

Company registration number: 05696250

Reward Gateway (UK) Ltd
Annual Report and Financial Statements
For the Period 1 July 2022 to 31 December 2023



Reward Gateway (UK) Ltd

Company Information

Directors	N Burns (appointed 31 December 2022) A Erulin (appointed 16 May 2023) J Tanguy (appointed 16 May 2023) R Boland (resigned 16 May 2023) D Butler (resigned 2 December 2022) E Morii (resigned 7 March 2023)
Company secretary	Squire Patton Boggs Secretarial Services Limited
Registered number	05696250
Registered office	Third Floor 1 Dean Street London England W1D 3RB
Solicitors	Squire Patton Boggs 60 London Wall London EC2M 5TQ

Reward Gateway (UK) Ltd

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Reward Gateway (UK) Ltd

Strategic Report For the Period Ended 31 December 2023

Introduction

The directors present the Strategic Report for the period ended 31 December 2023, which represents 18 months from 1 July 2022 to 31 December 2023. On 16 May 2023, ERG Holdco Limited (an indirect parent company of Reward Gateway (UK) Limited) was acquired by a French publicly listed company, Edenred SE. All subsidiaries in the group therefore extended its accounting period from June to December.

Principal activities

Reward Gateway (UK) Limited (the "company" is an indirect subsidiary of the ERG Holdco Limited (the "Group"), which is a leading global player in the employee engagement technology sector. Markets covered include the UK, USA and Australia, trading under the name Reward Gateway. The Company develops software platforms called SmartHub, for a worldwide client base to allow employers to better connect their organisations to their employees.

The principal activity of the Company in the period under review was the provision of employee engagement technology through its software platform to its customers primarily in Great Britain and Ireland.

Business review

Software as a Service ("SaaS") and fee revenue has been shown separately from the resale of vouchers in Note 5 to assist in understanding its constituent parts. The total SaaS and fee revenue for the period was £133.4m (2022: £32.3m) and voucher resale revenue was £40m (2022: £38.5m). These figures represent 18 months of trading results (2022: 12 months).

On a comparative 12 month period, SaaS revenue increased by £57m whilst voucher resale revenue dropped by 30%. The gains in SaaS revenue was boosted by full year migrations from Xexec Limited (acquisition made in the previous financial period 4 August 2021). Despite the challenging economic environment of rising inflation and political uncertainty, client net churn was 5.56% in the period. This is calculated as the net decrease in fee revenue of the total contract value being renewed.

Reward Gateway (UK) Limited also continued to improve its partnership with its retailers to connect via API (digital connection with retailers) to its platform, this meant that there was a higher proportion of voucher resale revenue recognised on an agency basis.

The Company achieved gross profit of £83.3m (2022: £36.8m) and profit after taxation of £9.56m (2022: £13.83m). Reward Gateway's cash position as of 31 December 2023 was £18.3m (2022: £17.9m) which is a result of growth in its customer base, fee revenues and voucher resale. The profit in the period would have been £32.3m (2022: £16.2m) had it not been for exceptional one off costs incurred in the period of £20.8m (2022: £1.29m) relating to the restructuring costs explained in Note 6. Between 1 July 2022 to 31 December 2024, Net Assets increased from £58.4m to £68.1m for the net profit made in the financial period.

On 16 May 2023, Edenred SE, a public listed company in France acquired ERG Holdco Limited from Abry Partners and Castik Capital. As part of the integration, on 1 January 2024, Edenred (UK Group) Limited transferred its assets and liabilities to Reward Gateway (UK) Limited.

Financial key performance indicators

- Gross transactional value increased to £918,891,032 (2022: £436,543,912)
- Adjusted operating profit (being operating profit with exceptional expenses added back) increased by 19% to £21.7m (2022: £18.17m) on a 12 month like for like basis.
- Customer net churn was 5.56% (2022: positive 1.67%)
- Cash held at period end £18.3m (2022: £17.9m)

Reward Gateway (UK) Ltd

Strategic Report (continued) For the Period Ended 31 December 2023

Section 172(1) statement

The Directors are aware of their duty under s.172 of the Companies Act 2006 to act in the way which they consider, in good faith, would be most likely to promote the success of the Group and Company for the benefit of members as a whole. The Board considers that the Group's key stakeholders are its shareholders, employees, customers, suppliers, key partners and the environment. The Directors have fulfilled their obligations in conjunction with the Group's "Executive Leadership team" giving regard (amongst other matters) to:

- a) The likely consequences of any decision in the long term;
- b) The interests of the company's employees;
- c) The need to foster the company's business relationships with suppliers, customers and others;
- d) The impact of the company's operations on the community and the environment;
- e) The desirability of the company maintaining a reputation for high standards of business conduct, and
- f) The need to act fairly as between members of the company.

The following paragraphs summarise how the Directors have fulfilled these duties during the period to 31 December 2023.

Governance and reporting

Since joining the Edenred Group, Reward Gateway has been introduced to the compliance and governance procedures maintained by the French public listed group. This includes comprehensive monthly and quarterly financial reporting packs on the performance of the business alongside commentary. Meetings are held with the Directors and dedicated FP&A teams in Paris to discuss in detail by its geographical operations in the United Kingdom, Australia and United States.

Managing Directors have now been put in place across these three geographical regions, with key management to support and drive growth in their respective regions for roles in HR, Marketing and Finance. To strengthen and support these regions, key positions have also been filled to set up the infrastructure and processes from a global perspective on legal matters, data privacy, information security, Corporate Social responsibility, taxation and other general compliance.

Employee engagement, culture and environment

The Directors recognise the critical importance of its employees and culture as the heart of its ability to deliver innovative solutions that ensure client success. The founding mission of "Let's make the world a better place to work" remains important in the development of the Company's employees and culture. In 2024, Reward Gateway has also introduced the first "Chief Appreciation Officer" as part of its strategy to renew the Company's vision to use the "Power of Appreciation".

Reward Gateway uses its own communication product to keep employees informed. There is a monthly CEO video update ('Vlog') where company updates and news is shared, and includes other Executive Leadership team members. Written weekly and ad hoc articles are also used to communicate within Reward Gateway. The Group's values are embedded into employee communications and are well understood by its employees. In addition, annual and half yearly employee conferences are held which, amongst other things, updates employees on the company financial and sales performance, strategy, product enhancements, People strategy and community initiatives.

Employees are encouraged to get involved in external community activities by granting employees three additional days leave a year to participate and an additional day is given for participation to allow employees to attend an event or support an occasion which enhances equality or social justice.

The Group also promotes the discussion and understanding of issues that impact its employees and the wider community through employee run forums, articles on its communications platform and discussion on the communication tool "Slack" or "Teams". Diversity and mental health have been two of the areas that have been part of these activities.

Reward Gateway (UK) Ltd

Strategic Report (continued) For the Period Ended 31 December 2023

Principal risks and uncertainties

The main financial risks arising from the Group's financial instruments are liquidity risk, credit risk, and currency risk. The Directors review and agree policies for managing each of these risks and they are summarised in the Directors' Report on pages 6 to 9. The other risks to the Group are detailed below:

Energy and carbon reporting

The Company has taken advantage of the exemption in Part 7A of schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 from the carbon reporting disclosure as it is a subsidiary undertaking and is included in the consolidated financial statements of ERG Holdco Limited. Copies of the consolidated financial statements of ERG Holdco Limited can be obtained from Third Floor, 1 Dean Street, London, England, W1D 3RB.

Business relationships

Ensuring that it delivers innovative solutions to achieve success for its customers requires a high level of engagement and partnership throughout a product's life cycle. This is achieved through working in conjunction with its clients, retail partners and benefit providers. A Chief Merchant Officer has been appointed at the end of 2023, as well localised and experienced retail leaders in each region to set out strategy with Reward Gateway's retailer and merchant partnerships.

This report was approved by the board on 26 November 2024 and signed on its behalf.

N Burns
Director

DocuSigned by:

Nick Burns

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Reward Gateway (UK) Ltd

Directors' Report

For the Period Ended 31 December 2023

The directors present their report and the financial statements for the period ended 31 December 2023.

Directors' responsibilities statement

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the period, after taxation, amounted to £9,782,264 (2022 - £13,977,922).

The Directors do not propose a payment of a dividend for the period to 31 December 2023 (2022: nil).

Directors

The directors who served during the period were:

N Burns (appointed 31 December 2022)
A Erulin (appointed 16 May 2023)
J Tanguy (appointed 16 May 2023)
R Boland (resigned 16 May 2023)
D Butler (resigned 2 December 2022)
E Morii (resigned 7 March 2023)

Reward Gateway (UK) Ltd

Directors' Report (continued)

For the Period Ended 31 December 2023

Future developments

The Company is well placed to continue to develop according to its business plan enjoying a broad spread of clients across many sectors, with the majority on long-term contracts. The Company will continue to focus on migrating and integrating its operations with Edenred (UK Group) Limited.

The Directors are confident that the Company's forecasts are achievable. The board is confident of the Company's outlook for 2024.

Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the period and is currently in force. The Company also purchased and maintained throughout the financial period Directors' and Officers' liability insurance in respect of itself and its Directors.

Going concern

The financial statements have been prepared on the going concern basis on the assumption that the Company will continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. The Company made a profit after taxation of £9,782,264 for the period 1 July 2022 to 31 December 2023 (12 months to June 2022: £13,837,902) and the Balance Sheet net assets of £68,145,814 (2022: £58,356,474) as at 31 December 2023.

The Directors have prepared detailed cash flow forecasts which are based on their current expectations of trading prospects. The forecasts have been prepared for a period of more than one year from signing the financial statements and the Directors are confident that the Company will not be in breach of its covenants and will be able to meet its liabilities as they fall due. The Directors have also carried out sensitivities and "reverse stress test" on its forecasts and are satisfied with the results.

Financial risk management

The main risks arising from the Company's financial instruments are liquidity risk, credit risk, currency risk and interest rate risk. The Board reviews and agrees to policies for managing each of these risks. The policies on treasury and financial risks are summarised in note 24 to the financial statements.

Liquidity risk

The Company's principal financial assets are bank balances and trade and other receivables. The Company seeks to manage liquidity risk by regular cash and bank covenant forecasting. At 31 December 2023, the Company had access to a cash-pooling facility within the financial period which can be utilised to address short term cash requirements. The Company's funding strategy is to ensure a mix of funding sources offering flexibility and cost effectiveness to match the requirements of the Company.

Credit risk

The principal credit risk arises from trade debtors. For the provision of employee benefit services, credit risk is mitigated by adopting a policy of requesting fees at the start of contracts. For the remainder, the Company, manages credit risk by setting and reviewing credit limits on a regular basis in conjunction with debt ageing and collection history.

Currency risk

The Company is exposed to currency risk on purchases and trade receivables that are denominated in a currency other than the respective functional currencies of the Company or its subsidiary.

The bulk of the Company's trading is done in GBP. The Company's branch incurs costs in Bulgarian Lev. The Company is therefore subject to a potential foreign exchange risk resulting from movements in the BGN/GBP exchange rates, however to date this has not had a material impact on the financial statements.

Reward Gateway (UK) Ltd

Directors' Report (continued)

For the Period Ended 31 December 2023

Interest rate risk

The Group does not have external debt and therefore is not subject to Interest rate risk externally. Transfer Pricing arrangements are being considered as part of funding from its parent company, but these are not likely to be impacted by Interest rate fluctuations.

Overseas branches

In 2015, a branch office, Reward Gateway (UK) Ltd – Branch, was set up in Plovdiv, Bulgaria as a branch of Reward Gateway (UK) Ltd. The branch was established to service operational and administrative functions to the Company and has continued to do so in the current period.

Disclosure of information to auditors

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

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

Post balance sheet events

On 16 May 2023, the ultimate parent company of Reward Gateway (UK) Limited, ERG Holdco Limited was acquired by Edenred SE (a listed company in France). As part of the integration process, a Business Asset Transfer was agreed with Edenred (UK Group) Limited (company number 00540144), another direct subsidiary of Edenred SE. It was agreed on 1 January 2024, to transfer all assets and liabilities to Reward Gateway (UK) except for its retained earnings, the results for 2023, and intercompany balances with another direct subsidiary under Edenred SE.

Auditors

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

This report was approved by the board on 26 November 2024 and signed on its behalf.

DocuSigned by:

Nick Burns

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N Burns
Director

Reward Gateway (UK) Ltd

Independent auditor's report to the members of Reward Gateway (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Reward Gateway (UK) Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 30.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material

Reward Gateway (UK) Ltd

Independent auditor's report to the members of Reward Gateway (UK) Limited (continued)

inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team including relevant internal specialists such as IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

Reward Gateway (UK) Ltd

Independent auditor's report to the members of Reward Gateway (UK) Limited (continued)

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our procedures performed to address it are described below:

- Revenue recognised in certain retail revenue streams as a result of commission earned, cashback bonuses received from affiliate networks or supplier rebates involves an element of manual calculation, which places reliance on the volume of sales actually made. Therefore, this leads to an increased risk of management manipulation and capacity for error in the completeness or accuracy of the revenue amounts recognised. To address this risk we have reviewed the manual calculations prepared by management and challenged the assumptions made, and tested the design and implementation of key controls within the revenue process.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Reward Gateway (UK) Ltd

Independent auditor's report to the members of Reward Gateway (UK) Limited (continued)

Use of our report

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

DocuSigned by:

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Paul Hazelton CA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
26 November 2024

Reward Gateway (UK) Ltd

Statement of Comprehensive Income For the Period Ended 31 December 2023

	Note	18 months ended 31 December 2023 £	<i>Restated 12 months ended 30 June 2022 £</i>
Turnover	5	173,555,391	70,891,850
Cost of sales		(90,219,427)	<i>(34,068,725)</i>
Gross profit		83,335,964	<i>36,823,125</i>
Administrative expenses		(50,782,198)	<i>(20,160,702)</i>
Exceptional administrative expenses	6	(20,805,075)	<i>(1,290,391)</i>
Operating profit	9	11,748,691	<i>15,372,032</i>
Interest receivable and similar income	11	2,890,146	<i>3,525</i>
Interest payable and similar expenses	12	(706,770)	<i>(97,237)</i>
Profit before tax		13,932,067	<i>15,278,320</i>
Tax on profit	13	(4,149,803)	<i>(1,300,398)</i>
Profit for the financial period		9,782,264	<i>13,977,922</i>
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Foreign currency translation differences		7,076	<i>96,041</i>
		7,076	<i>96,041</i>
Total comprehensive income for the period/year		9,789,340	<i>14,073,963</i>

The notes on pages 14 to 39 form part of these financial statements.

The comparative income statement has been restated due to first time adoption of FRS 101. The impact of this change can be found in note 30.

Reward Gateway (UK) Ltd
Registered number:05696250

Statement of Financial Position
As at 31 December 2023

	Note	31 December 2023 £	Restated 30 June 2022 £
Fixed assets			
Intangible assets	14	12,353,377	7,220,872
Tangible assets	15	1,089,911	1,272,677
		<u>13,443,288</u>	<u>8,493,549</u>
Current assets			
Stocks	18	1,246,870	309,633
Debtors: amounts falling due within one year	19	185,465,588	120,246,923
Cash at bank and in hand		18,322,857	17,933,392
		<u>205,035,315</u>	<u>138,489,948</u>
Creditors: amounts falling due within one year	20	(149,171,361)	(87,546,424)
Net current assets		<u>55,863,954</u>	<u>50,943,524</u>
Total assets less current liabilities		<u>69,307,242</u>	<u>59,437,073</u>
Creditors: amounts falling due after more than one year		(228,869)	(866,797)
		<u>69,078,373</u>	<u>58,570,276</u>
Provisions for liabilities			
Deferred taxation	22	(932,559)	(213,802)
		<u>(932,559)</u>	<u>(213,802)</u>
Net assets		<u>68,145,814</u>	<u>58,356,474</u>
Capital and reserves			
Called up share capital	23	1,206	1,206
Share premium account	24	10,078	10,078
Capital contribution reserve	24	4,622,889	4,622,889
Foreign exchange reserve	24	346,989	339,913
Profit and loss account	24	63,164,652	53,382,388
		<u>68,145,814</u>	<u>58,356,474</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 November 2024.

N Burns
Director

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Nick Burns
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The notes on pages 14 to 39 form part of these financial statements.

Reward Gateway (UK) Ltd

Statement of Changes in Equity For the Period Ended 31 December 2023

	Called up share capital £	Share premium account £	Capital contribution reserve £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 July 2021	1,206	10,078	4,622,889	243,872	62,795,788	67,673,833
Comprehensive income for the year						
Profit for the year	-	-	-	-	13,977,922	13,977,922
Currency translation differences	-	-	-	96,041	-	96,041
Total comprehensive income for the year	-	-	-	96,041	13,977,922	14,073,963
Dividends Paid	-	-	-	-	(23,391,322)	(23,391,322)
At 1 July 2022	1,206	10,078	4,622,889	339,913	53,382,388	58,356,474
Comprehensive income for the period						
Profit for the period	-	-	-	-	9,782,264	9,782,264
Currency translation differences	-	-	-	7,076	-	7,076
Total comprehensive income for the period	-	-	-	7,076	9,782,264	9,789,340
At 31 December 2023	1,206	10,078	4,622,889	346,989	63,164,652	68,145,814

The notes on pages 14 to 39 form part of these financial statements.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

1. General information

Reward Gateway (UK) Limited is a private company limited by shares registered in England and Wales incorporated in the United Kingdom under the Companies Act 2006 (Company Registration No.05696250). The address of the registered office is Third Floor, 1 Dean Street, London, England, W1D 3RB. The nature of the company's operations and its principal activities are set out in the Strategic Report on page 1.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 101 is given in note 30.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

First time application of FRS 100 and FRS 101

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

This information is included in the consolidated financial statements of ERG Holdco as at 31 December 2023 and these financial statements may be obtained from Companies House.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on the going concern basis on the assumption that the Company will continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements. The Company made a profit after taxation of £9,782,264 for the period 1 July 2022 to 31 December 2023 (12 months to June 2022: £13,837,902) and the Balance Sheet net assets of £68,145,814 (2022: £58,356,474) as at 31 December 2023.

The Directors have prepared detailed cash flow forecasts which are based on their current expectations of trading prospects. The forecasts have been prepared for a period of more than one year from signing the financial statements and the Directors are confident that the Company will not be in breach of its covenants and will be able to meet its liabilities as they fall due. The Directors have also carried out sensitivities and "reverse stress test" on its forecasts and are satisfied with the results.

2.4 Revenue

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts and sales related taxes.

Turnover is recognised when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity, the costs incurred or to be incurred can be measured reliably, and when the criteria for each of the Company's different activities has been met.

Turnover from the provision of Software as a service ("SaaS") and fee revenue is recognised equally over the period the services are delivered to the client.

Turnover from the resale of discounted vouchers is recognised in the period which the vouchers have been dispatched to the customer as follows:

- Where the Company purchases vouchers in advance of a customer order revenue is recognised at the purchase price paid by the customer and the cost is recognised in cost of sales for the purchase of the voucher.
- Where the Company has an order from a customer and fulfils the voucher by instantaneously purchasing the voucher from a third-party and transferring it to the customer the profit margin generated on these transactions is recognised within revenue.

1) Agent v principal determination

The majority of volume in the gross transactional value generated by the Company is from the provision of discounted vouchers. This type of transaction is distinct from the Company's core business revenue generated from customer contracts.

The Company has a mixture of relationships with retailers and third-party service providers, depending on the voucher offering. Some offerings require purchasing advanced stock, both physical and electronic. Other offerings require prepayment of credit and some other offerings are delivered by a third-party.

The Directors of the Company considered each type of voucher offering and determined that the Company acts as Principal to the resale of vouchers where the Company are required to purchase advanced stock. This is on the basis that the Company are exposed to the Inventory Risk for these

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

2.4 Revenue (continued)

vouchers and can determine the price that the voucher is resold to its members. These factors result in the Company having an element of 'control' over the transaction and therefore is Principal to the arrangement.

2) Recognition of costs to obtain

The incremental costs of obtaining a contract, such as sales commission, are recognised over the period of the contract which was obtained. As such, sales commission has been recognised as an asset and will be amortised over the life of the contract period.

2.5 Interest income

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

2.6 Intangible assets

Software licenses

Intangible assets such as software licences are recognised on business combinations if they are separately identifiable from the acquired entity or give rise to other contractual or legal rights. Identifiable assets are recognised at their fair value at the acquisition date. The identified intangibles are amortised over the useful economic life of the asset.

Development costs

Expenditure on the research phase of an internal project is recognised as an expense in the period in which it is incurred. Development costs incurred on specific projects are capitalised when all the following conditions are satisfied.

- Completion of the asset is technically feasible so that it will be available for use or sale;
- The Company intends to complete the asset and use or sell it;
- The Company has the ability to use or sell the asset, and the asset will generate probable future economic benefits (over and above cost);
- There are adequate technical, financial and other resources to complete the development and to use or sell the asset; and
- The expenditure attributable to the asset during its development can be measured reliably.

Development costs not meeting the criteria for capitalisation are expensed as incurred. The cost of an internally generated asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of operating in the manner intended by management. Directly attributable costs include employee (other than Director) costs incurred.

Judgement by the Directors is applied when deciding whether the recognition requirements for development costs have been met. Judgements are based on the information available at the time when costs incurred. In addition, all internal activities related to the research and development of new projects are continuously monitored by the Directors.

Impairment of intangible assets

Assets that are subject to amortisation are reviewed for impairment whenever there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated, in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

2.6 Intangible assets (continued)

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss. The Company has not reviewed the intangible assets for impairment in the current period because the assets have been included at their revalued amounts subsequent to an independent valuation carried out during the period.

Other intangible assets

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

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

The estimated useful lives range as follows:

Development expenditure	-	5	years straight line
Other intangible fixed assets	-	5	years straight line

2.7 Tangible fixed assets

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

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

The estimated useful lives range as follows:

Fixtures and fittings	-	3	years straight line
Office equipment	-	3	years straight line
Computer equipment	-	3	years straight line
Right of use assets	-		straight line over the length of the lease

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.8 Stocks

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

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

2.9 Debtors

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

2.10 Cash and cash equivalents

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

2.11 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

cost.

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

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

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

2.12 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

2.14 Finance costs

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

2.15 Called up share capital

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium, net of any related income tax benefits.

2.16 Operating leases

At inception of an assessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease and non-lease component based on their relative stand-alone prices. However, for leases of properties, the Company has elected not to separate non-lease components and will instead account for the lease and non-lease component as a single lease component. The Company's leases relate to properties. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Property leases will often include extension and termination options, open market rent reviews, and uplifts.

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 individual lessee company's incremental borrowing rate taking into account the duration of the lease.

The lease liability is subsequently measured at amortised cost using the effective interest method, with the finance cost charged to profit or loss over the lease period to produce a constant periodic rate of interest on the remaining balance of the liability. It is remeasured when there is a change in future lease payments arising from a change in index or rate, or if the Company changes its assessment of whether it will exercise an extension or termination option. The lease liability is recalculated using a revised discount rate if the lease term changes as a result of a modification or re-assessment of an extension or termination option.

The right-of-use 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, less any lease incentives received. The right-of-use asset is typically depreciated on a straight-line basis over the lease terms. In addition, the right-of-use asset may be adjusted for certain remeasurements of the lease liability, such as indexation and market rent review uplifts. The asset's residual value and useful lives are reviewed, and adjusted if required, at each balance sheet date. The Company has elected not to recognise the right-of-use assets and lease liabilities for short-term leases that have a term of 12 months or less, lease payments associated with these leases are expensed on a straight-line basis over the lease term.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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

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

2.18 Current and deferred taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

2. Accounting policies (continued)

2.19 Exceptional items

Exceptional items, as disclosed on the face of the Statement of Comprehensive Income, are items which due to their materiality and non-recurring nature have been classified separately in order to draw them to the attention of the reader of the financial statements and to highlight the impact of exceptional items on the results of the Company.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.21 Dividends

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

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

The preparation of financial statements under IFRS requires the Group to make estimates and assumptions that affect the application of policies and reported amounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates and assumptions which have a risk of causing a material adjustment to the carrying amount of assets and liabilities are discussed below.

Intangible assets and impairment

The Group recognises the intangible assets acquired as part of business-combinations at fair value at the date of acquisition. The determination of these fair values is determined by experts engaged by management and based upon management's and the Director's judgement and includes assumptions on the timing and amount of future incremental cash flows generated by the assets and selection of an appropriate discount rate. Furthermore, management must estimate the expected useful lives of intangible assets and amortisation on these assets accordingly. At the reporting date, no impairments to other intangible assets were recognised in the period.

Development costs

Development costs incurred on specific projects are capitalised when certain conditions are satisfied. Careful judgement by the Directors has been applied when deciding whether the recognition requirements for development costs are met i.e whether there is a future economic benefit arising from the design, testing and development work performed. Judgements are based on the information available at the time of incurring the costs, see note 14 for the breakdown of development costs capitalised in the period.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

4. Estimates and assumptions

There are no key sources of estimation uncertainty.

5. Turnover

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

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
SaaS and fee revenue	133,462,204	32,330,624
Voucher resale	40,093,187	38,561,226
	<u>173,555,391</u>	<u>70,891,850</u>

Analysis of turnover by country of destination:

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
United Kingdom	173,555,391	70,891,850
	<u>173,555,391</u>	<u>70,891,850</u>

Gross transactional value

Gross transactional value represents the provision of core business revenue generated from customer contracts, the provision of discounted vouchers, cash back transactions and salary sacrifice transactions. The metric is an indication of all activity which has been billed by the Company to its clients and vouchers resold through the Company. Gross transactional value from the sale of goods and vouchers is recognised at the net value when significant risks and rewards of ownership of the goods and vouchers have been passed to the buyer, usually on the dispatch of the goods and vouchers. The Company is considered to be an agent for billings of £918,891,032 (2022: £365,652,062) of the total transaction value of £942,635,162 (2022: £436,543,912).

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

5. Turnover (continued)

Note 2.4 further explains the basis for these transactions being recognised on a net basis.

	2023	2022
	£	£
Revenue	173,555,391	70,891,850
Billings and voucher resale for revenue recognised as agency	918,891,032	365,652,062
	1,092,446,423	436,543,912
	1,092,446,423	436,543,912

6. Exceptional items

	18 months ended 31 December 2023 £	12 months ended 30 June 2022 £
Acquisition costs	-	703,057
Redundancy	19,500,781	-
Accounting policy change	1,537,848	-
Other	(233,554)	587,334
	20,805,075	1,290,391
	20,805,075	1,290,391

Exceptional items include Redundancy costs as part of the migration from Xexec Limited (a sister company within the ERG Holdco Limited group). £1.5m included in "accounting policy change" relates to write off historical balances in relation to the recognition of R&R transactional revenue. Additionally, credit balances relating to acquisition costs and included in "other" for costs incurred in the previous year which were reversed in 2023.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

7. Employees

Staff costs, including directors' remuneration, were as follows:

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Wages and salaries	30,951,161	13,753,196
Social security costs	4,005,800	1,797,428
Cost of defined contribution scheme	773,981	375,425
	35,730,942	15,926,049
	35,730,942	15,926,049

The average monthly number of employees, including the directors, during the period was as follows:

	18 months ended 31 December 2023 No.	<i>12 months ended 30 June 2022 No.</i>
Administration	83	70
Operations	474	374
	557	444
	557	444

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

8. Directors' remuneration

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Directors' emoluments	1,248,258	586,453
Company contributions to defined contribution pension schemes	18,163	31,336
	<u>1,266,421</u>	<u>617,789</u>

During the period retirement benefits were accruing to no directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £831,856 (2022 - £220,700).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £9,999).

9. Operating profit

The operating profit is stated after charging:

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Depreciation of tangible fixed assets	643,448	439,448
Amortisation of intangible assets, including goodwill	2,476,208	2,069,334
Exchange differences	(1,198,366)	284,502
Defined contribution pension cost	773,981	375,425
	<u>773,981</u>	<u>375,425</u>

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

10. Auditors' remuneration

During the period, the Company obtained the following services from the Company's auditors and their associates:

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Fees payable to the Company's auditors and their associates for the audit of the Company's financial statements	163,738	<i>122,205</i>

There were no non-audit fees in both financial periods.

11. Interest receivable

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Interest receivable from group companies	2,853,343	<i>527</i>
Other interest receivable	36,803	<i>2,998</i>
	2,890,146	<i>3,525</i>

12. Interest payable and similar expenses

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Bank interest payable	25	<i>-</i>
Loans from group undertakings	677,770	<i>-</i>
Interest on lease liabilities	28,975	<i>97,237</i>
	706,770	<i>97,237</i>

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

13. Taxation

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Corporation tax		
Current tax on profits for the year	3,463,076	1,120,619
Adjustments in respect of previous periods	(32,030)	-
Total current tax	3,431,046	1,120,619
Deferred tax		
Origination and reversal of timing differences	718,757	179,779
Total deferred tax	718,757	179,779
Tax on profit	4,149,803	1,300,398

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

13. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 22% (2022 - 19%). The differences are explained below:

	18 months ended 31 December 2023 £	<i>12 months ended 30 June 2022 £</i>
Profit on ordinary activities before tax	13,932,067	15,278,320
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2022 - 19%)	3,065,055	2,902,881
Effects of:		
Expenses not deductible for tax purposes	1,960,746	196,551
Non-taxable income	(132,480)	-
Adjustments to tax charge in respect of prior periods	(28,186)	(137,153)
Effects of overseas tax rates	-	(40,425)
Foreign tax	264,633	320,578
Foreign PE exemption	(169,624)	-
Group relief claimed	(1,697,735)	(2,318,135)
Fixed asset differences	632,506	167,464
Remeasurement of deferred tax for changes in tax rates	102,163	(8,955)
Remeasurement of deferred tax charge in respect of prior periods	23,435	217,092
Movement in deferred tax not recognised	128,243	-
Other taxes	1,047	500
Total tax charge for the period/year	4,149,803	1,300,398

Changes in tax rates and factors affecting the future tax charges

In the 2021 Budget on 3 March 2021 it was announced that the UK corporation tax rate shall increase to 25% from the 2023 tax year. Deferred tax assets and liabilities have therefore been calculated based on the rate of 25% enacted at the balance sheet date.

A blended rate of 22% has been used to reflect 9 months of 19% and 9 months at the new 25% rate.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

14. Intangible assets

	Computer software £	Development expenditure £	Total £
Cost			
At 1 July 2022	603,462	15,510,225	16,113,687
Additions	54,550	7,531,693	7,586,243
Foreign exchange movement	189	47,325	47,514
At 31 December 2023	<u>658,201</u>	<u>23,089,243</u>	<u>23,747,444</u>
Amortisation			
At 1 July 2022	504,295	8,388,521	8,892,816
Charge for the period on owned assets	69,944	2,406,255	2,476,199
Foreign exchange movement	163	24,889	25,052
At 31 December 2023	<u>574,402</u>	<u>10,819,665</u>	<u>11,394,067</u>
Net book value			
At 31 December 2023	<u>83,799</u>	<u>12,269,578</u>	<u>12,353,377</u>
At 30 June 2022	<u>99,167</u>	<u>7,121,705</u>	<u>7,220,872</u>

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

15. Tangible fixed assets

	Fixtures and fittings £	Office equipment £	Computer equipment £	Other fixed assets £	Total £
Cost or valuation					
At 1 July 2022	1,863,760	376,090	1,288,477	2,528,908	6,057,235
Additions	-	17,828	284,969	257,329	560,126
Disposals	-	-	(4,036)	-	(4,036)
Exchange adjustments	3,397	75	4,411	-	7,883
At 31 December 2023	<u>1,867,157</u>	<u>393,993</u>	<u>1,573,821</u>	<u>2,786,237</u>	<u>6,621,208</u>
Depreciation					
At 1 July 2022	1,763,704	373,061	961,856	1,685,938	4,784,559
Charge for the period on owned assets	99,716	5,186	299,973	339,625	744,500
Disposals	-	-	(2,091)	-	(2,091)
Exchange adjustments	3,256	32	1,041	-	4,329
At 31 December 2023	<u>1,866,676</u>	<u>378,279</u>	<u>1,260,779</u>	<u>2,025,563</u>	<u>5,531,297</u>
Net book value					
At 31 December 2023	<u>481</u>	<u>15,714</u>	<u>313,042</u>	<u>760,674</u>	<u>1,089,911</u>
At 30 June 2022	<u>100,056</u>	<u>3,029</u>	<u>326,622</u>	<u>842,970</u>	<u>1,272,677</u>

Depreciation expenses are included within 'administrative expenses'.

16. Subsidiary Undertakings

The company has a branch in Bulgaria trading as Reward Gateway (UK) Limited - branch.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

17. Dividends

	31 December 2023 £	<i>30 June 2022 £</i>
Ordinary shares		
Dividends	-	23,391,322
	<u>-</u>	<u>23,391,322</u>

18. Stocks

	31 December 2023 £	<i>30 June 2022 £</i>
Finished goods and goods for resale	1,246,870	309,633
	<u>1,246,870</u>	<u>309,633</u>

There is no material difference between the replacement cost of stocks and the amounts stated above.

19. Debtors

	31 December 2023 £	<i>30 June 2022 £</i>
Trade debtors	27,068,895	16,456,357
Amounts owed by group undertakings	147,975,290	98,336,575
Other debtors	338,293	97,841
Prepayments and accrued income	6,402,617	5,356,150
Corporation tax	3,680,493	-
	<u>185,465,588</u>	<u>120,246,923</u>

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

19. Debtors (continued)

All trade receivable amounts are short term. All of the Company's trade and other receivables have been reviewed for indicators of impairment and, where necessary, a provision for impairment provided. The carrying value is considered a fair approximation of their fair value. The Company's management considers that all the above financial assets that are not impaired or past due are of good credit quality, as such no provision has been made against the trade receivable balance (2022: no provision was against the trade receivable balance).

Amounts owed by foreign company group undertakings are charged at 5% per annum and the remaining are interest free, due on demand and unsecured

20. Creditors: Amounts falling due within one year

	31 December 2023 £	<i>30 June 2022 £</i>
Bank overdrafts	19,901,504	-
Trade creditors	39,497,929	<i>50,754,521</i>
Amounts owed to group undertakings	49,333,025	<i>19,973,594</i>
Corporation tax	-	<i>673,929</i>
Other taxation and social security	6,085,054	<i>1,308,307</i>
Lease liabilities	544,727	<i>302,706</i>
Other creditors	237,092	-
Accruals and deferred income	33,572,030	<i>14,533,367</i>
	<u>149,171,361</u>	<i><u>87,546,424</u></i>

All amounts are short term. The Directors consider that the carrying value of trade and other payables to be a reasonable approximation of fair value.

Amounts owed to foreign company group undertakings are charged at 5% per annum and the remaining are interest free, due on demand and unsecured

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

	31 December 2023 £	<i>30 June 2022 £</i>
Lease liabilities	228,869	<i>866,797</i>
	<u>228,869</u>	<i><u>866,797</u></i>

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

22. Deferred taxation

	2023 £	2022 £
At beginning of period	(213,802)	(34,023)
Charged to profit or loss	(718,757)	(179,779)
At end of period	(932,559)	(213,802)

The provision for deferred taxation is made up as follows:

	31 December 2023 £	30 June 2022 £
Accelerated capital allowances	(800,374)	(81,617)
Other timing differences	(132,185)	(132,185)
	(932,559)	(213,802)

23. Share capital

	31 December 2023 £	30 June 2022 £
Allotted, called up and fully paid		
120,553 (2022 - 120,553) Ordinary shares shares of £0.010 each	1,206	1,206

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

24. Reserves

Share premium account

Share premium represents the amount subscribed for share capital in excess of the nominal value.

Capital redemption reserve

The capital contribution reserve represents contributions received from shareholders that have been recognised directly in equity.

Foreign exchange reserve

Foreign exchange reserve includes exchange differences arising on translation of foreign operations in accordance with FRS 101.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Company.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £773,981 (2022: £375,425). Pension costs are included in administrative expenses.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

26. Leases

Company as a lessee

The following future lease cash flows are in relation to operating leases.

Lease liabilities are due as follows:

	2023 £	2022 £
Not later than one year	544,727	302,706
Between one year and five years	228,869	866,797
	<u>773,596</u>	<u>1,169,503</u>

Contractual undiscounted cash flows are due as follows:

	2023 £	2022 £
Not later than one year	564,773	430,177
Between one year and five years	258,784	784,935
	<u>823,557</u>	<u>1,215,112</u>

There is not considered any significant liquidity risk arising from the lease liabilities.

27. Related party transactions

The company is taking advantage of the exemptions in FRS 101, not to disclose transactions with other wholly owned entities within the financial statements of the Edenred Group, of which are publicly available.

28. Subsequent events

On 16 May 2023, the ultimate parent company of Reward Gateway (UK) Limited, ERG Holdco Limited was acquired by Edenred SE (a listed company in France). As part of the integration process, a Business Asset Transfer was agreed with Edenred (UK Group) Limited (company number 00540144), another direct subsidiary of Edenred SE. It was agreed on 1 January 2024, to transfer all assets and liabilities to Reward Gateway (UK) except for its retained earnings, the results for 2023, and intercompany balances with another direct subsidiary under Edenred SE.

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

29. Controlling party

The parent company of Reward Gateway (UK) Limited is RG Engagement Group 2 Limited, an indirect subsidiary of ERG Holdco Limited. The ultimate controlling parties from 4 August 2021 to 16 May 2023 was ERG Investment S.a.r.l Luxembourg and ABRY Bookers Aggregator Limited. RG Engagement Group 2 Limited is a company incorporated in England and Wales company number 09704679). The largest and smallest level at which the results of this company are consolidated is that headed by ERG Holdco Limited. Copies of the consolidated financial statements of ERG Holdco Limited can be obtained from Third Floor, 1 Dean Street, London, England, W1D 3RB.

On 16 May 2023, ERG Investment S.a.r.l and ABRY Bookers Aggregator Limited sold its investment and ceased to be the ultimate controlling parties as of that date. The ultimate controlling party from 16 May 2023 and as of 31 December 2023 is Edenred SE (a company incorporated in France, French company number 493322978).

Reward Gateway (UK) Ltd

Notes to the Financial Statements For the Period Ended 31 December 2023

30. First time adoption of FRS 101

The Company transitioned to FRS 101 from previously extant UK GAAP as at 1 July 2021. The impact of the transition to FRS 101 is as follows:

	Note	As previously stated 1 July 2021 £	Effect of transition 1 July 2021 £	FRS 101 (as restated) 1 July 2021 £	As previously stated 30 June 2022 £	Effect of transition 30 June 2022 £	FRS 101 (as restated) 30 June 2022 £
Fixed assets	14	6,212,979	1,083,818	7,296,797	7,650,579	842,970	8,493,549
Current assets	19	117,157,562	-	117,157,562	138,489,948	-	138,489,948
Creditors: amounts falling due within one year	20	(55,330,740)	(280,283)	(55,611,023)	(87,243,719)	(302,706)	(87,546,425)
Net current assets		61,826,822	(280,283)	61,546,539	51,246,229	(302,706)	50,943,523
Total assets less current liabilities		68,039,801	803,535	68,843,336	58,896,808	540,264	59,437,072
Creditors: amounts falling due after more than one year	21	-	(1,169,503)	(1,169,503)	-	(866,797)	(866,797)
Provisions for liabilities		-	(34,023)	(34,023)	(213,802)	-	(213,802)
Net assets		68,039,801	(399,991)	67,639,810	58,683,006	(326,533)	58,356,473
Capital and reserves	23	68,039,801	(399,991)	67,639,810	58,683,007	(326,534)	58,356,473

Reward Gateway (UK) Ltd

Notes to the Financial Statements

For the Period Ended 31 December 2023

30. First time adoption of FRS 101 (continued)

	As previously stated 30 June 2022 £	Effect of transition 30 June 2022 £	FRS 101 (as restated) 30 June 2022 £
Turnover	70,891,850	-	70,891,850
Cost of sales	(34,068,725)	-	(34,068,725)
	<u>36,823,125</u>	<u>-</u>	<u>36,823,125</u>
Administrative expenses	(21,587,765)	136,672	(21,451,093)
	<u>15,235,360</u>	<u>136,672</u>	<u>15,372,032</u>
Operating profit	15,235,360	136,672	15,372,032
Interest receivable and similar income	3,525	-	3,525
Interest payable and similar charges	-	(97,237)	(97,237)
Taxation	(1,300,398)	-	(1,300,398)
	<u>13,938,487</u>	<u>39,435</u>	<u>13,977,922</u>
Profit on ordinary activities after taxation and for the financial year	13,938,487	39,435	13,977,922

Explanation of changes to previously reported profit and equity:

- 1 Net impact of right of use asset adjustment on the balance sheet.