintechs allowing them to manage debit, pre-paid and credit card transactions globally.

Private equity firm Dunedin Capital Partner Limited LLP ("Dunedin") recognised the company's pre-eminent position in the European fintech arena and on the 14th June 2018 invested in the company through the newly formed entity Global Processing Services Group Ltd and several newly formed subsidiaries, one of which acquired the entire share capital of GPS Ltd on 14th June 2018. The original founders and Directors of GPS Ltd, Tony Kerr and Craig Dewar retain a substantial minority stake in the newly formed 'TopCo', Global Processing Services Group Ltd.

Board

On the same day as the Dunedin investment, 14 June 2018, I was appointed as Chief Executive Officer of the newly formed group and was appointed to the new Board of Directors, joining founders Craig Dewar and Anthony Kerr along with two representatives of Dunedin LLP, Oliver Bevan and Dougal Bennett. On 16th July 2018 John Chaplin joined the Board as Chairman. On 31st March 2021 Shaun Middleton replaced Dougal Bennett as a director of Global Processing Services Group Ltd, GPS MidCo Ltd, GPS FinCo Ltd and GPS BidCo Ltd.

Trading performance

For the year ended 31st December 2020 the consolidated group showed revenue of £21.17m (2019: £16.50m) and a net loss of £9.04m (2019: £6.12m loss) after restructuring related costs of £1.18m (2019: £0.43m) and interest on bank loans, loan notes and preference shares of £8.04m (2019: £6.83m). Adjusted EBITDA for the period which excludes restructuring costs, interest and depreciation/amortisation was £5.07m (2019: £3.79m) which demonstrates the underlying profitability of the business (see note 3d).

Full year revenues were up 28% to £21.17m (2019: £16.50m) and the business performed strongly throughout the year adding many new customers while retaining its existing customer base where we saw strong monthly transactional growth.

Outlook

In the third quarter of the year the existing investors injected a further £6.6m into the holding company, Global Processing Services Group Ltd in the form of convertible loan notes which was in addition to a £5.0m external investment, also in the form of convertible loan notes. The funding will be used to extend our services to Asia Pacific, where we have also seen considerable inbound demand and signed our first customers. This included opening a Dubai office in December 2020.

Group Strategic Report (continued)

Outlook (continued)

12 months after the start of the worldwide COVID-19 outbreak the Group has been able to continue to grow revenues +28% for 2020 and +30% for the first quarter of 2021, which demonstrates both the resilience of the business model and the continued acceleration of digital payments globally. COVID-19 has forced the Group to adapt in the way colleagues work and interact with each other, working from home being a constant. However, this has not impacted the ability of the business to deliver the critical services to its customers, with record NPS customer satisfaction in 2020.

The acquisition of new customers has proven more difficult as sales cycles have extended in part to deal with prospects availability as COVID-19 waves and local restrictions have changed. However, the essence of the service that the Group provides both to start-ups and more established financial service organisations remains the same in accelerating the opportunities to process digital payments and our marketing model has adapted to a heavier digital content and distribution.

The outlook for the Group remains extremely positive with a building sales pipeline as the Group expands geographically, coupled with strong growth from existing clients is providing the business with the confidence to continue to invest in the processing platform, increasing functionality capability and geographic reach. While the waves of COVID-19 incidence and governmental restrictions will continue to evolve, the Group has demonstrated its ability to grow through the first 12 months of the pandemic and will continue to do so as it crystalises the opportunities in the sales pipeline and retains a growing client base.

Group Structure

Global Processing Services Group Ltd - Group TopCo/Consolidated results
GPS MidCo Ltd – Intermediate Holding company
GPS FinCo Ltd – Intermediate Holding company
GPS BidCo Ltd – Intermediate Holding company
Global Processing Services Ltd - main trading company
Global Processing Services (UK) Ltd - Services company
Global Processing Services (Singapore) PTE Ltd – Services company
Global Processing Services (Australia) PTY Ltd – Services company
Apex Processing Services FZ-LLC – Services company (incorporated on 7th December 2020)

About Global Processing Services

Global Processing Services Group Ltd (GPS) is the issuer processor enabling many of today's most high-profile fintech innovators and disruptors. It is certified by Mastercard and Visa to process and manage any credit, debit or pre-paid card transaction globally.

GPS enables the emerging payments industry to deliver breakthrough innovations through a unique combination of proprietary technology, its people and partners.

At the heart of its capability is GPS Apex, its single global issuer processing platform. Built entirely by its own payment experts, GPS Apex offers easy integration with Issuers, Fintechs, Programme Managers, card manufacturers and many other service providers.

Global Processing Services Group Limited
Directors' Report
For the year ended 31 December 2020

Directors' Report

The Directors present their report and the audited company and group financial statements for the year ended 31 December 2020.

Principal Activities

The Company's principal activity is that of a holding company, owning companies specialising in the payments processing sector. The Group consists of 4 holding companies and 5 operating entities.

Incorporation

The Company was incorporated in the United Kingdom on 19 April 2018 and these financial statements are for the year ended 31 December 2020.

Review of Business Results

During the year, the Company registered a loss before taxation of £4,246,640 (2019: £2,947,316) and loss after taxation of £4,244,436 (2019: £2,947,125). The Group registered a loss before taxation of £9,919,095 (2019: £6,650,816) and a loss after taxation of £9,038,068 (2019: £6,119,406).

Events After Balance Sheet Date

There were no significant subsequent events that require disclosure.

Future Developments

The Company does not envisage any changes in operating activities for the forthcoming year.

Reserves and Dividends

The total comprehensive loss for the period is set out on page 12 and has been transferred to reserves. The Directors do not recommend the payment of a dividend (2019: £Nil).

Directors

The Directors of the Company who held office during the period and to date were:

Dougal Bennett (resigned on 31/03/2021)
Shaun Middleton (appointed on 31/03/2021)
Oliver Bevan (appointed on 16/05/2018)
Joanne Dewar (appointed on 14/06/2018)
Anthony Kerr (appointed on 14/06/2018)
Craig Dewar (appointed on 14/06/2018)
John Chaplin (appointed on 16/07/2018)
Richard Hodgson (appointed on 25/06/2020)

**Global Processing Services Group Limited
Directors' Report (continued)
For the year ended 31 December 2020**

Director's Report (continued)

Political and Charitable Contributions

During the period, Global Processing Services Ltd and Global Processing Services (UK) Ltd made charitable donations of £Nil (2019: £900) and £2,445 (2019: £1,130) respectively. The Company did not make any charitable donations during the year (2019: £Nil).

Disclosure of Information to the Auditors

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

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

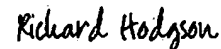
Auditor

Our auditors, KPMG Audit LLC have expressed their willingness to continue in office as per Section 485 of the Companies Act 2006.

Approved by the Board on 28th April 2021 and signed on its behalf by:



Joanne Dewar
CEO & Director



Richard Hodgson
CFO & Director

Registered Address:

Beaufort House
11th Floor
15 St Botolph St
London
EC2A 7BB
United Kingdom

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare both Group and Company financial statements in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs as adopted by the EU) and applicable law.

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 each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Group's, Parent's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL PROCESSING SERVICES GROUP LIMITED

Our opinion

We have audited the consolidated financial statements of Global Processing Services Group Limited (the "Company") and its subsidiaries (together, the "Group"), which comprise the Company and Group statement of financial position as at 31 December 2020, the Company and Group statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2020 and of the Group's and Company's loss for the year then ended;
- are properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Going concern

The directors have prepared the consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group and the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the consolidated financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL PROCESSING SERVICES GROUP LIMITED
(continued)**

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the Group's revenue streams are simple in nature with respect to accounting policy choice, and are easily verifiable to external data sources or agreements with little or no requirement for estimation from management. We did not identify any additional fraud risks.

We performed procedures including

- Identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation; and
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Group is subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the consolidated financial statements, for instance through the imposition of litigation or impacts on the Group and the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL PROCESSING SERVICES GROUP LIMITED
(continued)**

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The directors' report and strategic report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 7, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**Global Processing Services Group Limited
Independent Auditor's Report (continued)
For the year ended 31 December 2020**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLOBAL PROCESSING SERVICES GROUP LIMITED
(continued)**

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

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

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

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



Mark Kelly (Senior Statutory Auditor)
For and on behalf of KPMG Audit LLC (Statutory Auditor)
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man
IM1 1LA

10 May 2021

Global Processing Services Group Limited
Company and Group Statement of Comprehensive Income
For the year ended 31 December 2020

| | | Company 2020 | Company 2019 | Group 2020 | Group 2019 |
|--|------|--------------------|--------------------|--------------------|--------------------|
| | Note | £ | £ | £ | £ |
| Revenue | 4 | 2,348,843 | 1,204,925 | 21,170,204 | 16,501,258 |
| Administrative expenses | 3 | (2,136,964) | (1,095,386) | (21,760,774) | (14,961,039) |
| Operating profit | | 211,879 | 109,539 | (590,570) | 1,540,219 |
| Restructuring costs | 3 | (1,021,732) | (54,288) | (1,176,617) | (429,564) |
| Provision for bad debt and credit losses | 3 | - | - | (115,889) | (927,584) |
| Finance income | 5 | 33,262 | 33,262 | - | - |
| Finance costs | 5 | (3,470,049) | (3,035,829) | (8,036,019) | (6,833,887) |
| Loss before tax | 3 | (4,246,640) | (2,947,316) | (9,919,095) | (6,650,816) |
| Taxation | 6 | 2,204 | 191 | 881,027 | 531,410 |
| Loss for the period | | (4,244,436) | (2,947,125) | (9,038,068) | (6,119,406) |
| Other comprehensive income | | - | - | - | - |
| Total comprehensive loss | | (4,244,436) | (2,947,125) | (9,038,068) | (6,119,406) |


The Directors consider all activities to derive from continuing operations.

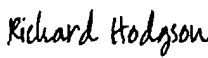
The notes on pages 18 to 59 form an integral part of these financial statements.

Global Processing Services Group Limited
Company and Group Statement of Financial Position
As at 31 December 2020

| | | Company 2020 | Company 2019 | Group 2020 | Group 2019 |
|--------------------------------------|------|--------------------|--------------------|---------------------|--------------------|
| | Note | £ | £ | £ | £ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property and equipment | 8 | - | - | 608,691 | 846,957 |
| Intangible assets | 9 | - | - | 33,154,847 | 31,821,493 |
| Right of use asset | 21 | - | - | 427,258 | 1,984,292 |
| Goodwill | 10 | - | - | 47,920,143 | 47,920,143 |
| Investments in subsidiary | 7 | 1 | 1 | - | - |
| Loans to subsidiary | 13 | 500,520 | 467,258 | - | - |
| Total non-current assets | | 500,521 | 467,259 | 82,110,939 | 82,572,885 |
| Current assets | | | | | |
| Trade and other receivables | 11 | 18,613,013 | 4,041,275 | 5,370,367 | 4,997,575 |
| Deferred tax asset | 6 | 2,396 | 192 | - | - |
| Amount due from subsidiary | 13 | 33,528,354 | 33,528,354 | - | - |
| Cash and cash equivalents | 12 | 11,172,467 | - | 12,698,114 | 4,396,980 |
| Total current assets | | 63,316,230 | 37,569,821 | 18,068,481 | 9,394,555 |
| TOTAL ASSETS | | 63,816,751 | 38,037,080 | 100,179,420 | 91,967,440 |
| EQUITY AND LIABILITIES | | | | | |
| Non-current liabilities | | | | | |
| Borrowings | 14 | - | - | 54,072,140 | 50,486,856 |
| Preference shares | 14 | 42,728,772 | 39,578,843 | 42,728,772 | 39,578,843 |
| Convertible loan notes | 15 | 11,833,413 | - | 11,833,413 | - |
| Lease liability | 20 | - | - | 98,249 | 1,066,813 |
| Deferred tax liability | 6 | - | - | 3,705,757 | 4,011,678 |
| Total non-current liabilities | | 54,562,185 | 39,578,843 | 112,438,331 | 95,144,190 |
| Current liabilities | | | | | |
| Borrowings | 14 | - | - | 780,000 | 600,000 |
| Lease liability | 20 | - | - | 360,208 | 917,479 |
| Trade and other payables | 16 | 16,855,484 | 1,844,719 | 4,316,476 | 4,030,479 |
| Total current liabilities | | 16,855,484 | 1,844,719 | 5,456,684 | 5,547,958 |
| Equity | | | | | |
| Share capital | 17 | 111,839 | 111,539 | 111,839 | 111,539 |
| Share premium | 18 | 853,661 | 823,961 | 853,661 | 823,961 |
| Retained earnings | | (8,566,418) | (4,321,982) | (18,681,095) | (9,660,208) |
| Total equity | | (7,600,918) | (3,386,482) | (17,715,595) | (8,724,708) |
| TOTAL EQUITY AND LIABILITIES | | 63,816,751 | 38,037,080 | 100,179,420 | 91,967,440 |

The financial statements were approved by the Board of Directors on 28th April 2021 and were signed on its behalf by:


 Joanne Dewar
 CEO & Director


 Richard Hodgson
 CFO & Director

The notes on pages 18 to 59 are an integral part of these financial statements.

Global Processing Services Group Limited
 Company and Group Statement of Changes in Equity
 For the year ended 31 December 2020

Statement of changes in equity

a) Statement of changes in equity

| | Company 2020 | | | |
|--|--------------------|--------------------|------------------------|--------------------|
| | Share capital £ | Share premium £ | Retained earnings £ | Total equity £ |
| Opening balance | 111,539 | 823,961 | (4,321,982) | (3,386,482) |
| Transactions with owners of the Company (see part b) | 300 | 29,700 | - | 30,000 |
| Total comprehensive income | - | - | (4,244,436) | (4,244,436) |
| Balance as at 31 December | 111,839 | 853,661 | (8,566,418) | (7,600,918) |

| | Company 2019 | | | |
|--|--------------------|--------------------|------------------------|--------------------|
| | Share capital £ | Share premium £ | Retained earnings £ | Total equity £ |
| Opening balance | 111,595 | 829,406 | (1,374,857) | (433,856) |
| Transactions with owners of the Company (see part b) | (56) | (5,445) | - | (5,501) |
| Total comprehensive income | - | - | (2,947,125) | (2,947,125) |
| Balance as at 31 December | 111,539 | 823,961 | (4,321,982) | (3,386,482) |

| | Group 2020 | | | |
|--|--------------------|--------------------|------------------------|---------------------|
| | Share capital £ | Share premium £ | Retained earnings £ | Total equity £ |
| Opening balance | 111,539 | 823,961 | (9,660,208) | (8,724,708) |
| Transactions with owners of the Company (see part b) | 300 | 29,700 | - | 30,000 |
| Effects of revaluations | - | - | 17,181 | 17,181 |
| Total comprehensive income | - | - | (9,038,068) | (9,038,068) |
| Balance as at 31 December | 111,839 | 853,661 | (18,681,095) | (17,715,595) |

Global Processing Services Group Limited
 Company and Group Statement of Changes in Equity (continued)
 For the year ended 31 December 2020

Statement of changes in equity (continued)

a) Statement of changes in equity (continued)

| | Group 2019 | | | Total equity £ |
|--|--------------------|--------------------|------------------------|--------------------|
| | Share capital £ | Share premium £ | Retained earnings £ | |
| Balance as at 19 April | 111,595 | 829,406 | (3,917,914) | (2,976,913) |
| Transactions with owners of the Company (see part b) | (56) | (5,445) | - | (5,501) |
| Effects of revaluations | - | - | 120,851 | 120,851 |
| Other reserves | - | - | 256,261 | 256,261 |
| Total comprehensive income | - | - | (6,119,406) | (6,119,406) |
| Balance as at 31 December | 111,539 | 823,961 | (9,660,208) | (8,724,708) |

b) Transactions with owners of the Company

| | Company 2020 | | Total equity £ |
|--|--------------------|--------------------|-------------------|
| | Share capital £ | Share premium £ | |
| Contributions and distributions | | | |
| Treasury shares re-allocation | 300 | 29,700 | 30,000 |
| Total transactions with owners of the company | 300 | 29,700 | 30,000 |
| Balance as at 31 December | 300 | 29,700 | 30,000 |

| | Company 2019 | | Total equity £ |
|--|--------------------|--------------------|-------------------|
| | Share capital £ | Share premium £ | |
| Contributions and distributions | | | |
| Treasury shares disposal | (56) | (5,445) | (5,501) |
| Total transactions with owners of the company | (56) | (5,445) | (5,501) |
| Balance as at 31 December | (56) | (5,445) | (5,501) |

Global Processing Services Group Limited
 Company and Group Statement of Changes in Equity (continued)
 For the year ended 31 December 2020

Statement of changes in equity (continued)

b) Transactions with owners of the Company (continued)

| | Group 2020 | | |
|--|---------------|----------------|----------------|
| | Share capital | Share premium | Total equity |
| | £ | £ | £ |
| Contributions and distributions | | | |
| Treasury shares re-allocation | 300 | 29,700 | 30,000 |
| Total transactions with owners of the company | 300 | 29,700 | 30,000 |
| Balance as at 31 December | 300 | 29,700 | 30,000 |
| | | | |
| | Group 2019 | | |
| | Share capital | Share premium | Total equity |
| | £ | £ | £ |
| Contributions and distributions | | | |
| Treasury shares disposal | (56) | (5,445) | (5,501) |
| Total transactions with owners of the company | (56) | (5,445) | (5,501) |
| Balance as at 31 December | (56) | (5,445) | (5,501) |

The notes on pages 18 to 59 form an integral part of these financial statements.

Global Processing Services Group Limited
Company and Group Statement of Cash Flow
For the year ended 31 December 2020

| | | Company | Company | Group | Group |
|---|-------------|--------------------|----------------|--------------------|--------------|
| | | 2020 | 2019 | 2020 | 2019 |
| | | £ | £ | £ | £ |
| Cash flows from operating activities: | Note | | | | |
| Loss for the period before tax | | (4,246,640) | (2,947,316) | (9,919,095) | (6,650,816) |
| Interest on preference shares | 5 | 3,149,930 | 3,035,829 | 3,149,930 | 3,035,829 |
| Interest on bank loans | 5 | - | - | 456,235 | 533,353 |
| Interest on convertible loan notes | | 320,120 | - | 320,120 | - |
| Interest on loan notes | 5 | - | - | 3,812,915 | 3,021,271 |
| Interest on leases | 5 | - | - | 44,450 | - |
| Amortisation of loan issuance costs | 5 | - | - | 252,370 | 243,434 |
| Interest income on loan to subsidiary | 5 | (33,262) | (33,262) | - | - |
| Foreign exchange losses | | 1,156 | - | 24,490 | 294,953 |
| Provisions for doubtful debts | 3 | - | - | 115,889 | 927,584 |
| Depreciation and amortisation | 8, 9 | - | - | 5,773,495 | 3,181,057 |
| Profit from operations | | (808,696) | 55,251 | 4,030,799 | 4,586,665 |
| (Increase)/decrease in trade and other receivables | | - | (26,655) | 154,384 | (1,874,611) |
| (Increase)/decrease in related party receivables | | 360,057 | (2,235,550) | - | - |
| Increase/(decrease) in trade and other payables | | 29,753 | 206,954 | (52,503) | 1,854,876 |
| | | (418,886) | (2,000,000) | 4,132,680 | 4,566,930 |
| Taxation refund | | - | - | 217,753 | - |
| Net cash flows generated from/(used in) operating activities | | (418,886) | (2,000,000) | 4,350,433 | 4,566,930 |
| Cash flows from investing activities: | | | | | |
| Payments to acquire intangible assets | 9 | - | - | (5,576,974) | (6,270,022) |
| Payments to acquire property and equipment | 8 | - | - | (172,361) | (351,025) |
| Net cash flows generated used in investing activities | | - | - | (5,749,335) | (6,621,047) |
| Cash flows from financing activities: | | | | | |
| Proceeds from convertible loan note issue | | 11,589,353 | - | 11,589,353 | - |
| Proceeds from loan note issue | | - | - | - | 5,000,000 |
| Proceeds from preference share issue | | - | 2,000,000 | - | 2,000,000 |
| Proceeds from ordinary share issue | | 2,000 | - | 2,000 | - |
| Interest on bank loans paid | | - | - | (456,235) | (533,353) |
| Repayment of lease payments | 20 | - | - | (1,120,107) | - |
| Repayment of bank loans | | - | - | (300,000) | (600,000) |
| Net cash flows used in financing activities | | 11,591,353 | 2,000,000 | 9,715,011 | 5,866,647 |
| Net changes in cash and cash equivalents | | 11,172,467 | - | 8,316,109 | 3,812,530 |
| Effects of foreign exchange variances | | - | - | (14,975) | (136,825) |
| Cash and cash equivalents at beginning of period | | - | - | 4,396,980 | 721,275 |
| Cash and cash equivalents at end of period | 12 | 11,172,467 | - | 12,698,114 | 4,396,980 |

The notes on pages 18 to 59 form an integral part of these financial statements.

1. General notes

a. Entity information

Place of incorporation and principal business

Global Processing Services Group Limited (the "Company") is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 (registration number 11319858). The address of the registered office is Beaufort House, 11th Floor, 15 St Botolph Street, London, EC3A 7BB.

Global Processing Services Group Limited (the "Group") is a holding company with one fully owned subsidiary, GPS Midco Limited. GPS Midco Limited in turn owns GPS Finco Limited, which owns GPS Bidco Limited. GPS Bidco Limited is a holding company with four fully owned subsidiaries, Global Processing Services Limited, Global Processing Services (Singapore) PTE Limited, APEX Processing Services FZ-LLC and Global Processing Services (Australia) PTY Limited. Global Processing Services Limited in turn owns a fully owned subsidiary Global Processing Services (UK) Limited. The nine entities together form the Group.

b. Basis of preparation

i. Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU ('IFRS') and interpretations issued by the International Accounting Standards Board ('IASB') as applicable to a company incorporated in the United Kingdom.

ii. Basis of measurement

The financial statements have been prepared on the historical cost basis.

iii. Functional and presentation currency

The financial statements are presented in Pound Sterling (£), which is the Group's and Company's functional currency.

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in profit or loss.

1. General notes (continued)

b. Basis of preparation (continued)

iv. Use of estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form a basis for making the judgements about the carrying value of assets and liabilities that are not readily apparent from other sources.

The Directors have reviewed the estimates and assumptions used in the preparation of the financial statements. The Directors believe that the key assumptions in the preparation of the financial statements are:

- useful lives of fixed assets (note 2d)
- useful lives of intangible assets and goodwill (note 2e)
- provision for expected future credit losses of trade receivables (note 2g)
- recoverability of amounts due from subsidiaries

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows (note 15):

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

v. Going concern

Notwithstanding a loss for the Company for the year then ended of £4,244,436 (2019: £2,947,125) and operating cash outflow for the Company for the year of £418,886 (2019: £2,000,000 outflows). Further, notwithstanding a loss for the Group for the year then ended of £9,038,068 (2019: £6,119,406) and operating cash inflows for the Group for the year of £4,350,433 (2019: £4,566,930 inflows). The financial statements have been prepared on a going concern basis as the Directors believe the Group and Company have sufficient assets and resources to meet all financial obligations as they fall due. The following matters have been considered by the Directors in determining the appropriateness of the going concern basis of preparation in the financial statements.

- A cash flow forecast for the next 12 months from the date of approval of the financial statements prepared by management has indicated that the Company and the Group will have sufficient cash assets to be able to meet its debts as and when they fall due. The cash forecasts have taken into account the impact of COVID-19.
- The shareholders will continue its support for a minimum of 12 months from the date of issuing these financial statements.

1. General notes (continued)

v. Going concern (continued)

- Amounts due to subsidiaries although repayable on demand and have been classified as current liabilities are not expected to be settled for at least 12 months from the date of approval of the financial statements.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

c. Subsidiaries and basis of consolidation

The Company has included its subsidiary undertakings in the accounts at cost less any impairment losses. The Consolidated Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows include financial statements of the Company and its subsidiary undertakings. Intra-group balances are eliminated fully on consolidation.

2. Significant accounting policies

a. Standards issued but not yet effective

A number of new standards are effective for annual periods after 1 January 2020 and earlier application is permitted; however, the Company nor the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Company and the Group's financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16);
- Cost of Fulfilling an Onerous Contract (Amendments to IAS 37);
- COVID-19 Related Rent Concessions (Amendment to IFRS 16);
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts;
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1);
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
- Reference to Conceptual Framework (Amendments to IFRS 3); and
- Annual improvements to IFRS Standards 2018-2020.

b. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

2. Significant accounting policies (continued)

b. Lease accounting (continued)

i. As a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from Silicon Valley Bank, who provide external debt financing sources to the Group.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component. The Group has tested its right-to-use assets for impairment on the date of transition and has concluded that there is no indication that the right-to-use assets are impaired. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property as 'right of use asset' and lease liabilities within 'current liabilities' and 'non-current liabilities' in the statement of financial position.

ii. Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases less than or equal to 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2. Significant accounting policies (continued)

c. Business combination

All business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. For acquisitions, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.
- When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, are expensed as incurred. Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

On a transaction-by-transaction basis, the Group elects to measure non-controlling interests, which have both present ownership interests and are entitled to a proportionate share of net assets of the acquiree in the event of liquidation, either at its fair value or at its proportionate interest in the recognised amount of the identifiable net assets of the acquiree at the acquisition date. All other non-controlling interests are measured at their fair value at the acquisition date.

Investments in subsidiaries

A subsidiary is an entity which is controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the separate financial statements, an investment in a subsidiary is initially measured at cost. After initial recognition, an investment in subsidiary may be carried either under the cost method, that is at cost less any accumulated impairment losses or measured using the equity method. After initial recognition the investment in subsidiary is carried under the cost method.

d. Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

2. Significant accounting policies (continued)

d. Property and equipment (continued)

Recognition and measurement

The cost of an item of property and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site to which it is located. Subsequent expenditure is capitalised as part of the cost of property and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

After initial recognition, property and equipment are carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses. An asset is impaired when its carrying amount is less than its recoverable amount. An impairment test is carried out annually to ensure that no asset value have been overstated.

Depreciation

Depreciation is calculated to write down the carrying amount of the asset on a straight-line basis over its expected useful life. The depreciation charge for each period is recognised in profit and loss. The useful lives for each asset class used to determine depreciation used are the following:

| | |
|------------------------|----------|
| Furniture and fixtures | 10 years |
| Office equipment | 4 years |
| Computer equipment | 4 years |
| Leasehold improvements | 10 years |

e. Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

Acquired intangible assets

An acquired intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost, comprising its purchase price and any directly attributable cost of preparing the asset for its intended use.

2. Significant accounting policies (continued)

e. Intangible assets and goodwill (continued)

Acquired intangible assets (continued)

Intangible assets are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the intangible asset using the straight-line method over its expected useful life. Amortisation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised.

Amortisation is based on the asset's useful life for each class of intangible asset and is charged to the statement of comprehensive income. Assets are tested for impairment at least annually.

Internally developed intangible assets

The Group has in house and 3rd party software engineers who work on developing and improving software used in the provision of services to customers.

An internally generated intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Internally generated intangible assets are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the intangible asset using the straight-line method over its expected useful life. Amortisation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised.

An internally generated intangible asset serves the customer base by bringing additional functionality, speed, capacity etc. to the platform. This enhances the service delivery and product offering and ensures that the Group can generate more economic benefits from existing and new customers. An internally generated asset capitalised as part of the core platform is amortised on the same 7 year cycle but from point of bringing that functionality into service.

2. Significant accounting policies (continued)

e. Intangible assets and goodwill (continued)

Internally developed intangible assets (continued)

Amortisation is based on the asset's useful life for each class of intangible asset and is charged to the statement of comprehensive income. Capitalised development costs not yet ready for use are tested for impairment at least annually.

The GPS policy is to amortise acquired intangible assets over their useful life. In the instance of the GPS Operating Platform, the asset acquired in 2018 is being amortised over its useful life of 7 years. Subsequent development of the operating platform is amortised over 7 years from the point the development is live on the platform as subsequent platform development is about enhancing the existing functionality and capability of the GPS Operating system to both retain existing clients and attract new clients to GPS.

The useful lives for each asset class used to determine amortisation used are the following:

| | |
|---|----------|
| Computer software | 4 years |
| Website | 4 years |
| Intellectual property (includes GPS platform) | 7 years |
| Customer relationships | 8 years |
| Customer contracts | 26 years |

f. Taxation

Income tax expense comprises current and deferred tax and is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

2. Significant accounting policies (continued)

f. Taxation (continued)

Income taxes

Income tax expense comprises current tax and is recognised in profit or loss. Current tax is based on the taxable profit for the period, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

g. Financial instruments

Non-derivative financial instruments comprise of trade receivables, other receivables, loans and amounts due to and from related parties, convertible loans, loan notes, preference shares, trade payables and other payables.

Non-derivative financial instruments are recognised initially at fair value in line with IFRS 9. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

i. Trade/other receivables and amounts due from related parties

Trade/other receivables and amounts due from related parties are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses.

ii. Trade and other payables

Trade and other payables consist of trade payables, accruals, employee pensions and amounts due to parent and other related parties. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

iii. Cash and cash equivalents

Cash and cash equivalents comprise cash balances with bank. Any bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

2. Significant accounting policies (continued)

g. Financial instruments (continued)

iv. Loan notes, bank loans and amounts due to group companies

Loan notes, bank loans and amounts due to group companies are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method and are stated at their nominal value.

v. Convertible loans

Convertible loan notes are classified as measured at fair value through profit or loss (FVTPL), designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of comprehensive income. Any gain or loss on derecognition are also recognized in the statement of comprehensive income.

i) Impairment of financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when: the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due. The Group considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per CreditSafe.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

2. Significant accounting policies (continued)

g. Financial instruments (continued)

i) Impairment of financial assets (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Given that the Group's trade receivables all have credit terms less than 1 year; they do not include a financing component. This deems the simplified approach to be the required method of impairing the Group's trade receivables.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

ii) Impairment of non-financial assets.

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

2. Significant accounting policies (continued)

g. Financial instruments (continued)

ii) Impairment of non-financial assets (continued)

Impairment losses of continuing operations are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset, except for properties previously revalued with the revaluation taken to OCI. For such properties, the impairment is recognised in OCI up to the amount of revaluation.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and whenever circumstances indicate that the carrying value may be impaired (see Note 10). Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Cash Generating Unit (CGU) to which the Goodwill is allocated to for impairment testing has been defined as the GPS IOM group, which comprises Global Processing Services Limited and Global Processing Services (UK) Limited, from which Goodwill arose from its acquisition. The recoverable amount of the CGU has been determined based on the fair value of the acquisition. Management have performed a sensitivity analysis on Goodwill at the year end and the valuation of the Group has increased significantly from the acquisition date in June 2018 (see Note 10).

h. Revenue recognition

Rendering of services

Revenue from the provision of services is recognised when the performance obligations are satisfied as stated in the terms of the contracts with customers. The revenue is measured based on the allocation of the price to the performance obligations.

2. Significant accounting policies (continued)

h. Revenue recognition (continued)

Rendering of services (continued)

The Group's revenue is derived from new client setup fees, transaction processing fees and other ancillary services fees. Each of the different streams contains different performance obligations as follows:

i. Set-up fees

The performance obligation is to set up the customer on the platform. The revenue is recognised over time for setup fees because this is how the performance obligation is satisfied. Set-up fees include initial and subsequent set-ups.

ii. Transaction fees

The performance obligation is to process a transaction for the customer. Revenue is recognised when transactions are processed.

iii. Ancillary fees

There are three separate performance obligations within ancillary fees as follows:

- a. the annual license fee which is recognised over time
- b. the fixed monthly fee payable which is recognised monthly and
- c. the variable/transaction based fee recognised as and when it occurs.

There are no undue complications included in determining and allocating the transaction prices amongst the above revenue streams as these are clearly stated in the contract with the customer and are not bundled together.

i. Borrowing costs and loan issuance costs

Borrowing costs include those costs that are directly attributable to borrowings from a bank and related party. Borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred using the effective interest method. Borrowing costs associated with the issuance of the Company's loans are capitalised and amortised over the life of the loan.

j. Restructuring costs

Restructuring costs are those incurred through obtaining external financing for the Group. These are not associated with usual operating activities and relate to specific one-off event(s).

k. Finance costs/income

Financing expenses include interest income on loan to subsidiary, interest on bank loan, interest on loan notes, interest on leases, interest on convertible loan notes and finance charges on preference shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy).

2. Significant accounting policies (continued)

k. Finance costs/income (continued)

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Financing income comprise interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

l. Expenses

Expenses are recognized on an accrual basis.

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

3. Loss before tax

a. Loss for the period

Loss before tax is presented after charging the following:

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Audit fee | 36,978 | 23,120 | 91,298 | 67,624 |
| Restructuring costs | 1,021,732 | 54,288 | 1,176,617 | 429,564 |
| Director's fees | 30,000 | 30,000 | 90,890 | 30,000 |
| Provision for bad debts and credit losses | - | - | 115,889 | 927,584 |
| Depreciation and amortization | - | - | 5,773,495 | 3,181,057 |

Restructuring costs are those incurred with obtaining financing for the Group. The restructuring costs in the current financial year are those incurred with obtaining the convertible loan note investment of £11.6m for Global Processing Services Group Limited. These costs are not associated with usual operating activities and relate to specific one-off events.

b. Staff Costs

Administration expenses include staff costs incurred during the year are analysed as follows:

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---|-------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Salaries and wages | 1,505,403 | 864,230 | 6,187,685 | 4,204,367 |
| Employer's share of social security contributions | 196,284 | 119,909 | 1,002,702 | 754,379 |
| Employee pensions | 108,446 | 4,365 | 601,085 | 83,395 |
| Other staff cost | 3,919 | - | 1,066,728 | 38,262 |
| Total | 1,814,052 | 988,504 | 8,858,200 | 5,080,403 |

c. Number of employees

The number of persons employed by the Group and Company at the year end was as follows:

| | Company 2020 No | Company 2019 No | Group 2020 No | Group 2019 No |
|-----------------------|--------------------------------|--------------------------------|------------------------------|------------------------------|
| Operational employees | 9 | 7 | 128 | 94 |

Directors receive salaries from the Company.

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

3. Loss before tax (continued)

d. EBITDA reconciliation

| | Group 2020 £ | Group 2019 £ |
|-------------------------------|--------------------|--------------------|
| Loss for the period | (9,038,068) | (6,119,406) |
| Add back: | | |
| Taxation | (881,027) | (531,410) |
| Interest expense | 8,036,019 | 6,833,887 |
| Restructuring costs | 1,176,617 | 429,564 |
| Depreciation and amortisation | 5,773,495 | 3,181,057 |
| EBITDA | 5,067,036 | 3,793,692 |

4. Revenue from contracts with customers

a. Disaggregation of revenue

In the following table, revenue is disaggregated by major product/service lines. The timing of revenue recognition is different depending on the service line and this is outlined in note 2h to the financial statements.

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---------------------------|----------------------|----------------------|--------------------|--------------------|
| Management fees recharges | 2,348,843 | 1,204,925 | - | - |
| Set-up fees* | - | - | 3,659,516 | 2,252,428 |
| Transaction fees** | - | - | 13,837,549 | 11,729,636 |
| Ancillary fees | - | - | 3,673,139 | 2,519,194 |
| Total | 2,348,843 | 1,204,925 | 21,170,204 | 16,501,258 |

* Set up fees include initial and subsequent set up fees for additional services

** Ancillary fees include transaction based and annual license fees.

b. Contract balances

The following table provides information about opening and closing receivables, contract assets and contract liabilities from contracts with customers.

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|--------------------|----------------------|----------------------|--------------------|--------------------|
| Trade receivables | - | - | 1,561,455 | 1,825,801 |
| Contract asset | - | - | 2,238,869 | 1,681,858 |
| Contract liability | - | - | (493,377) | (487,654) |
| Total | - | - | 3,306,947 | 3,020,005 |

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

5. Net finance costs

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---------------------------------------|----------------------|----------------------|--------------------|--------------------|
| Interest on preference shares | 3,149,930 | 3,035,829 | 3,149,929 | 3,035,829 |
| Interest income on loan to subsidiary | (33,262) | (33,262) | - | - |
| Interest on bank loan | - | - | 456,235 | 533,353 |
| Interest on loan notes | - | - | 3,812,915 | 3,021,271 |
| Interest on convertible loan notes | 320,120 | - | 320,120 | - |
| Interest on leases | - | - | 44,450 | - |
| Amortisation of loan issuance costs | - | - | 252,370 | 243,434 |
| Total | 3,436,788 | 3,002,567 | 8,036,019 | 6,833,887 |

6. Taxation

a) Analysis of credit for the year

i. Profit and loss account

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|--|----------------------|----------------------|--------------------|--------------------|
| Current tax credit | | | | |
| UK corporation tax on profits for the year | - | - | - | 209,354 |
| Adjustment in respect of previous periods | - | - | (575,106) | (238,914) |
| Total current tax credit | - | - | (575,106) | (29,560) |
| Deferred tax credit | | | | |
| Origination and reversal of timing differences | (2,204) | 5,011 | (529,554) | (127,571) |
| Effect of changes in tax rates | - | - | 482,342 | - |
| Adjustment in respect of previous periods | - | (5,202) | (258,709) | (374,279) |
| Total deferred tax credit | (2,204) | (191) | (305,921) | (501,850) |
| Total tax credit to profit and loss | (2,204) | (191) | (881,027) | (531,410) |

The reasons for the difference between actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to profits for the period are as follows:

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

6. Taxation (continued)

a) Analysis of credit for the year (continued)

i. Profit and loss account (continued)

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---|----------------------|----------------------|--------------------|--------------------|
| Loss before tax | (4,246,640) | (2,947,316) | (9,919,095) | (6,650,816) |
| Taxation | 2,204 | 191 | 881,027 | 531,410 |
| Loss after tax | (4,244,436) | (2,947,125) | (9,038,068) | (6,119,406) |
| Tax using the Company's domestic tax rate of 19% | (806,862) | (559,990) | (1,884,628) | (1,263,655) |
| Expenses not deductible for tax purposes | 825,650 | 587,121 | 1,580,331 | 1,261,867 |
| Differences in overseas tax rates | - | - | - | 17,216 |
| Deferred tax not provided | - | - | (189,777) | 51,345 |
| Adjustments to tax in respect of previous periods | - | (5,202) | (833,816) | (613,193) |
| Group relief claim surrendered | (20,969) | - | - | - |
| Non taxable income | - | - | (44) | - |
| Non qualifying asset | - | - | (123) | - |
| Adjustments due to group relief | - | (21,532) | - | - |
| Effects of changes in tax rate | (23) | (588) | 447,030 | 15,010 |
| Total tax credit to profit and loss | (2,204) | (191) | (881,027) | (531,410) |

ii. Current tax assets and liabilities

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|----------------------------|----------------------|----------------------|--------------------|--------------------|
| Current tax assets | | | | |
| Corporation tax receivable | - | - | 365,852 | 8,306 |

iii. Deferred tax asset/(liability)

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 19%, for deferred tax (2019: 19%).

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---|----------------------|----------------------|--------------------|--------------------|
| Opening balance | 192 | - | (4,011,678) | (4,513,526) |
| Adjustment in respect of prior period | - | 5,202 | 258,710 | 374,278 |
| Deferred tax credit in P/L for the period | 2,204 | (5,010) | 47,211 | 127,570 |
| Movement in year | - | - | - | - |
| At 31 December | 2,396 | 192 | (3,705,757) | (4,011,678) |

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

7. Investment in subsidiary

The Company owns 100% of the shares of GPS Midco Limited as follows:

| Name | Class of Share | Holding | Registered address |
|-------------------|-----------------------|----------------|--|
| GPS Midco Limited | Ordinary | 100% | 15 St. Botolph Street, 11 th Floor, Beaufort House, London, EC3A 7BB. |

| | 2020 | 2019 |
|-------------------------------|-------------|-------------|
| | £ | £ |
| Cost | | |
| Opening balance | 1 | 1 |
| Additions | - | - |
| Cost as at 31 December | 1 | 1 |

The Company indirectly owns 100% shares of the following entities:

| Name | Class of Share | Holding | Registered address |
|--|-----------------------|----------------|--|
| GPS Finco Limited | Ordinary | 100% | 15 St. Botolph Street, 11th Floor, Beaufort House, London, EC3A 7BB. |
| GPS Bidco Limited | Ordinary | 100% | 15 St. Botolph Street, 11th Floor, Beaufort House, London, EC3A 7BB. |
| Global Processing Services Limited | Ordinary | 100% | 2 nd Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man, IM1 1EU. |
| Global Processing Services (UK) Limited | Ordinary | 100% | 15 St. Botolph Street, 11th Floor, Beaufort House, London, EC3A 7BB. |
| Global Processing Services (Singapore) PTE Limited | Ordinary | 100% | 16 Raffles Quay, #33-03 Hong Leong Building, Singapore, 048581. |
| Global Processing Services (Australia) PTY Limited | Ordinary | 100% | The Wynyard Hub (Stone & Chalk) Level 4, 11 York Street, Sydney, NSW 2000. |
| Apex Processing Services FZ-LLC | Ordinary | 100% | EO 10, Ground Floor, Building 1, Dubai, United Arab Emirates. |

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

8. Property and equipment

| | Group 2020 | | | | Total £ |
|--|------------------------------|--------------------------|----------------------------|--------------------------------|----------------|
| | Furniture & fixtures £ | Office equipment £ | Computer equipment £ | Leasehold improvements £ | |
| Cost | | | | | |
| Opening balance | 27,255 | 33,249 | 1,498,666 | 8,785 | 1,567,955 |
| Additions | 2,318 | 2,826 | 167,217 | - | 172,361 |
| Cost as at 31 December | 29,573 | 36,075 | 1,665,883 | 8,785 | 1,740,316 |
| Depreciation | | | | | |
| Opening balance | (3,830) | (7,609) | (708,263) | (1,296) | (720,998) |
| Effects of foreign exchange revaluations | - | (11) | 21 | 0 | 10 |
| Charge for the period | (2,764) | (9,013) | (397,982) | (878) | (410,637) |
| Depreciation as at 31 December | (6,594) | (16,633) | (1,106,224) | (2,174) | (1,131,625) |
| Net book value as at 31 December 2020 | 22,979 | 19,442 | 559,659 | 6,611 | 608,691 |
| Net book value as at 31 December 2019 | 23,425 | 25,640 | 790,403 | 7,489 | 846,957 |

9. Intangible assets

| | Group 2020 | | | | | | Total £ |
|--|-------------------|---------------------------|--------------|-------------------------------|----------------------------|--------------------------------|-------------------|
| | DEVELOPED | ACQUIRED | | | | | |
| | Platform £ | Computer software £ | Website £ | Intellectual property £ | Customer contracts £ | Customer relationships £ | |
| Cost | | | | | | | |
| Opening balance | 7,562,604 | 1,233,082 | 20,601 | 9,769,852 | 16,900,000 | 700,000 | 36,186,139 |
| Additions | 5,278,951 | 298,024 | - | - | - | - | 5,576,975 |
| Cost as at 31 December | 12,841,555 | 1,531,106 | 20,601 | 9,769,852 | 16,900,000 | 700,000 | 41,763,114 |
| Amortisation | | | | | | | |
| Opening balance | (294,692) | (398,832) | (15,173) | (2,514,340) | (1,006,164) | (135,445) | (4,364,646) |
| Charge for the period | (1,503,225) | (474,176) | (4,675) | (1,524,045) | (650,000) | (87,500) | (4,243,621) |
| Amortisation as at 31 December | (1,797,917) | (873,008) | (19,848) | (4,038,385) | (1,656,164) | (222,945) | (8,608,267) |
| Net book value as at 31 December 2020 | 11,043,638 | 658,098 | 753 | 5,731,467 | 15,243,836 | 477,055 | 33,154,847 |
| Net book value as at 31 December 2019 | 7,267,912 | 834,250 | 5,428 | 7,255,512 | 15,893,836 | 564,555 | 31,821,493 |

10. Goodwill

The movements in the net book value of goodwill are as follows:

| | Group 2020 £ | Group 2019 £ |
|---------------------------------------|--------------------|--------------------|
| Cost | | |
| Opening balance | 47,920,143 | 47,663,790 |
| Acquired through business combination | - | - |
| Additions | - | 256,353 |
| Closing balance | 47,920,143 | 47,920,143 |

Impairment testing

For the purpose of annual impairment testing, goodwill is allocated to the operating segments expected to benefit from the synergies of the business combinations in which the goodwill arises and is compared to its recoverable value. As we have determined that it is not possible to allocate Goodwill and Intangible Assets to individual Cash Generating Unit's ("CGU") on a reasonable basis, the Group monitors goodwill at only the operating Global Processing Services Limited and its subsidiary which is deemed to be the CGU. As a result, we have assessed the value of goodwill and intangible assets at the operating segment level. This is consistent with the overall IFRS approach that impairment testing should be performed at the level at which information about the operations of the entity and the assets that support them is provided for internal reporting purposes (IAS 36.80).

The Group has performed impairment testing of goodwill and intangible assets at the year end utilizing IFRS methodology. Pursuant to IAS 36 Goodwill and Intangible Assets, impairment testing is performed by comparing the recoverable amount to the carrying amounts of the CGU's. The recoverable amount is determined to be the higher of (i) Fair Value less cost to sell and (ii) Value-in-use.

The fair value test

The fair value less cost to sell of the CGU was determined by calculating the fair value of the business segment using a multiple on 2020 recurring revenues and then adjusted for the estimated costs to sell in an arm's length transaction. Recurring revenue is the combination of all recurring transaction fee revenue and recurring ancillary fee revenue only, excluding set up fees and service credits. The fair value measurement was categorised as a level 3 fair value based on the inputs used in the valuation technique.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and internal sources

The implied regression model applied used was based on assumptions of forecast 2020 revenues of £21.50m (2020 Actuals: £21.17m) and a revenue multiplier of 26. These parameters result in a recoverable amount of approximately £561 million (2019: £300m) which is greater than the carrying amount of assets at 31 December 2020 of approximately £85m (2019: £79m).

There is no indication that impairment exists as of the reporting date.

10. Goodwill (continued)

The revenue multiplier would have to reduce to 4 in order for impairment to be recognised. The recoverable amount is sensitive to the movement of these key assumptions.

The fair value test indicated that no goodwill impairment exists therefore, we did not recognise the goodwill impairment charge for the year ended 2020.

11. Trade and other receivables

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---|----------------------|----------------------|--------------------|--------------------|
| Trade receivables | - | - | 1,561,455 | 1,825,801 |
| Contract asset | - | - | 2,238,869 | 1,681,858 |
| Prepayments | 137,008 | 5,693 | 1,018,039 | 855,480 |
| VAT receivable | 79,173 | 28,093 | 178,971 | 626,030 |
| Corporation tax receivable (see Note 6) | - | - | 365,852 | 8,306 |
| Other receivables | 479 | - | 7,171 | 100 |
| Amount due from subsidiaries | 18,396,353 | 4,007,849 | - | - |
| Total | 18,613,013 | 4,041,275 | 5,370,367 | 4,997,575 |

The amounts due from subsidiaries relate to funds provided by the Company to support the operation of the Group and consultancy fees. It is unsecured, interest free and repayable on demand.

Group trade receivables are presented net of accumulated provisions of credit losses of £144,616 (2019: £293,418) and bad debt provisions of £881,245 (2019: £800,101). The carrying value of receivables approximates their fair value.

12. Cash and cash equivalents

Cash and cash equivalents comprise of cash held on hand and at bank:

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|--|----------------------|----------------------|--------------------|--------------------|
| Cash on hand | - | - | - | 28,032 |
| Bank balances | 11,172,467 | - | 12,698,114 | 4,368,948 |
| Total cash and cash equivalents | 11,172,467 | - | 12,698,114 | 4,396,980 |

The carrying value of cash and cash equivalents approximates its fair value.

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

13. Loans to subsidiary

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. Interest free amounts due to subsidiary are unsecured, and repayable on demand.

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|--|----------------------|----------------------|--------------------|--------------------|
| Loan to subsidiary – interest bearing | 500,520 | 467,258 | - | - |
| Amount due from subsidiary – interest free | 33,528,354 | 33,528,354 | - | - |

Terms and debt repayment schedule:

| | Curr ency | Nominal interest rate | Year of maturity | Face value | Carrying amount |
|--|--------------|-----------------------------|---------------------|------------|--------------------|
| | | | | 2020 £ | 2020 £ |
| Loan to subsidiary - interest bearing | GBP | 8% | 2025 | 415,772 | 500,520 |
| Amount due from subsidiary – interest free | GBP | 0% | n/a | 33,528,354 | 33,528,354 |
| | | | | 2019 £ | 2019 £ |
| Loan to subsidiary - interest bearing | GBP | 8% | 2025 | 415,772 | 467,258 |
| Amount due from subsidiary – interest free | GBP | 0% | n/a | 33,528,354 | 33,528,354 |

The loan and amount due from subsidiary relate to group funding provided to GPS Bidco Limited. The loan is not secured, bears fixed rate interest of 8% and is repayable after 6 years. The amount due from subsidiary is not secured, bears no interest and is repayable on demand. The carrying value of loans to subsidiaries approximates their fair value.

14. Borrowings

This note provides information about the contractual terms of the Company and Group's interest-bearing loans and borrowings, which are measured at amortised cost. The carrying value of borrowings approximates their fair value.

For more information about the Company and Group's exposure to interest rate and foreign currency risk, see note 19.

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

14. Borrowings (continued)

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|---------------------------------------|----------------------|----------------------|--------------------|--------------------|
| Non-current liabilities | | | | |
| Dunedin loan notes | - | - | 36,706,874 | 36,706,874 |
| Dunedin interest on loan notes | - | - | 8,228,560 | 4,415,645 |
| Bank loans | - | - | 10,020,000 | 10,500,000 |
| Less: Loan issuance costs capitalised | - | - | (883,294) | (1,135,663) |
| | - | - | 54,072,140 | 50,486,856 |
| Preference shares | 35,094,126 | 35,094,126 | 35,094,126 | 35,094,126 |
| Interest accrued on preference shares | 7,634,646 | 4,484,717 | 7,634,646 | 4,484,717 |
| | 42,728,772 | 39,578,843 | 42,728,772 | 39,578,843 |
| | 42,728,772 | 39,578,843 | 96,800,912 | 90,065,699 |
| Current liabilities | | | | |
| Bank loans | - | - | 780,000 | 600,000 |

| | 2020 | | | | |
|--------------------|----------|-----------------------|--------------------|------------|-----------------|
| | Currency | Nominal interest rate | Period of maturity | Face value | Carrying amount |
| Company | | | | | |
| Preference shares | GBP | 8% | 2025 | 35,094,126 | 42,728,772 |
| Group | | | | | |
| Bank loan 1 | GBP | 3.25%+ LIBOR | 2024 | 6,000,000 | 4,800,000 |
| Bank loan 2 | GBP | 3.75%+ LIBOR | 2024 | 6,000,000 | 6,000,000 |
| Dunedin loan notes | GBP | 8% | 2026 | 36,706,874 | 44,935,434 |
| Preference shares | GBP | 8% | 2025 | 35,094,126 | 42,728,772 |

| | 2019 | | | | |
|--------------------|----------|-----------------------|--------------------|------------|-----------------|
| | Currency | Nominal interest rate | Period of maturity | Face value | Carrying amount |
| Company | | | | | |
| Preference shares | GBP | 8% | 2025 | 35,094,126 | 39,578,843 |
| Group | | | | | |
| Bank loan 1 | GBP | 3.25%+ LIBOR | 2024 | 6,000,000 | 5,100,000 |
| Bank loan 2 | GBP | 3.75%+ LIBOR | 2024 | 6,000,000 | 6,000,000 |
| Dunedin loan notes | GBP | 8% | 2026 | 36,706,874 | 41,122,519 |
| Preference shares | GBP | 8% | 2025 | 35,094,126 | 39,578,843 |

14. Borrowings (continued)

The bank loans are between GPS Bidco Limited and Silicon Valley Bank (SVB). These loans were renegotiated on 25 June 2020 as to the required loan covenants and the shareholders' provided additional guarantees to the Bank. The Group were in compliance with the loan covenants throughout the year and to date of this report except for the first quarter of the year. However, the breach was waived by SVB and the covenants renegotiated on 25 June 2020.

The preference shares have been classified as debt. The preference shares are interest bearing, do not have a guaranteed conversion to equity and the shares and accrued interest are repayable at maturity. In 2019, the Company issued additional preference shares to the founders amounting to £2 million which have the same terms and conditions as the existing preference shares. This was in line with the SVB loan restructuring.

The Dunedin loan notes are interest bearing and the loan notes (principal) and accrued interest are repayable at maturity. During 2019, additional loan notes were issued by Midco amounting to £5 million. The new loan notes have the same terms and conditions as existing loan notes. No new loan notes were issued in the current year.

There is a first charge on the Property and equipment with carrying value of £608,691 (2019: £846,957) and Intellectual property with carrying value as at 31 December 2020 of £33,154,847 (2019: £31,821,493) to secure the Bank loans with Silicon Valley Bank.

15. Convertible loan notes

This note provides information about the contractual terms of the Company and Group's interest-bearing convertible loan notes, which are measured at fair value through profit or loss (FVTPL), designated as such on initial recognition. The carrying value of convertible loan notes approximates their fair value.

The Company and the Group's accounting policies and disclosures require the subsequent remeasurement of fair values, for convertible loan notes. The Group has an established control framework with respect to the measurement of fair values. This includes an in house finance team and an outsourced valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer. The finance and valuation teams regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the finance team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the standards, including the level in the fair value hierarchy in which the valuations should be classified. Significant valuation issues are reported to the Group's chief financial officer.

When measuring the fair value of the convertible loan notes, the Company and the Group uses observable market data as far as possible.

15. Convertible loan notes (continued)

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company and the Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred. The subscription prices of the notes were determined by a willing seller and buyer which is deemed to be the fair value, established in the marketplace in late September 2020. There has been no material changes to the business structure in the meantime to suggest a remeasurement is required at 31st December 2020. Therefore, management have not recognised any fair value hierarchy transfers in the current financial year.

The convertible loan notes were issued in September 2020 and are secured by debenture. The notes are convertible into ordinary shares of the company at any time between the date of issue of the notes and the maturity date triggered by either a qualifying event or mixed securities conversion. On issue, the loan notes were convertible at 12,000,000 shares per £1.00 loan note. If the notes are not converted on exit at the maturity date, the loan notes then in issue shall be immediately repayable at the principal amount, together with accrued but uncapitalized interest at the interest rate on such loan notes. Interest is payable on any outstanding loan notes at a rate of 8% per annum.

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|--------------------------------|----------------------|----------------------|--------------------|--------------------|
| Non-current liabilities | | | | |
| Convertible loan notes | 11,587,801 | - | 11,587,801 | - |
| Convertible loan note interest | 245,612 | - | 245,612 | - |
| | 11,833,413 | - | 11,833,413 | - |

| | | 2020 | | | |
|------------------------|----------|--------------------------|-----------------------|------------|-----------------|
| | Currency | Nominal interest rate | Period of maturity | Face value | Carrying amount |
| Company | | | | | |
| Convertible loan notes | GBP | 8% | 2022 | 11,587,801 | 11,833,413 |
| Group | | | | | |
| Convertible loan notes | GBP | 8% | 2022 | 11,587,801 | 11,833,413 |

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

16. Trade and other payables

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|-----------------------------|----------------------|----------------------|--------------------|--------------------|
| Trade payables | 12,984 | 4,435 | 1,505,858 | 1,619,427 |
| Accruals | 458,569 | 183,757 | 1,989,214 | 1,170,955 |
| Amount due to subsidiary | 16,323,949 | 1,617,748 | - | - |
| Pension payable | 12,613 | 1,128 | 58,647 | 20,017 |
| Payroll related liabilities | 47,369 | 37,651 | 269,380 | 261,742 |
| VAT payable | - | - | - | 470,684 |
| Contract liability | - | - | 493,377 | 487,654 |
| Total | 16,855,484 | 1,844,719 | 4,316,476 | 4,030,479 |

The amounts due to subsidiary and related companies are unsecured, interest free and repayable on demand. The carrying value of trade and other payables approximates their fair value.

17. Share capital

| | Company 2020 £ | Group 2020 £ |
|---|----------------------|--------------------|
| Authorised | | |
| 415,772 Class A shares at par value of 12p | 49,893 | 49,893 |
| 434,228 Ordinary shares at par value of 14p | 60,792 | 60,792 |
| 150,000 Class B shares at par value of 1p | 1,500 | 1,500 |
| Issued and fully paid up | | |
| 415,772 Class A shares at par value of 12p | 49,893 | 49,893 |
| 434,228 Ordinary shares at par value of 14p | 60,792 | 60,792 |
| 115,500 Class B shares at par value of 1p | 1,154 | 1,154 |
| | 111,839 | 111,839 |
| | | |
| | Company 2019 £ | Group 2019 £ |
| Authorised | | |
| 415,772 Class A shares at par value of 12p | 49,893 | 49,893 |
| 434,228 Ordinary shares at par value of 14p | 60,792 | 60,792 |
| 150,000 Class B shares at par value of 1p | 1,500 | 1,500 |
| Issued and fully paid up | | |
| 415,772 Class A shares at par value of 12p | 49,893 | 49,893 |
| 434,228 Ordinary shares at par value of 14p | 60,792 | 60,792 |
| 85,500 Class B shares at par value of 1p | 854 | 854 |
| | 111,539 | 111,539 |

Holders of the Ordinary shares, Class A and Class B shares have voting rights, one vote per share, and are entitled to dividends as declared from time to time.

Global Processing Services Group Limited
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For the year ended 31 December 2020

18. Share premium

| | Company | Group |
|---|----------------|----------------|
| | 2020 | 2020 |
| | £ | £ |
| Issued and fully paid up | | |
| 415,772 Class A shares at premium of 88p | 365,880 | 365,880 |
| 434,228 Ordinary shares at premium of 86p | 373,436 | 373,436 |
| 115,500 Class B shares at premium of 99p | 114,345 | 114,345 |
| | 853,661 | 853,661 |
| | | |
| | Company | Group |
| | 2019 | 2019 |
| | £ | £ |
| Issued and fully paid up | | |
| 415,772 Class A shares at premium of 88p | 365,880 | 365,880 |
| 434,228 Ordinary shares at premium of 86p | 373,436 | 373,436 |
| 85,500 Class B shares at premium of 99p | 84,645 | 84,645 |
| | 823,961 | 823,961 |

19. Financial risk management

The Company has exposure to the following risks from its use of financial instruments.

- a) Liquidity risk
- b) Credit risk
- c) Market risk

This note discloses information about the Company's and Group's exposure to each of the above risks, the Company's and Group's objectives, policies and processes for measuring and managing risk, and the Company's and Group's management of capital. Further quantitative disclosures are included throughout these financial statements. The Directors have overall responsibility for the establishment and oversight of the Company's and the Group's risk management framework.

a) Liquidity risk

Liquidity risk is the risk that the Company and Group will encounter difficulty in meeting its obligations associated with financial liabilities.

Liquidity needs are monitored by the Group to ensure it has sufficient funds to meet its liabilities when due, under normal and unexpected conditions, without incurring unacceptable losses or breaches in borrowing limits or covenants.

19. Financial risk management (continued)

a) Liquidity risk (continued)

Liquidity is managed by monitoring forecasted and actual cash flows, maintaining sufficient funds to meet expected operational expenses and matching maturity profiles of financial assets and liabilities on a Group level.

Liquidity needs are monitored by the Group to ensure it has sufficient funds to meet its liabilities when due, under normal and unexpected conditions, without incurring unacceptable losses or breaches in borrowing limits or covenants. Liquidity is managed by monitoring forecasted and actual cash flows, maintaining sufficient funds to meet expected operational expenses and matching maturity profiles of financial assets and liabilities on a Group level.

The Company and the Group's approach by managing negative liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company or the Group's reputation. The Group maintains flexibility in funding using a revolving credit line from SVB. The Group has concluded the following unused line of credit: committed credit lines of £2,000,000 (2019: £3,000,000), which are committed for up to five years.

The following tables show the Company's and Group's remaining and contractual maturity for its non-derivative financial liabilities and assets with agreed repayment periods. The tables are based on the undiscounted cashflows of financial liabilities and assets on the earliest date the Company and the Group can be required to pay or expect to receive.

| | COMPANY 2020 | | | | |
|--------------------------------|-------------------|---------------|-------------------|---------------------|-------------------|
| | Less than 1 month | 1 to 3 months | 3 to 12 months | 1 to 2 years | Total |
| | £ | £ | £ | £ | £ |
| Financial liabilities | | | | | |
| Amounts due to subsidiaries | - | - | (16,323,949) | - | (16,323,949) |
| Accruals | - | - | (458,569) | - | (458,569) |
| Convertible loan notes | - | - | - | (11,833,413) | (11,833,413) |
| Trade payables | (12,984) | - | - | - | (12,984) |
| | (12,984) | - | (16,782,518) | (11,833,413) | (28,628,915) |
| Financial assets | | | | | |
| Amounts due from subsidiaries | - | - | 54,425,226 | - | 54,425,226 |
| Cash and cash equivalents | 11,172,467 | - | - | - | 11,172,467 |
| | 11,172,467 | - | 54,425,226 | - | 65,597,693 |
| Liquidity risk exposure | 11,159,483 | - | 37,642,708 | (11,833,413) | 36,968,778 |

19. Financial risk management (continued)

a) Liquidity risk (continued)

| | COMPANY 2019 | | | | |
|--------------------------------|--------------|--------|-------------|--------|-------------|
| | Less than 1 | 1 to 3 | 3 to 12 | 1 to 2 | Total |
| | month | months | months | years | |
| £ | £ | £ | £ | £ | |
| Financial liabilities | | | | | |
| Amounts due to subsidiaries | - | - | (1,617,748) | - | (1,617,748) |
| Accruals | - | - | (183,757) | - | (183,757) |
| Trade payables | (4,435) | - | - | - | (4,435) |
| | (4,435) | - | (1,801,505) | - | (1,805,940) |
| Financial assets | | | | | |
| Amounts due from subsidiaries | - | - | 38,003,101 | - | 38,003,101 |
| Cash and cash equivalents | - | - | - | - | - |
| | - | - | 38,003,101 | - | 38,003,101 |
| Liquidity risk exposure | (4,435) | - | 36,201,596 | - | 36,197,161 |

| | GROUP 2020 | | | | |
|--------------------------------|-------------|-----------|-------------|--------------|--------------|
| | Less than 1 | 1 to 3 | 3 to 12 | 1 to 2 years | Total |
| | month | months | months | £ | |
| £ | £ | £ | £ | £ | |
| Financial liabilities | | | | | |
| Trade payables | (1,505,858) | - | - | - | (1,505,858) |
| Accruals | - | - | (1,989,214) | - | (1,989,214) |
| Convertible loan notes | - | - | - | (11,833,413) | (11,833,413) |
| Other liabilities | (979) | - | - | - | (979) |
| Contract liabilities | - | - | (493,377) | - | (493,377) |
| Bank loans | - | (300,000) | (480,000) | (2,760,000) | (3,540,000) |
| | (1,506,837) | (300,000) | (2,962,591) | (14,593,413) | (19,362,841) |
| Financial assets | | | | | |
| Trade receivables | - | 1,561,455 | - | - | 1,561,455 |
| Contract asset | - | 2,238,869 | - | - | 2,238,869 |
| Cash and cash equivalents | 12,698,114 | - | - | - | 12,698,114 |
| | 12,698,114 | 3,800,324 | - | - | 16,498,438 |
| Liquidity risk exposure | 11,191,277 | 3,500,324 | (2,962,591) | (14,593,413) | (2,864,403) |

19. Financial risk management (continued)

a) Liquidity risk (continued)

| | GROUP 2019 | | | | Total £ |
|--------------------------------|---------------------------|-----------------------|------------------------|----------------------|------------------|
| | Less than 1 month £ | 1 to 3 months £ | 3 to 12 months £ | 1 to 2 years £ | |
| Financial liabilities | | | | | |
| Trade payables | (1,619,427) | - | - | - | (1,619,427) |
| Other liabilities | (9,873) | - | - | - | (9,873) |
| Accruals | - | - | (1,170,955) | - | (1,170,955) |
| Contract liabilities | - | - | (487,654) | - | (487,654) |
| Bank loans | - | (300,000) | (300,000) | (600,000) | (1,200,000) |
| | (1,629,300) | (300,000) | (1,958,609) | (600,000) | (4,487,909) |
| Financial assets | | | | | |
| Trade receivables | - | 1,825,801 | - | - | 1,825,801 |
| Other receivables | - | - | - | - | - |
| Contract asset | - | 1,681,858 | - | - | 1,681,858 |
| Cash and cash equivalents | 4,396,980 | - | - | - | 4,396,890 |
| | 4,396,980 | 3,507,659 | - | - | 7,904,639 |
| Liquidity risk exposure | 2,767,680 | 3,207,659 | (1,958,609) | (600,000) | 3,416,730 |

b) Credit risk

Credit risk is the risk of the financial loss to Global Processing Services Group Limited if the counterparty fails to meet its obligation. Credit risk arises from Global Processing Services Group Limited's financing activities to group entities and cash balances.

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, outsources from Credit Safe, financial statements, credit agency information, industry information, and in some cases bank references. The Group is also closely monitoring the economic environment when considering forward looking information

The Company holds a receivable balance from its subsidiary and the table below outlines the credit exposure of the Company.

The Company's bankers are Barclays Bank which has a Moody's rating of Baa3 and the Directors accept the strong rating as satisfactory.

The Group's bankers are Barclays Bank, DBS Singapore, Nedbank and Commonwealth Bank of Australia all which have a Moody's rating of Baa3 or better and the Directors accept the strong rating as satisfactory.

19. Financial risk management (continued)

b) Credit risk (continued)

| COMPANY 2020 | | | | |
|-------------------------------|-------------------|------------------|-------------------|-------------------|
| | Less than 1 month | 1 to 3 months | 3 to 12 months | Total |
| | £ | £ | £ | £ |
| Amounts due from subsidiaries | - | - | 54,425,226 | 54,425,226 |
| Cash at bank | 11,172,467 | - | - | 11,172,467 |
| | 11,172,467 | - | 54,425,226 | 65,597,693 |
| COMPANY 2019 | | | | |
| | Less than 1 month | 1 to 3 months | 3 to 12 months | Total |
| | £ | £ | £ | £ |
| Amounts due from subsidiaries | - | - | 38,003,101 | 38,003,101 |
| | - | - | 38,003,101 | 38,003,101 |
| GROUP 2020 | | | | |
| | Less than 1 month | 1 to 3 months | 3 to 12 months | Total |
| | £ | £ | £ | £ |
| Trade receivables | - | 2,587,316 | - | 2,587,316 |
| Contract asset | - | 2,238,869 | - | 2,238,869 |
| Provision for credit losses | - | (144,616) | - | (144,616) |
| Provision for bad debts | - | (881,245) | - | (881,245) |
| Net trade receivables | - | 3,800,324 | - | 3,800,324 |
| Cash at bank | 12,698,114 | - | - | 12,698,114 |
| Other receivables | - | 7,171 | - | 7,171 |
| | 12,698,114 | 3,807,495 | - | 16,505,609 |

19. Financial risk management (continued)

b) Credit risk (continued)

| | GROUP 2019 | | | |
|-----------------------------|----------------------|------------------|-------------------|-----------|
| | Less than 1 month | 1 to 3 months | 3 to 12 months | Total |
| | £ | £ | £ | £ |
| Trade receivables | - | 2,919,320 | - | 2,919,320 |
| Contract asset | - | 1,681,858 | - | 1,681,858 |
| Provision for credit losses | - | (293,418) | - | (293,418) |
| Provision for bad debts | - | (800,101) | - | (800,101) |
| Net trade receivables | - | 3,507,659 | - | 3,507,659 |
| Cash at bank | 4,396,980 | - | - | 4,396,980 |
| Other receivables | - | 100 | - | 100 |
| | 4,396,980 | 3,507,759 | - | 7,904,739 |

c) Market risk

Market risk is the risk that changes in market prices, through foreign exchanges rates and interest rates will affect the Group's and Company's income. During the year ended 31 December 2020, the Company had not transactions in other foreign currencies thus there is no exposure to foreign exchange risk. However, the Group was exposed to currency risk mainly due to client transactions in foreign currencies.

i) Currency risk

During the year ended 31 December 2020, the Company had transactions in other foreign currencies thus there is no exposure to foreign exchange risk. The Group is exposed to currency risk on revenues, cash and purchases.

There are contracts with customers in Euro (EUR), US Dollar (USD), Singapore Dollar (SGD) and Australian Dollar (AUD). Furthermore, the Group also has suppliers in United Arab Emirates Dirham (AED). The Group holds bank balances in the above currencies in addition to Singapore Dollar (SGD) that are subject to currency risk. There are no bank balances in AED at the reporting date. The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

19. Financial risk management (continued)

c) Market risk (continued)

i) Currency risk (continued)

| | GROUP | | | |
|-----------------------------|------------------|------------------|------------------|------------------|
| | 2020 | 2019 | 2020 | 2019 |
| | Liabilities £ | Liabilities £ | Assets £ | Assets £ |
| US Dollar | 11,812 | 47,400 | 178,847 | 293,196 |
| United Arab Emirates Dirham | 17,286 | - | - | - |
| Euro | 1,550 | 1,267 | 938,726 | 2,464,798 |
| Singapore Dollar | 14,000 | 8,252 | 251,667 | 63,007 |
| Australian Dollar | 811 | - | 132,017 | 20,308 |
| Total | 45,549 | 56,919 | 1,501,257 | 2,841,309 |

To evaluate the Group's exposure to the foreign currency movements, the Group has performed a sensitivity analysis to assess the impact. The table below reflects the impact of a 10% depreciation of the GBP against the foreign currencies. The effect of a 10% appreciation will be equal, but in the opposite direction.

| | 2020 | 2020 | 2020 | 2020 | 2020 |
|---------------------------|------------------|-----------------|------------------|-----------------|-----------------|
| | US Dollar impact | Euro Impact | AED Impact | AUD Impact | SGD Impact |
| | £ | £ | £ | £ | £ |
| Cash and cash equivalents | ± 3,961 | ± 17,979 | - | ± 6,955 | ± 25,167 |
| Trade receivables | ± 13,924 | ± 75,894 | - | ± 6,247 | - |
| Trade payables | ± (1,181) | ± (155) | ± (1,729) | ± (81) | ± (1,400) |
| Total | ± 16,704 | ± 93,718 | ± (1,729) | ± 13,121 | ± 23,767 |

| | 2019 | 2019 | 2019 | 2019 | 2019 |
|---------------------------|------------------|------------------|------------|----------------|----------------|
| | US Dollar impact | Euro Impact | AED Impact | AUD Impact | SGD Impact |
| | £ | £ | £ | £ | £ |
| Cash and cash equivalents | ± 29,320 | ± 246,480 | - | ± 2,031 | ± 6,301 |
| Trade receivables | - | - | - | - | - |
| Trade payables | ± (4,740) | ± (127) | - | - | ± (825) |
| Total | ± 24,580 | ± 246,353 | - | ± 2,031 | ± 5,476 |

19. Financial risk management (continued)

c) Market risk (continued)

ii) Interest rate risk

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the Company and Group financial instrument holdings. The exposure to interest rate risk arises from borrowings issued at variable interest rates. The bank loan issued to the Group is exposed to the LIBOR variable rate which presents interest rate risk. Intercompany loans are at fixed interest rates (see note 13). The Group is exposed to interest rate fluctuations on the bank loans held with Silicon Valley Bank and has performed sensitivity analysis to assess the impact of any material changes in the interest rates. The Group is satisfied that any material interest rate changes will not significantly impact the forecasted statement of cash flows.

Group Finance manages the interest rate risk in order to reduce the volatility of the financial result as a consequence of interest rate movements. For the decision whether new borrowings shall be arranged at a variable or fixed interest rate, the Group Finance focuses on an internal long-term benchmark interest rate and considers the amount of cash and cash equivalents held at a variable interest rate. Currently the interest rate exposure is not hedged.

20. Lease liabilities

The Group leases office facility spaces in London (UK), Newcastle (UK), Dubai and Singapore. The London lease will expire in 2021 with the Newcastle and Singapore leases expiring in 2022. The Dubai leases are not considered under IFRS by the Group as they are for a period of 12 months each (see Note 2b ii). All leases have the option to renew beyond the respective expiry dates. Lease agreements are renegotiated on every renewal to reflect market rentals. The UK office leases were entered into in October 2019 and November 2019 in London and Newcastle respectively. The Group activated a break clause on one of the London office leases at 31 December 2020 which was due to expire in December 2021. The Singapore office lease was entered into in January 2020. The Group has not entered into any sub-lease arrangements during the year.

The property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include contract extension options in new leases to provide operation flexibility. The extension options held are exercisable only by the Group and not the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within its controls.

The Group recognized £44,450 in the statement of comprehensive income in respect of lease interests during the year ended 31 December 2020.

This note provides information about the contractual terms of the Group's lease arrangements, which are discounted using the Group's incremental borrowing rate at 31 December 2020. The incremental borrowing rate applied is 4.51%. For more information about the Group and the Company's exposure to interest rate and foreign currency risk, see Note 19.

20. Lease liabilities (continued)

Information about leases for which the Group is a lessee are presented below:

This note provides information about the contractual terms of the Group's lease arrangements, which are discounted using the Group's incremental borrowing rate at 31 December 2020. The incremental borrowing rate applied is 4.51%. For more information about the Group and the Company's exposure to interest rate and foreign currency risk, see Note 19.

Information about leases for which the Group is a lessee are presented below:

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|--------------------------------------|----------------------|----------------------|--------------------|--------------------|
| Non-current liabilities | | | | |
| Lease liabilities – Newcastle office | - | - | 87,012 | 139,172 |
| Lease liabilities – London office | - | - | - | 926,641 |
| Lease liabilities – Singapore office | - | - | 11,237 | - |
| Total | - | - | 98,249 | 1,066,813 |
| Current liabilities | | | | |
| Lease liabilities – Newcastle office | - | - | 56,822 | 43,786 |
| Lease liabilities – London office | - | - | 186,284 | 873,693 |
| Lease liabilities – Singapore office | - | - | 117,102 | - |
| Total | - | - | 360,208 | 917,479 |
| Total lease liabilities | - | - | 458,457 | 1,984,292 |

21. Right of use assets

Right of use assets relate to leased properties (see Note 20) that do not meet the definition of investment property are presented on the statement of financial position.

The Group has existing office space leases in London and Newcastle for their primary business operations during the year with an option to renew the leases after that date. The Group activated a break clause on one of the two London office leases at 31 December 2020. The Group also entered into a Singapore office lease agreement in January 2020.

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

21. Right of use assets (continued)

Non-cancellable operating lease rentals are payable as follows:

| | Company 2020 £ | Company 2019 £ | Group 2020 £ | Group 2019 £ |
|--------------------------------------|----------------------|----------------------|--------------------|--------------------|
| Opening balance at 1 January | - | - | 1,984,292 | - |
| Depreciation charge for the year | - | - | (1,098,307) | - |
| Additions to right of use assets | - | - | 231,231 | 1,984,292 |
| Derecognition of right of use assets | - | - | (689,958) | - |
| Closing balance at 31 December | - | - | 427,258 | 1,984,292 |

22. Ultimate controlling party

The Company is controlled by 4 parties who command the following percentages of the voting rights:

- Kerr Asset Management Limited – 20.06%
- Seldon Investments Limited – 19.63%
- Dunedin Buyout Fund III L.P. – 43.52%
- Management – 13.14%
- Unallocated – 3.65%

23. Related party transactions

On 14th June 2018, Private equity firm Dunedin Buyout Fund III LLP invested in the Company through a newly formed entity Global Processing Services Group Ltd (the "Group") and several newly formed subsidiaries, one of which acquired the entire share capital of Global Processing Services Ltd ("GPS Ltd"). The original founders and Directors of GPS Ltd, Tony Kerr and Craig Dewar retain a substantial minority stake in Global Processing Services Group Ltd.

The Company considers the following group companies as related:

- GPS Midco Limited is a UK based holding company and a subsidiary of Global Processing Services Group Limited.
- GPS Finco Limited is a UK based holding company and a subsidiary of GPS Midco Limited.
- GPS Bidco Limited is a UK based holding company and a subsidiary of GPS Finco Limited.
- Global Processing Services Limited is an Isle of Man based payments processing company. It is a subsidiary of GPS Bidco Limited.
- Global Processing Services (UK) Limited is a UK based service company and a subsidiary of Global Processing Services Limited.
- Global Processing Services (Singapore) PTE Limited is a Singapore based service company and a subsidiary of GPS Bidco Limited.
- Apex Processing Services FZ-LLC is a Dubai based service company and a subsidiary of GPS Bidco Limited.
- Global Processing Services (Australia) PTY Limited is an Australian based service company and a subsidiary of GPS Bidco Limited.

23. Related party transactions (continued)

Further the Company considers the following companies as related as follows:

- Flex-e-vouchers Limited is a UK based prepaid card programme management company that is owned by Anthony Kerr and Craig Dewar who are key shareholders and non-executive directors of the Group.
- Global Processing Services FZLLC was a Dubai based technology company who had the same executive directors and key shareholders of Global Processing Services Limited in 2017.
- Cooper McCoist Limited is a UK based property company that is owned by Anthony Kerr and Craig Dewar who are key shareholders and non-executive directors of the Group.
- Boston Limited are the previous external accountants and maintain their role as a corporate service provider to Global Processing Services Group Limited. Alexander McNee who is an employee of Boston Limited is a director of Global Processing Services Limited.
- Fullstack Advisory maintain a role as a corporate service provider to Global Processing Services Group Limited. Vincent Wai Chun Cheng who is an employee of Fullstack Advisory with an Australian residential address is an appointed director of Global Processing Services (Australia) PTY Ltd.
- Hawksford Singapore PTE Limited maintain a role as a corporate service provider to Global Processing Services Group Limited. Sally-Ann Elizabeth Tinkler who is an employee of Hawksford Singapore PTE Limited with a Singapore residential address is an appointed director of Global Processing Services (Singapore) PTE Ltd.

The ultimate key shareholders of the Company are:

- Anthony Kerr (Kerr Asset Management Limited) is the co-founder of Global Processing Services Limited and holder of significant influence of the Group.
- Craig Dewar (Seldon Investments Limited) is the co-founder of Global Processing Services Limited and holder of significant influence of the Group.
- Dunedin Buyout Fund III LLP is a fund holding significant influence over the Group.

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

23. Related party transactions (continued)

Trading transactions

During the current financial year the Company entered into the following transactions with related parties:

| COMPANY 2020 | | | | | | | | | |
|---|----------------------------|---------------------------------|--------------------------|----------------------|-----------------|------------------|---------------------------|---------------------------------|---------------------------------|
| Related party | Related party relationship | Type of transaction | Payment terms | Management recharges | Interest income | Interest expense | Settlement of liabilities | Amounts owed by related parties | Amounts owed to related parties |
| | | | | 2020 | 2020 | 2020 | 2020 | 2020 | 2020 |
| | | | | £ | £ | £ | £ | £ | £ |
| GPS Midco Limited | Subsidiary | Funding loan | Repayment in 2025 | - | (33,262) | - | - | 500,520 | - |
| GPS Midco Limited | Subsidiary | Funding loan | No fixed repayment terms | - | - | - | - | 33,528,354 | - |
| GPS Finco Limited | Group company | Other related party transaction | No fixed repayment terms | - | - | - | - | 1,500 | - |
| GPS Bidco Limited | Group company | Other related party transaction | No fixed repayment terms | - | - | - | - | 439,397 | (248,404) |
| GPS Singapore Pte Limited | Group company | Other related party transaction | No fixed repayment terms | - | - | - | - | 293 | (293) |
| Apex Processing Services FZ-LLC | Group company | Other related party transaction | No fixed repayment terms | - | - | - | - | 6,314 | - |
| Global Processing Services (UK) Limited | Group company | Other related party transaction | No fixed repayment terms | - | - | - | - | 15,166,913 | (12,135,562) |
| Global Processing Services Limited | Group company | Other related party transaction | No fixed repayment terms | 2,348,843 | - | - | - | 2,781,936 | (3,939,690) |
| Craig Dewar | Significant influence | Preference shares | Repayment in 2026 | - | - | 1,455,578 | - | - | (15,694,121) |
| Anthony Kerr | Significant influence | Preference shares | Repayment in 2026 | - | - | 1,530,461 | - | - | (16,035,298) |
| Craig Dewar | Significant influence | Convertible loan Notes | Convertible in 2022 | - | - | 20,217 | - | - | (924,000) |
| Anthony Kerr | Significant influence | Convertible loan Notes | Convertible in 2022 | - | - | 20,654 | - | - | (944,000) |
| Dunedin | Significant influence | Convertible loan Notes | Convertible in 2022 | - | - | 44,811 | - | - | (2,048,975) |

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

23. Related party transactions (continued)

Trading transactions (continued)

During the prior financial year the Company entered into the following transactions with related parties:

| Related party | Related party relationship | Type of transaction | Payment terms | COMPANY 2019 | | | Settlement of liabilities | Amounts owed by related parties | Amounts owed to related parties |
|---|----------------------------|---------------------------------|--------------------------|----------------------|-----------------|------------------|---------------------------|---------------------------------|---------------------------------|
| | | | | Management recharges | Interest income | Interest expense | | | |
| | | | | 2019 £ | 2019 £ | 2019 £ | | | |
| GPS Midco Limited | Subsidiary | Funding loan | Repayment in 2025 | - | (33,262) | - | - | 467,258 | - |
| GPS Midco Limited | Subsidiary | Funding loan | No fixed repayment terms | - | - | - | - | 33,528,354 | - |
| GPS Finco Limited | Group company | Other related party transaction | No fixed repayment terms | - | - | - | - | 1,500 | - |
| GPS Bidco Limited | Group company | Other related party transaction | No fixed repayment terms | - | - | - | - | 437,728 | (248,404) |
| Global Processing Services (UK) Limited | Group company | Other related party transaction | No fixed repayment terms | - | - | - | 136,438 | 1,960,746 | (323,339) |
| Global Processing Services Limited | Group company | Other related party transaction | No fixed repayment terms | 1,204,925 | - | - | - | 1,607,514 | (1,046,006) |
| Craig Dewar | Significant influence | Preference shares | Repayment in 2026 | - | - | 1,331,473 | - | - | (15,694,121) |
| Anthony Kerr | Significant influence | Preference shares | Repayment in 2026 | - | - | 1,317,178 | - | - | (16,035,298) |

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

23. Related party transactions (continued)

Trading transactions (continued)

During the current financial year the Group entered into the following transactions with related parties:

| GROUP 2020 | | | | | | | |
|---------------------------------|----------------------------------|--------------------------------|----------------------|------------------|----------------------|---------------------------------|---------------------------------|
| Related party | Related party relationship | Type of transaction | Payment terms | Interest expense | Purchase of services | Amounts owed by related parties | Amounts owed to related parties |
| | | | | 2020 £ | 2020 £ | 2020 £ | 2020 £ |
| Dunedin | Significant influence | Funding loan notes | Repayment in 2026 | - | - | - | (36,706,874) |
| Dunedin | Significant influence | Interest on Funding loan notes | Repayment in 2026 | 3,812,915 | - | - | (8,228,560) |
| Craig Dewar | Significant influence | Preference shares | Repayment in 2026 | 1,455,578 | - | - | (15,964,121) |
| Anthony Kerr | Significant influence | Preference shares | Repayment in 2026 | 1,530,461 | - | - | (16,035,298) |
| Craig Dewar | Significant influence | Convertible loan notes | Convertible in 2022 | 20,217 | - | - | (924,000) |
| Anthony Kerr | Significant influence | Convertible loan notes | Convertible in 2022 | 20,654 | - | - | (944,000) |
| Dunedin | Significant influence | Convertible loan notes | Convertible in 2022 | 44,811 | - | - | (2,048,075) |
| Boston Limited | Common director | Corporate service provider | 30 days from invoice | - | 62,439 | - | - |
| Hawksford Singapore PTE Limited | Common director | Corporate service provider | 30 days from invoice | - | 11,255 | - | (1,248) |
| Fullstack Advisory | Common director | Corporate service provider | 30 days from invoice | - | 902 | - | - |
| Flex e-vouchers | Common directors and shareholder | Corporate service provider | Quarterly | - | - | - | - |

Global Processing Services Group Limited
Notes to the Financial Statements (continued)
For the year ended 31 December 2020

23. Related party transactions (continued)

Trading transactions (continued)

During the prior financial year the Group entered into the following transactions with related parties:

| GROUP 2019 | | | | | | | |
|-----------------|----------------------------------|--------------------------------|----------------------|------------------|----------------------|---------------------------------|---------------------------------|
| Related party | Related party relationship | Type of transaction | Payment terms | Interest expense | Purchase of services | Amounts owed by related parties | Amounts owed to related parties |
| | | | | 2019 £ | 2019 £ | 2019 £ | 2019 £ |
| Dunedin | Significant influence | Funding loan notes | Repayment in 2026 | - | - | - | (36,706,874) |
| Dunedin | Significant influence | Interest on Funding loan notes | Repayment in 2026 | 3,021,271 | - | - | (4,415,645) |
| Craig Dewar | Significant influence | Preference shares | Repayment in 2026 | 1,331,473 | - | - | (15,964,121) |
| Anthony Kerr | Significant influence | Preference shares | Repayment in 2026 | 1,371,178 | - | - | (16,035,298) |
| Boston Limited | Common director | Corporate service provider | 30 days from invoice | - | 53,257 | - | - |
| Flex e-vouchers | Common directors and shareholder | Corporate service provider | Quarterly | - | 15,761 | - | - |

24. Subsequent events

There were no significant subsequent events that require disclosure.