29 June 2020

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION AS DEFINED IN ARTICLE 7 OF THE MARKET ABUSE REGULATION NO. 596/2014 ("MAR")

Equals Group plc
('Equals' or the 'Group)

Preliminary Results

Positive financial progress driven by transition towards a B2B facing, integrated money management provider

Equals (AIM:EQLS), the fast-growing B2B focused e-banking and international payments group, announces its preliminary results for the year ended 31 December 2019 (the 'period' or 'FY-2019') and an update on the Group's trading in FY-2020.

FY-2019 Financial Summary

£million	**FY-2019**	**FY-2018** (restated)Ω	**% Change**
Underlying transaction values	**2,887**	2,369	**+21.8%**
- B2B	**2,088**	1,187	**+75.9%**
- B2C	**799**	1,182	**-32.4%**
Revenue	**30.9**	26.1	**+18.6%**
- B2B	**17.3**	9.5	**+81.2%**
- B2C	**13.6**	16.6	**-18.1%**
Gross profit	**20.6**	17.5	**+17.7%**
Adjusted EBITDA*	**9.1**	7.5	**+21.3%**
(Loss)/profit after taxation	**(5.4)**	2.6	

FY-2019 Group Highlights

- Group revenues increased by 19% and have doubled over a two-year period
- Organic profit growth continued, 13% overall but 20% in international payments, as the Group transitions and drives revenue generation within the higher margin B2B division and away from legacy B2C and retail FX
- Strategic shift evidenced by improvement in revenue mix; B2B represents 56% (2018: 37%)
- Gross profit increased 17.7% to £20.6 million and margin remained constant at 66%
- Two accretive acquisitions successfully integrated, Hermex in August and Casco in November
- Through warrant and option exercises and further capital issuances, raised additional capital of £15.6 million
- £1.1 million R&D credits received in the year, further £2.3 million receivable at 29 June 2020
- Group rebranded from FairFX to Equals Group to reflect diversification from legacy FX business
- Improved systems and focus on a strong regulatory backbone delivering results
    - Membership of the UK Faster Payments scheme attained
    - Gained open Real-Time Gross Settlement ('RTGS') accounts with the Bank of England
    - Granted Credit Broking licence by FCA
    - Negotiated a five-year extended deal with Mastercard – allows self-issuance

FY-2020 Trading Update

- Overall revenues in 2020 tracking close to prior-year levels, despite Covid-19 impact, at £108k per day versus £111k in 2019
- Revenue streams in both the B2B segment and retail banking remain robust whilst B2C travel money products particularly hard hit by pandemic. Impact started in late March, was most acute in April and slowly improving in May and June
- Successful transition to remote working aided by improved technical infrastructure
- Decisive action taken to reduce cost base
- House funds cash position at 26 June 2020 of £7.7 million. No bank debt
- A deep pool of active customers across all of business segments with a clear strategy in place to focus on delivering exceptional service and growing our customer base
- Unfolding situation at Wirecard UK has limited impact on revenues due to supply chain measures taken in previous years
- The Board remains optimistic about the Group's outlook

Commenting on the Preliminary Results, Ian Strafford-Taylor, CEO of Equals Group plc, said:

"I am pleased to report that 2019 was a positive year of revenue and profit growth for Equals, and, crucially, our strategy to refocus the business on higher margin B2B customers with a diverse range of integrated money management products is paying off as our revenue mix moves away from our legacy FX business and B2C customers.

"The Covid-19 pandemic has affected the business, but revenues have returned to more normalised levels in most business lines since the initial impact in late March, April and May. Our teams have transitioned to remote working well, with the investment in improved technical infrastructure benefitting our operations.

"Supported by our recent fundraise, we look forward to the future with confidence as we continue to expand our product range and make selective acquisitions when opportunity presents. Equals is well positioned in the current market with a deep pool of active customers driving progress across the business."

Analyst meeting

A conference call for analysts hosted by Ian Strafford-Taylor (CEO) and Richard Cooper (CFO) will be held at 09.30am today, 29 June 2020. A copy of the Preliminary Results presentation is available at the Group's website: http://www.equalsplc.com.

For retail investors, an audio webcast of the conference call with analysts will be available after 12pm today: https://webcasting.buchanan.uk.com/broadcast/5eec538f5e278421d06990c3

Notes

*Adjusted EBITDA is defined as Earnings before: depreciation, amortisation, impairment charges, share option charges, but after R&D tax credits. The Group changed its policy for accounting for R&D tax credits from IAS20 to IAS 12. Whilst this has no impact on the retained result, EBITDA has been adjusted to include these amounts in line with accounting at the 2019 interims.

Ω *Change in accounting policy*

During the year, the Group changed its accounting policy for research and development tax credits (R&D tax credit) which had previously been accounted for under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The Group believes that accounting for the R&D tax credit is more appropriate under IAS 12 Income Taxes which better reflects the substance and benefit of the credit. Under IAS 20 *Accounting for Government Grants and*

Disclosure of Government Assistance, the R&D tax credit, was deducted from administration expenses on a systemic basis. Under IAS 12 *Income Taxes* the R&D tax credit is included within tax credit / expense in the year that the claim relates to.

A change in accounting policy requires a retrospective adjustment and consequently the comparatives amounts have been restated. In 2018 an adjustment of £0.3 million has been deducted from administrative costs and a corresponding amount included as a tax credit. There is no adjustment to earnings per share or retained earnings. In 2019, £3.4 million has been recognised as tax credit. No periods prior to 2018 have been affected by the change in accounting policy.

- Ends -

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Notes to Editors:

Equals is a leading challenger brand in banking and payments that disintermediates the incumbent banks with a superior user experience and low-cost operating model. The Group enables its personal and business customers to make easy, low-cost payments both domestically and in a broad range of currencies across a range of products all via one integrated system.

Equals provides money movement services to both business and personal customers through five inter-connected channels - International Payments, Corporate Expenses platform, Bank Accounts, Travel Money (comprising currency cards and physical currency). International Payments channel supports wire transfer foreign exchange transactions direct to bank accounts. For corporates, Equals has a market-leading business-expenses solution based around its corporate platform and prepaid card which yields significant cost savings via tighter control on expenses before they are incurred coupled with eliminating inefficient processes. Equals also offers business and retail bank accounts with all the functionality offered by banks, namely faster payments, BACs, direct debits, international payments and a debit card. The Travel Money offerings (retail currency card and physical currency) represent cost-effective and secure methods for travelers to spend abroad.

Chairman's Statement

My statement this year focuses on three distinct themes: the first looks back at the Group's achievements and its performance in FY-2019; the second reports on how, post year-end, the Group has faced-up to, and successfully dealt with, the challenges posed by the Covid-19 pandemic; and the third, deals with the Group's current trading and future prospects.

The Group has two distinct customer groupings; business customers are referred to as "B2B," whereas retail customers are referred to as "B2C."

FY-2019 was a highly successful year for the Group.

- Revenues grew by 19% and successfully pivoted towards higher margin B2B customers;
- Continued investment in product and technology, completed a rebrand of the business away from the FX legacy into "Equals" being an umbrella brand for all products;
- Raised £15.6 million net of expenses for expansion; and,
- Purchased, and integrated two significant and accretive acquisitions.

The Group continued to make significant investments to increase the strength and resilience of its technical infrastructure along with product improvements. The Corporate Expenditure management product, Equals Spend, was responsive to the Group's planned focus and investment, joining the UK Faster Payments scheme and the upgrade of our risk evaluation methodology and resources resulting in further opportunities for expansion. Customer facing roles and technology were both enhanced and a clearer route to greater brand awareness across our products has been achieved.

Inevitably these upgrades take more than one accounting period to show their full benefit, but the Board is confident that the right steps were taken at the right time and looks forward to these upgrades reaching their full impact.

Covid-19 Response

2020 has seen global volatility caused by the Covid-19 pandemic. Equals has not been immune to this but the technology improvements made by the Group meant that all employees have been able to successfully work from home. Currently there are around one fifth of the staff under furlough but redundancies have been kept to a minimum. All employees including the Board and senior management agreed to a temporary 20% reduction in their remuneration over a three month period until greater visibility of the market has been possible.

The travel related products (bureau de change and retail pre-load travel cards) were, impacted almost immediately with revenues down 87% on the comparative period in 2019. To put this into context, this represented 29% of revenue in 2019 and is now only 4% of a significantly higher income base up to 26 June 2020.

The full financial consequences of Covid-19 are of course yet unknown, but profound. However, with the steps already taken by the Group together with further contingency planning, the board believes the Group remains in a strong position to move quickly to not only respond to market movements but look for emerging opportunities.

The Group is in the fortunate position of having no bank borrowing and thus has protected its cash position. At the time of writing the Group's free cash resources stood at £7.7 million.

Current trading and Outlook

Revenue streams in both the B2B segment and retail banking appear robust after the expected reduction in late March and April 2020. Revenue per day (excluding 'travel cash') rose to £103.4k in Q1-2020 (Q1-2019:

£72k) and were £91k per day in the period 1 April to 25 June 2020 (Q2-2019: £86k). Despite the continued impact of Covid-19, in June 2020 revenues per day have averaged £113k (June 2019, excluding travel cash, £111k per day).

The Board remains optimistic about the Group's outlook. The Non-Executive Directors and I would like to thank the executive team and all our staff who have worked so diligently to position the Group so well.

Finally, following many years of growth, we are finalising the next stage of our succession plan and tomorrow, at our Annual General Meeting, I will welcome Alan Hughes to the Chair. Alan's significant experience in the sector speaks for itself and I look forward to working with him and continuing to serve Equals as a Non-Executive Director.

John Pearson
Chairman
28 June 2020

Chief Executive Officer's Report

I am delighted to report that the initiatives and measures implemented in FY-2018 produced such clear financial progress in FY-2019:

- Revenues increased by 19% and grew by 100% over a two-year period;
- Revenue mix: B2B revenues rose 81%, comprising 56% of Group, up from 37% in FY-2018;
- Adjusted EBITDA* at £9.1 million up 21% despite very challenging Brexit uncertainties and challenges.
- A loss after taxation of £5.4 million after an impairment charge of £4.9 million, and separately reported items of £3.4 million, (2018: Profit £2.6 million separately report items of £3.5 million)

**Adjusted EBITDA is defined as Earnings before: depreciation, amortisation, impairment charges, share option charges, and separately reported items, but after R&D tax credits*

The growth of the Group with a number of different brands, required consolidation both from the perspective of market positioning and for corporate restructuring. Both were achieved in the year. The costs of this have been reported as "separately reported items" in the CFO report which follows.

The robustness of improved and regulatory compliant systems, meant that the Group was able to become a member of the UK Faster Payments scheme and open Real-Time Gross Settlement ('RTGS') accounts with the Bank of England. The FCA granted a Credit Broker Licence and the Group's relationship with US bank Metropolitan Commercial Bank ('MCB') goes from strength to strength. This has continued currently with banking facilities widened to now include Citibank.

Through both acquisitions and organic growth, the Group has achieved a pivot away from its legacy retail customer base ("B2C") to a greater proportion of its revenues from business customers ("B2B"). Revenues from B2B customers rose to £17.3 million (2018: £9.5 million) representing 56% of Group revenues (2018: 37%).

Rationalisation of the supply chains continued, and continues, with direct connectivity to payment schemes and longer-term commercial arrangements being reached with MasterCard and other card providers. The importance of these initiatives is emphasised by the current situation at Wirecard, which is addressed later in this statement.

Expansion continued in FY-2019, both organically and through acquisition, and two competing businesses, Hermex and Casco, were added to the Group and are now fully integrated. Casco, now branded Equals Connect, brings a white-label product enabling other FX and payment companies to scale their businesses by utilising its technology, banking, liquidity and compliance capabilities. Both businesses have significantly added to the B2B client base and contributed over £233.0 million of underlying transaction values in 2019.

The acquisitions were in accordance with three of the Group's stated strategies:

i. to consolidate smaller, attractive market participants;
ii. expand its product range; and,
iii. leverage its investment into deeper payments connectivity.

In June 2019, the Group announced the rebranding of the Group to Equals to reflect the evolution of the product offering and strategic direction. Following the name change, the Group has moved towards a brand architecture on the B2B side with a suite of product brands underneath the Equals brand with a consistent identity. The Group has moved beyond its legacy, retail-focused foreign exchange business into integrated money management solutions for consumers and business. The unification of the brand simplifies the marketing messaging, optimising customer acquisition, retention and engagement whilst facilitating improved cross-selling between the portfolio of products.

The key segments of the Group and brands are as follows:

International Payments	Equals Pay
White label payments	Equals Connect
Banking	Equals Money
Corporate expense control platform	Equals Spend
Travel cards and travel money	Equals Go

The Group accelerated investment in FY-2019 to improve products, infrastructure and security. A total of £8.3 million was invested in the year (FY-2018: £5.2 million) yielding new platforms for Equals Pay, Go and Spend and enhanced products for Equals Money. Whilst the Group will continue to invest, the substantial re-platforming work is now complete and hence investment costs will reduce in 2020 and 2021.

To enable this investment and provide seed capital for future acquisitions, the Group raised £15.7 million net of expenses during the year. This placed the Group in a strong financial position, which is so crucial as the Group continues to navigate the ongoing impact of the Covid-19 pandemic.

The Group started FY-2019 with a headcount of 206 and ended it with a headcount of 341, although this has since reduced to 322. Greater integration and rationalisation across the two main office sites (Chester and London) continues and further headcount reductions are expected from increased efficiencies.

The Group now has a deep pool of active customers across all of its business segments and its customer-facing objectives are to deliver exceptional service and grow the customer base, and it is well positioned to do so.

As reported on 17 March 2020, the current financial year started strongly and revenues were 33% higher than the comparable period in FY-2019. Understandably, Covid-19 has had a negative impact on many customers served by the Group and competitors to it, and Equals has not been immune to this. The Directors took immediate steps to conserve cash, elevate its risk controls, and to temporarily shut our City-based bureaux de change and furlough around one fifth of the workforce.

The employees have been astonishing in this time; enhanced technology investments paid off with all staff being able to work remotely at very short notice, and alongside the Board, staff voluntarily agreed to a temporary 20% reduction in salary, with the unifying aim of protecting the business and their own jobs going forward.

Financial reporting and the control environment

Under the leadership of Richard Cooper who was appointed as Group CFO in October, the Group has made a step-change in its financial reporting and control environment with a reorganised finance function driving significant improvements to performance data, and robust internal reporting.

Product development

The Group embarked on an ambitious programme to develop and upgrade a host of its technology across all business lines. This programme was undertaken, and resourced accordingly, to make a significant upgrade in product capabilities. The most significant projects worked on in FY-2019 were:

Infrastructure

- A complete refresh of the Group's internal IT and Security infrastructure was completed resulting in robust business continuity once the Covid-19 crisis occurred;

- Integration of the Group's reconciliation and international payments processing Engine MTS into the backend of all the Group's international payment and card products increased speed and reduced risk;

- A real-time cloud-based transaction monitoring platform was developed for Group use across all its products, this is especially important in the Faster Payments integration and the future integration to Citi bank.

Banking

- A step-change in domestic payment settlement was achieved by entering the Faster Payment and Bank of England RTGS schemes directly with the use of a proprietary built 'state-of-the-art' faster payment gateway;

- A bulk payments feature was designed and built to support corporates and payroll companies to process large number of payments at speed;

- The user experience was refreshed across the CardOneMoney Apps;

- A new cards-based loans product sitting alongside the banking products in conjunction with iwoca was designed and built;

- The integration of the Group's international payments functionality directly to existing customers of the CardOneMoney suite of products was completed.

Corporate Card Platform

- Re-branding of the Corporate Card Platform to Equals Spend with improved user experience and the inclusion of new functionality such as a world class Rewards system;

- New, cloud based, scalable, card-enabled, money-management platform designed and built and launched in the USA.

Retail cards

- A Web and Mobile App Single Multi Currency travel card with freshly designed and build apps was built and delivered

International Payments

- An entirely new cloud based international dealing platform allowing end users to self-serve currency exchange was designed, built and delivered

- a multi-currency / multi-card banking product linking the power of FairFX products with CardOneMoney was delivered

Looking to the future, the talented engineering team have already made great progress in 2020 in upgrading the FX dealing platform, and a direct API for customer access.

Current trading and Outlook

In the year up to 26 June 2020, revenues per day averaged £108k (2019: £111k per day). Given the impacts of Covid-19, especially on travel-related products, this is an exceptional performance and reflects the underlying strength of the Group, its people, and its products. Concurrently, during the pandemic the Group has managed its cost base dynamically yielding a reduction of around £250k per month, and payment terms have been renegotiated with some key suppliers and landlords. We have participated in the UK Government's furlough scheme along with deferring PAYE settlements thus, at the date of this report the Group has £7.7 million of free cash resources, PAYE deferments of £1.5 million, but a R&D receivable of £2.3 million.

On 26 June, a supplier to the Group, Wirecard Card Services ('WDCS') had its licences suspended by the FCA. WDCS is one of three options the Group has for issuance of prepaid cards. This suspension does not affect the Group's B2B activities and disruption is mainly limited to B2C travel cards. The financial impact to the Group is limited in terms of currently anticipated results for 2020 and the Group has contingency plans in place should the situation at WDCS persist.

Revenues have increased since their Covid-19 related lows in April and I believe that the Group is now well-positioned for future growth and to take advantage of economic opportunities that may arise from the current unprecedented situation.

Ian Strafford-Taylor
Chief Executive Officer
28 June 2020

Chief Financial Officer's Report

To aid readers of these financial statements, the Group has chosen to present the primary statements in an alternative format and explain the major movements to the prior year along with issues of accounting impact and judgement. Each principal line in the P&L is explained. The report is in three sections:

A – Income and Expenditure Account
B – Balance Sheet
C – Cash Flow

The Group made two material acquisitions during the year, Hermex and Casco. Both of these brought a broader base of revenue and experienced revenue generating staff to the Equals team, and without property commitments, which therefore added synergistically to the Group.

Transactions with business customers are reported as 'B2B' and transactions with retail customers reported as 'B2C'.

Totals may not sum due to rounding. Percentages are calculating on underlying figures before rounding. A detailed review of the accounting policies and recognitions have led to some minor re-profiling between the first and second halves of the year. Where costs cannot be accurately attributed to each segment, they have been allocated on the basis of revenue.

A: Income and Expenditure account and its notes
Table 1

In £millions	**Note ref**	**2019**	2018
Underlying transaction values – FX	A1	**2,117.5**	1,783.7
Underlying transaction values - Banking		**769.4**	585.5
		2,886.9	2,369.2
In £000's			
Revenue	A2	**30,945**	26,092
Less: Variable costs	A3	**(10,378)**	(8,551)
Gross profits	A4	**20,567**	17,541
Less: Marketing*	A5	**(2,037)**	(2,768)
Contribution		**18,530**	14,773
Gross expenditure	A6	(21,261)	(12,823)
Capitalised		8,307	5,251
Net expenditure		(12,954)	(7,572)
R&D credits		3,479	311
Adjusted EBITDA*		**9,055**	7,512

**Adjusted EBITDA is defined as Earnings before: depreciation, amortisation, impairment charges, share option charges, and separately reported items, but after R&D tax credits*

Underlying the results for the year were the following additional expenditures:

- Internally generated software (note B3) £8.3 million
- Rebranding costs treated as an exceptional item (note A5) £2.1 million
- Separately reported items (note A7) £1.3 million

Tables 1a and 1b below show the reconciliation from Adjusted EBITDA to Operating Loss after taxation:

Table 1a -Reconciliation of adjusted EBITDA to (loss)/ profit after taxation, 2019

£000's	Notes	Operating loss	Finance charges	Taxation	**Loss after taxation, 2019**
Adjusted EBITDA		9,055	-	-	**9,055**
Separately reported items		(3,423)	-	-	**(3,423)**
Other items:					
IFRS 16 depreciation		(918)		-	**(918)**
IFRS 16 finance charges		-	(234)	-	**(234)**
Other Depreciation	A8	(430)	-	-	**(430)**
Amortisation	A9	(2,831)	-	-	**(2,831)**
Impairment	A12	(4,859)	-	-	**(4,859)**
Share option charges		(123)	-	-	**(123)**
FX and similar	A11	(238)	-	-	**(238)**
Acquisition costs		(478)	-	-	**(478)**
Deferred taxation		-	-	(928)	**(928)**
Other tax credits		-	-	35	**35**
R&D tax credits	A13	(3,479)	-	3,479	**-**
		(7,724)	**(234)**	**2,586**	**(5,372)**

Table 1b -Reconciliation of adjusted EBITDA to (loss)/ profit after taxation, 2018

£000's	Notes	Operating profit	Finance charges	Taxation	**Profit after taxation, 2018**
Adjusted EBITDA		7,512	-	-	**7,512**
Separately reported items		(3,543)	-	-	**(3,543)**
Other items:					
Depreciation	A8	(200)	-	-	**(200)**
Amortisation	A9	(1,318)	-	-	**(1,318)**
Impairment		-	-	-	**-**
Share option charges		(54)	-	-	**(54)**
FX and similar	A11	(20)	-	-	**(20)**
Acquisition costs		(297)	-	-	**(297)**
Deferred taxation		-	-	956	**956**
Other tax credits		-	-	(417)	**(417)**
R&D tax credits		(312)	-	312	**-**
		1,767	**-**	**850**	**2,617**

Note A1 – Underlying transaction values

Underlying transaction values, a non-IFRS measure, increased by 24% to £2,887 million (2018: £2,369 million). Acquisitions made in the year contributed 8% to the underlying transaction values, being £233 million.

Underlying transaction values by business line is defined below:

International payments:	funds sold by customers to acquire currency
Cards:	funds loaded by customers onto their cards
Cash:	funds sold by customers to acquire another currency
Banking:	funds deposited by customers

The split of Underlying transaction values by segment is as below:

Table 2

£millions	**International Payments**	**Cards**	**Cash**	**Total FX**	**Banking**		**TOTAL**
B2B							
2019	**1,214**	**271**	**-**	**1,485**	**604**		**2,088**
2018	766	173	8	947	240		1,187
% Change on year	58%	57%	-	57%	152%		76%
B2C							
2019	**348**	**161**	**124**	**633**	**166**	*	**799**
2018	482	219	135	836	346	*	1,182
% change on year	-28%	-26%	-9%	-24%	-52%		-32%
TOTALS							
2019	**1,562**	**432**	**124**	**2,117**	**770**		**2,887**
2018	1,248	392	143	1,783	586		2,369
% change on year	25%	10%	-14%	19%	31%		22%

Overall, underlying transaction values increased by 22% with B2B up 76% and B2C down 32%. B2B comprised 72% of the transaction values, up from 50% in 2018. The Group was putting more emphasis on B2B before Covid-19 and this strategy has served it well in 2020. As the retail market was part of the business most exposed to financial risks posed by Brexit, it is useful to combine the retail card transaction values with travel money transaction values as an aide-memoire. The total combined transaction volumes decreased by 19% over 2018.

Payments – Underlying transaction values increased 25% from £1,248 million to £1,562 million and included £233 million of Underlying transaction values from acquisitions made in the year. The organic focus was to de-emphasise lower margin retail customers, thus, B2C Underlying transaction values decreased by 28% but organic B2B Underlying transaction values increased by 26% to £967 million (2018: £766 million).

Card Underlying transaction values increased by 10% to £432 million, with B2B growing by 56% and B2C decreasing by 26%. This can be attributable to lower travel demands given the Brexit uncertainties.

The total number of card loads were as follows:

Table 3

Card load data	**2019**	**2018**	**% change**
Total number of card loads in 000's			
- B2B	545	403	35%
-B2C	409	487	-16%
-Combined	954	890	7%
Average load size (in £)			
-B2B	£484	£484	-
-B2C	£384	£393	-2%
- Overall	£441	£434	+2%

Travel Cash – Underlying transaction values decreased for three principal reasons:

- Equals exited partnerships that were marginal / loss making
- The ongoing uncertainty regarding Brexit continued to have negative impact on travel
- Footfall in one of the London bureaux was adversely impacted by major roadworks in Q1-2019 preventing reasonable access.

Banking – Underlying transaction values increased by 31% to £769 million (2018: £585 million) with B2B showing growth of 152% whilst B2C was down by 52%. B2B comprised 78% of banking Underlying transaction values (2018: 41%). The increase in underlying transaction values was largely attributable to the growth in activity in high-volume merchant cash advances which attracts a 'per-pence' charge.

Note A2 – Revenue

Overall, revenue grew by 19% to £30.9 million in 2019 (2018: £26.1 million). Of this £4.9 million increase, £1.6 million was attributable to the accretive acquisitions made in 2019 (Hermex in August; Casco in November). The total generated from the Group's focus on B2B grew by 81% to £17.3 million (2018: £9.5 million).

Table 4 – Revenue
£000's

	International Payments	Cards	Cash	Total FX	Banking & Treasury	TOTAL
B2B						
2019	**9,000**	**5,584**	**-**	**14,584**	**2,712**	**17,295**
2018	3,905	3,217	118	7,241	2,306	9,546
% Change on year	130%	74%	-	82%	18%	81%
B2C						
2019	**2,928**	**5,710**	**2,389**	**11,028**	**2,622**	**13,649**
2018	4,484	6,780	1,959	13,223	3,323	16,546
% change on year	-35%	-16%	22%	-17%	-21%	-18%
TOTALS						
2019	**11,929**	**11,294**	**2,389**	**25,612**	**5,333**	**30,945**
2018	8,390	9,997	2,077	20,464	5,629	26,092
% change on year	42%	13%	15%	25%	-5%	19%

International Payments (now rebranded 'Equals Pay')

Organic revenues grew 23% from £8.4 million to £10.3 million, augmented by a further £1.6 million of additional revenue derived from acquisitions made in the year, thus total reported revenue rose by 42%.

The acquisitions cemented the strategy to pivot away from B2C business and thus B2B as a proportion of the total rose from 47% to 75% of the International Payments book.

During 2019, spot trading represented 72% of Underlying transaction values and 64% of revenue in International Payments, whilst forward trading represented 28% of Underlying transaction values and 36% of revenue.

Excluding the white label business acquired through Casco, the International Payments business averaged 1,000 deals a week from 6,524 customers, generating around 75 basis points per transaction. This was an average deal just shy of £30k.

Cards

Despite a very challenging economic background, overall the revenue from the card business rose 13% from £10.0 million to £11.3 million. The card business has many income components, the amounts for each are not disclosed for competitive reasons, but comprise:

- load fees
- out of currency fees
- interchange
- ATM fees
- card interest and in certain cases,
- management fees.

In addition to these components, but, included in the £11.3 million (2018: £10.0 million), there are financial arrangements with card issuers and card schemes which generate other income streams. During 2019, these additional revenue streams amounted to £0.6 million (2018: £nil) on a one-off basis and £0.9 million (2018: £1.0 million) on a recurring basis (dependent on underlying trading volumes).

B2B components (mainly 'Equals Spend', the Corporate expense management product), rose by 74% to £5.6 million and now comprises 49% of the book, up from 32% in 2018.

The retail card product declined in the year by 16% to £5.7 million and the business was clearly impacted by Brexit related uncertainty and reduced leisure travel.

Over 120,000 B2C customers loaded an average of £1,300 with an average load margin of 1.76%, whilst 52,000 B2B customers loaded an average of £5,000 with a 0.39% margin.

Travel cash

Despite a fall in Underlying transaction values in the cash business, revenues rose by 15% to £2.4 million through three main initiatives:

- Margins in-store were increased
- The online pricing strategy changed, from being "top" of the comparison websites to "competitive," resulting in lower volumes but higher gross margins
- The promotion of partnerships (on revenue share agreement) to increase margins to become more profitable.

Combining retail card transactional revenue* with cash as 'travel money' then the total combined revenue fell 7% to £8.1 million (2018: £8.7 million).

**excluding rebate allocations*

Banking (now rebranded 'Equals Money'), and Treasury

Revenues decreased in the year by 5% as the business pivoted away from sub-prime retail to focus on corporates. Indeed, B2B revenue rose by 17% and now exceeds revenue from retail customers.

An average of 4,500 B2B customers generated a combined average revenue per day of £10k, whilst the lower margin B2C segment had around 10,000 customers generating a similar daily revenue.

Included in this segment is interest earned on house funds. Given the low interest rates and certain regulatory restrictions governing the deposits on which the Group can earn interest, the Group earned a total of £150k in interest during the year (2018: £145k). At 31 December 2019 the Group had fiduciary responsibility for a total of £52.4 million in bank accounts not included in the Group's consolidated balance sheet (31 December 2018: £48.0 million). Interest income has been included in the segmental revenue where earned.

Note A3 – Variable costs

Variable costs include those of a transaction nature across all business lines along with direct marketing costs or revenue shares (CPA and affiliate commissions), and broker remuneration paid by way of revenue related commissions plus associated employer national insurance. In addition, the card business suffers chargebacks and compensation payments arising from disputes, which, for customer satisfaction, the Group might choose to shoulder itself.

The principal components of the variable costs are shown below:

Table 5

£000's	**International Payments**	**Cards**	**Cash**	**Banking**	**TOTAL**
2019					
Transaction costs*, issuance costs and bank charges	811	3,961	1,036	1,388	7,196
Direct marketing, affiliate commissions	1,053	318	-	17	1,388
Sales commissions	1,674	113	7	-	1,794
	3,538	4,392	1,043	1,405	10,378
**including chargebacks and compensation payments.*					
2018					
Transaction costs*, issuance costs and bank charges	747	3,495	857	1,336	6,435
Direct marketing, affiliate commissions	333	484	-	28	845
Sales commissions	1,200	71	-	-	1,271
	2,280	4,050	857	1,364	8,551

Note A4 – Gross profit and margin

Gross profits as measured by the Group are revenues, less variable costs.

Table 6
£000's

	International Payments	**Cards**	**Cash**	**Banking**	**TOTAL**
2019					
Gross profit	**8,391**	**6,902**	**1,346**	**3,928**	**20,567**
GP margin %	**42%**	**61%**	**56%**	**74%**	**66%**
2018					
Gross profits	6,110	5,947	1,220	4,265	17,541
GP margin %	73%	60%	59%	76%	67%

Margins by vertical remained broadly the same across both years, although the acquisition of Casco in November 2019 brought higher international payment revenues at a lower aggregate margin owing to its relationships with affiliates, particularly the white-label business now rebranded 'Equals Connect'. Gross profits on the card business was positively impacted by some of the non-transactional revenue streams earned in the year.

Note A5 – Marketing and rebranding

Other than cost per acquisition expenditure ("CPA") and affiliate marketing spend which has been shown within variable costs, the Group has both rebranded (as Equals) in the year and continued its other marketing initiatives. The total cost of this expenditure, including that part which has been categorised as an exceptional item below Clean EBITDA is shown below:

Table 7

£000's	**2019**	**2018**
Marketing	2,037	2,768
Rebranding	2,053	308
Total	4,090	3,076
Less: treated as Exceptional item	(2,053)	(308)
Net marketing cost	2,037	2,768

The split of marketing by business unit* was as follows:

Cards and travel cash	1,389	1,791
Banking	571	946
Corporate and central	76	31
	2,037	2,768

**the International Payments business relies on affiliate commissions which are included in variable costs.*

As was well trailed during 2019, the Group embarked on a major project to re-brand the businesses into one umbrella brand 'EQUALS'. Thus, resources were deployed and invested in this as opposed to traditional marketing. The cost of this investment project has been taken to Exceptional items. The project commenced in Q4-2018.

Note A6 – Expenditure analysis (other than marketing)

The principal components of expenditure as appearing in the accounts were as follows:

Table 8

£000's

2019	**Gross**	Less Separately reported items	Less IFRS 16 transition	**Sub-total**	Less Expenditure Capitalised	**Net**
Staff costs	**18,497**	(895)	-	**17,602**	(7,801)	**9,801**
Property, insurance & office expenses	**2,372**	(151)	(1,152)	**1,069**	(204)	**865**
Professional fees	**1,283**	(324)	-	**959**	**-**	**959**
IT & telephone	**1,180**	-	-	**1,180**	(302)	**878**
Travel and similar	**451**		-	**451**	**-**	**451**
TOTALS	**23,783**	**(1,370)**	**(1,152)**	**21,261**	**(8,307)**	**12,954**

2018	Gross	Less: Separately reported items	Sub-total	Less: Expenditure Capitalised	Net
Staff costs	**13,151**	(2,856)	**10,295**	(5,251)	**5,044**
Property, insurance & office expenses	**1,230**	(76)	**1,154**	-	**1,154**
Professional fees	**709**	(217)	**492**	-	**492**
IT & telephone	**667**	(37)	**630**	-	**630**
Travel and similar	**301**	(49)	**252**	-	**252**
TOTALS	**16,058**	**(3,235)**	**12,823**	**(5,251)**	**7,572**

Staff costs comprise the largest gross expenditure with around 2/3rd based in the London properties and 1/3rd in Chester, although the Group is consciously moving more transactional related work to Chester.

Gross **Staff costs** (which include employees, contractors, recruiting and training costs increased to £18.5 million with £7.8 million capitalised and £0.9 million shown as a separately reported item (see note A7). (2018: £13.2 million with £5.2 million capitalised and £2.9 million taken as shown as a separately reported item. The increase in costs principally reflects:

- well-publicised initiatives to invest in new product, new technical capabilities and similar
- further £1.3 million people on-boarded from the acquisitions made in the year
- £895k treated as an exceptional item included
  - £530k invested in the rebranding project
  - £337k incurred on Group restructuring and the reduction of the number of companies in the Group

£7,801k of these staff costs have been capitalised (2018: £5,251k), being related to investment in internally capitalised software projects, the most significant of which were:

	Cost in £'000s	Product line
Retail card web and mobile applications	1,172	Equals Go (retail card)
Serve-self payments application	863	Equals Pay (international payments)
Web and mobile platform for corporate expenses	724	Equals Spend (corporate expense platform)
Technical infrastructure	643	All products
Reconciliation and accounting	597	Equals Pay (international payments)

The Group started 2019 with a total headcount of 206 (155 of staff on its payroll and a further 51 contractors); the Group ended the year with 341 (328 employees and 13 contractors) of which 29 staff joined from the businesses acquired during the year. At 29 June 2020, the number of employees on the June 2020 payroll was 315 of which 65 were furloughed. There were a further 7 contractors.

At 31 December 2019 the Group comprised:

- five male Board members
- senior managers of which nine were male and two were female
- employees of which were 222 were male and 82 were female

Property costs increased during the year to a gross expense of £2,194k (2018: £1,230k) reflecting the investment in new London office leases in Vintners Place. The impact of IFRS 16 is a credit of £1,152k, and expected to be £1.2 million in 2020.

Professional fees, totalled £1,283k (2018: £1,077k) before exceptional items of £323k and includes the costs of being on AIM in the public markets along with audit, legal etc. Taken to exceptional items were:

- £92k to anti client poaching litigation (successfully resolved);
- £136k incurred on group restructuring costs; and,
- £95k on the rebranding project.

IT & telephone costs rose to £1,180k before exceptional items of £302k, (2018: £667k) reflecting the expansion of the trading volumes and the preparation for Faster Payments which went live in February 2019.

Travel costs – these were higher than in 2018 and reflected the initiatives to prepare for the USA product launch, on our corporate expense platform.

R&D credits –Of the £3,479k R&D credit, £2,330k remains receivable.

Change in accounting policy
During the year, the Group changed its accounting policy for research and development tax credits (R&D tax credit) which had previously been accounted for under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The Group believes that accounting for the R&D tax credit is more appropriate under IAS 12 *Income Taxes* which better reflects the substance and benefit of the credit. Under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the R&D tax credit, was deducted from administration expenses on a systemic basis. Under IAS 12 *Income Taxes* the R&D tax credit is included within tax credit / expense in the year that the claim relates to.

A change in accounting policy requires a retrospective adjustment and consequently the comparatives amounts have been restated. In 2018 an adjustment of £311k has been deducted from administrative costs and a corresponding amount included within tax credit. There is no adjustment to earnings per share or retained earnings. In 2019, £3.4 million has been recognised as tax income. No periods prior to 2018 have been affected by the change in accounting policy.

Note A7 – Separately reported items

As the Group repositions itself from a B2C travel money operator in cash and card form to a B2B focused payments group across card, FX and banking, and as it increases its governance and corporate reporting and control functions, it has been inevitable that material 'change' costs have been incurred. A consolidated statement of these is as below showing the source and destination of costs across 2019 and 2018:

Table 9

£000's 2019	Rebranding	Reorganisations	Product development	Litigation & other	Total
People	530	337	-	28	895
Property	-	106	-	-	106
Professional fees	96	136	-	92	324
IT & telephone	-	-	-	-	-
Other costs	46	-	-	-	46
	672	**579**	**-**	**120**	**1,371**
Marketing	2,053	-	-	-	2,053
Total, separately reported items	**2,725**	**579**	**-**	**120**	**3,423**
2018					
People	282	1,169	1,405	-	2,856
Property	-	76	-	-	76
Professional fees	-	217	-	-	217
IT & telephone	-	37	-	-	37
Other costs	-	49	-	-	49
	282	**1,548**	**1,405**	**-**	**3,235**
Marketing	308	-	-	-	308
Total, separately reported items	**590**	**1,548**	**1,405**	**-**	**3,543**

Note A8 – Depreciation of tangible fixed assets

Further investment in the technical hardware and infrastructure of the Group amounting to £1.5 million (2018: £1.0 million, including £300k acquired in business combinations) during the year led to an increase in depreciation to £430k (2018: 200k). Assets are depreciated over their expected useful lives:

Leasehold improvements	10 years
Fixtures and Fittings	3-5 years
Plant and Machinery	3-5 years

Note A9 – Amortisation of intangible assets

The further capitalisation of expenditure, mainly staff costs, relating to product development and similar, was £8.3 million during the year (2018: £5.3 million). This has led to amortisation increasing to £2.8 million (2018: £1.3 million).

Intangibles assets are amortised over their expected useful lives between 3 – 10 years.

Note A10 – Transition to IFRS 16

IFRS 16, *Leases* adopted from 1 January 2919, replaces operating and finance leases with a single lessee accounting model. As a result, the Group has brought operating lease assets and liabilities onto the Balance Sheet, resulting in a depreciation charge of £0.9 million and a finance charge of £0.2 million being recorded in 2019. The 2018 comparatives have not been restated.

Note A11 – Foreign Exchanges losses and central Interest expense

The Group does not carry material foreign exchange risks, however under IFRS9 the Group is required to fair-value foreign exchange forward contracts entered into with customers but backed-to-back with liquidity providers. The total of FX losses reported were £230k (2018: £20k), which includes the fair-value adjustment.

Interest expense of £10k arises from a negative interest charge on Euro deposits which are kept to a minimum.

Note A12 – Impairment of cash generating units

CardOneBanking was acquired in 2017 for a total of £17.1 million and has undergone an impairment review in line with IAS 36.

For the updated 2019 forecast outlook, management took a more conservative view on the future revenue growth rates for the Banking CGU : 5% YoY (2018: 15% YoY), which resulted in the value in use calculation (the discounted future cashflows) for the Banking CGU being lower than carrying value, resulting in an impairment of £4.9 million.

The more conservative forecast, was a result of the strategic decision in early 2019 to pivot away from the sub prime retail book (revenue down 21% in 2019 on prior year) to the corporate book (revenue up 18% in 2019 on prior year) and the subsequent impact on the short term revenue growth overall. Investments in the corporate offering to date (lending, direct faster payments, improved UX) and in the pipeline were not given as significant weight on the growth rate as in the previous forecasts as a more conservative view was taken. For example, B2B faster payment opportunities were not factored in

Note A13 – Taxation

The Group recorded a tax expense of £1.1 million for the year (2018 tax credit: £0.5 million). This tax charge arises from accounting for deferred tax. At 31 December 2019 the Group retained £10.9 million of tax losses which are capable of being utilised going forward in future years. The Group does not anticipate paying corporation tax for at least 24 months.

The Group makes claims for R&D tax credits. Given the materiality of the qualifying expenditure, the Group has changed its accounting policy for recognising this credit from:

- IAS20 *Accounting for Government Grants and Disclosure of Government Assistance*, to
- IAS12 *Income Taxes*

A change in accounting policy requires a retrospective adjustment and consequently the comparative amounts have been restated. In 2018 an adjustment of £311k has been deducted from administrative costs and a corresponding amount included within tax credit. There is no adjustment to earnings per share or retained earnings. In 2019, the £3.4 million has been recognised as tax income. No periods prior to 2018 have been affected by the change in accounting policy.

B. Balance Sheet and its notes

The Balance Sheet as presented below is presented in an alternative format than the Consolidated Statement of Financial Position' in the financial statements.

Table 10

In £000's	Notes	**31 December 2019** On Balance sheet	*Off balance sheet (memo only)*	31 December 2018 On Balance sheet	*Off Balance sheet (memo only)*
Non-current assets*					
Net book value b.fwd		**28,050**		**17,787**	
Additions – tangible fixed assets		1,452		671	
Additions – internally capitalised software		8,307		5,251	
Additions – other purchases of intangibles		806		508	
Additions – through business combinations		4,801		5,352	
Depreciation in the year		(430)		(200)	
Amortisation in the year		(2,831)		(1,319)	
Impairments in the year		(4,859)		-	
Net book value c.fwd		**35,296**		**28,050**	
Cash resources					
Cash at bank and in hand – free funds		10,913	-	7,509	-
Cash at bank and in hand – regulatory deposits		352	*52,441*	351	*48,026*
		11,265	*52,441*	7,860	*48,026*
Regulatory deposits with liquidity providers		3,717	-	1,457	-
Sub-total, working liquid funds	**B5, Table 13**	**14,982**	***52,441***	**9,317**	***48,026***
Other current assets and liabilities*					
Card stock and other inventories	B6	264	-	287	-
Trade and other debtors	B7	3,374	-	1,961	-
Accrued income	B8	1,723	-	1,332	-
Net derivative financial assets	B9	372	-	603	-
Accrued R&D credit	B10	2,535	-	1,261	-
Trade payables, other payables and accruals	B11	(5,667)	-	(5,543)	-
Retention and deferred consideration on acquisitions	C3	(1,211)	-	-	
Customer balances		(1,071)	*(52,441)*		*(48,026)*
		319	*(52,441)*	(99)	*(48,026)*
IFRS 16 *Leases* net balance		(294)	-	-	-
Net deferred tax (liability)/asset *		(788)	-	995	-
Shareholder funds		**49,517**	**-**	**38,266**	**-**

**all components of deferred taxation are shown here as 'net deferred tax (liability)/asset'*

A bridge from 31 December 2018 to 31 December 2019 can be explained as follows:

Table 11

£ 000's	2019	2018
Shareholder funds at 1 January	**38,266**	35,045
Add: Capital raised during the year for cash	**15,430**	-
Add: Shares issued in pursuance of acquisitions	**1,318**	-
Add: Shares issued against deferred consideration	**130**	-
Less: Result for the year (table 1a)	**(5,372)**	2,618
Non-cash, share based payments through reserves	**(403)**	603
Non-controlling interest	**118**	-
Other movements in reserves	**30**	-
Shareholder funds at 31 December	**49,517**	38,266

The funds attributable to customers are shown as memorandum item. Consistent with 2018, these funds, held on behalf of customers of both CardOneBanking and International Payments have been excluded from the balance sheet following legal advice received in connection with the risks and rewards to the Group. Nevertheless, these funds remain within the fiduciary obligations of the Directors and are included in the table above as an 'aide-memoire'. It is notable that these balances grew by 9.2% to £52.4 million up from £48.0 million at 31 December 2018. This reflects the growth of the underlying use of the Group's platforms.

Note B1 – Tangible fixed assets

The Group incurred costs of £1.03 million as it upgraded both the London and Chester sites. The London office was refurbished and upgraded in the year resulting in £838k being invested and in November, the Chester office was relocated resulting in £195k of expenditure. A further £449k was spent on IT and office equipment.

Note B2 – Intangibles acquired through acquisitions

Hermex was acquired for £2.0 million of which £1.18 million has been recognised as goodwill. Casco was acquired for £2.2 million with £1.7 million paid at acquisition. Goodwill of £1.2 million has been recognised.

Note B3 – Internally capitalised software

The Group continued its high levels of investment at substantially lower cost than would have been incurred if it had outsourced the development. In Banking, the Group gained 'Faster Payments' access in February, and the costs incurred on this project were £132k (2018: £279k).

Other notable developments included:

	Cost in £'000s	**Product line**
Retail card web and mobile applications	1,172	Equals Go (retail card)
Serve-self payments application	863	Equals Pay (international payments)
Web and mobile platform for corporate expenses	724	Equals Spend (corporate expense platform)
Technical infrastructure	643	All products
Reconciliation and accounting	597	Equals Pay (international payments)

Note B4 – Externally purchased other intangible assets

£0.8 million was incurred on externally acquired assets in the year (2018: £0.5 million) of which £0.3 million related to trademarks and £0.5 million in relation to software development. Principal suppliers include Comparison Works; UTSP; Vocalink and Access System.

Note B5 – Liquid funds

Daily volatility of funds from customers and liquidity providers makes it more meaningful to aggregate these balances with house funds and regulatory deposits for the purpose of explanation here. The combined total at 31 December 2019 was £15 million or £8.4 pence per share (208: £9.3 million, 6 pence per share). Greater detail on the cash flows are included in section C to this report.

Note B6 – Card stock

Card Stock refers to the cost of production of a prepaid debit card, the costs principally being card plastic and the chips contained within the card plastic. Card stock is ordered in bulk quantities and the unit cost of a card is charged to the income statement when a card is issued to a customer on successful registration. The card stock is kept securely at the card manufacturer.

Note B7 - Trade and other debtors

Debtors principally relate to amounts owed by card and cash product financial service providers such as banks and other financial institutions (£1.5 million; 2018: £1.7 million) and supplier prepayments (£1.4 million; 2018: £1.6 million). Trade debtors from the travel cash business corporate customers were £0.9 million.

Note B8 – Accrued income

Accrued income was [£1.7] million (2018: £1.3 million) and arises principally from card schemes.

Note B9 – Derivative financial assets and liabilities

These principally comprise the embedded profit value of forward trades. At the balance sheet date there were 1,021 of forward contracts with an aggregate gross value of £102 million and a net value of £0.5 million (2018: £41.5 million gross, (£0.06 million net)).

Of the forward contracts, 45% by value were GBP/USD and 47% by value were GBP/EUR.

Note B10 – Accrued R&D credits

The Group makes elections to HMRC to recover the portion of expenditure entitled to be reclaimed. As a rule of thumb, qualifying R&D expenditure is multiplied by 230% to create a taxable expense and then that expense is surrendered, subject to available tax losses in the year, at 14.5% to HMRC to create a receivable R&D tax credit. The cash impact of this is normally received within 12 months of the year end following submission of the tax returns. Of the 2018 claim of £1.3 million, £1.1 million was received in 2019 with a further £0.2 million received in January 2020.

Note B11 – Trade creditors and accruals

Trade creditors include costs relating to properties, office equipment, software subscriptions, marketing, professional fees, affiliate commissions and contractors. Other payables include PAYE of £553k (2018: £429k), staff commissions of £255k (2018: £120k) and affiliate commissions of £70k (2018: £28k).

Note B12 – Non-Controlling Interest

£119k has been recognised within Equity as a non-controlling interest and £29k recognised in the Income and Expenditure account (2018: £ nil). This arises from the minority stake retained by the shareholders of Casco Connect Limited (now renamed Equals Connect Limited), the white-label International Payments product.

Note B13 – Issued share capital

The table below shows the changes in issued share capital during 2019:

Table 12

Date	Number of shares	Event	Gross proceeds (£)	Net cash received (£)
1 January 2019	155,368,259			
27 March 2019	7,500,000	Shares issued to Crystal Amber through warrant exercise following their share subscription agreement in 2016. Warrant price, 27.0 pence per share	2,025,000	2,025,000
16 May 2019	1,149,424	Deferred consideration of Q Money Limited issued at 43.5 pence per share	499,999	-
29 May 2019	300,000	Share options exercised at 36.44 pence	109,320	105,120
9 August 2019	851,063	Subscription from founder of Hermex at 117.5 pence per share	1,000,000	-
9 August 2019	33,333	Share options exercised at 29.75 pence	9,917	9,917
20 August 2019	12,727,000	Share placing at 110.0 pence before expenses of £825,305	13,999,700	13,174,395
4 September 2019	246,173	Shares issued on open offer under Excess Application facility at 110.0 pence per share before expenses of £39,950	270,790	230,840
22 November 2019	377,666	Issue of shares following acquisition of Casco at 84.4 pence per share	318,750	318,750
11December 2019	50,000	Share options exercised at 29.75 pence per share	14,875	14,875
31 December 2019	178,602,918		18,248,350	15,878,897

1 January 2019	155,3685,259		
	22,851,326	Cash raised from equity issues	15,748,985
	383,333	Cash raised from share option exercise	129,912
31 December	178,602,918		15,878,897

C. Cash flow and notes

The table below aggregates the movements across Bank and Liquidity providers:

Table 13

£ 000's	2019	2019	2018	2018
Adjusted EBITDA (Table 1)		9,055		7,513
Less: R&D rebate accrued for current year	(2,535)		(1,261)	
Less: IFRS 16 impact	(1,152)		-	
Less: Exceptional items (Table 9)	(3,903)		(3,840)	
Add / (Less): Working capital absorption and similar	2,211		933	
		(5,379)		(4,168)
Less: Internally capitalised software (table 8)	(8,307)		(5,251)	
Less: Purchase of other intangible assets	(806)		(508)	
		(9,113)		(5,759)
Less: Purchase of property, plant and equipment		(1,452)		(671)
		(6,889)		(3,085)
Add: Cash raised from equity issues (Note C1)	15,749		-	
Add: Cash raised from share options (Note C2)	130		-	
		15,879		-
Less: Cash consideration for acquisitions net of cash acquired (Note C3)		(3,325)		(6,564)
NET CASH FLOWS		**5,665**		**(9,649)**
Balance at 1st January		9,317		*18,966
Balances at 31 December		14,982		9,317
Comprising:				
Cash at bank and in hand including regulatory deposits		11,265		7,860
Balances with liquidity providers		3,717		1,457
		14,982		9,317
Shares in issue		178,602,918		155,368,259
Amount per share		8.4 pence		6.0 pence

**The composition of balances at 31 December 2017 was:*

Cash at bank and in hand including regulatory deposits	17,803
Balances with liquidity providers	1,163
	18,966

Note C1 – Cash from equity raise

As shown in note B12, £15.8 million net of expenses, was raised from the issue of shares other than from employee share options exercised during the year.

Note C2 – Cash from the exercise of share options

A total of 383,333 of share options were exercised by employees during the year generating gross funds of £134,112 and after costs of £4,200 the net received was £129,912.

Note – C3 – Acquisitions during the year

The Group made two material acquisitions during the year:

- On 9 August 2019 it was announced that the Group would acquire the trade and assets of Hermex International Limited and integrate it into the Group's International Payments business. The initial cash consideration paid was £0.7 million. A key executive who joined the Group agreed to subscribe for 851,063 ordinary shares at the prevailing price of 117.5 pence, a total subscription of £1,000,000. At the balance sheet date, £300,000 of deferred consideration was outstanding and this was settled in Q1-2020.

- On 19 November 2019 it was announced that the Group would acquire Casco Financial Services Limited and integrate it into the Group's International Payments business. The initial cash consideration was £1.406 million (with £400k being subject to a retention); augmented by the issue of 377,666 ordinary shares of 1 pence at 84.4 pence; and a further contingent consideration of £510,626. At the balance sheet date £400,000 of deferred consideration and £510,626 contingent consideration was outstanding. As part of the acquisition, one company acquired has a minority interest of 48.19%. The results from this shown within non-controlling interests.

Historic acquisition

On 20 February 2018 the Group acquired City Forex Limited. The total paid for the company was £9,216,552, but £2,652,718 of cash was left on its balance sheet so the net cash outflow (excluding professional fees) was £6,563,834.

Post Balance Sheet Event – Wirecard AG

The Group has a financial relationship with Wirecard Card Solutions Limited ("WCSL"), a wholly owned subsidiary of Wirecard AG. WCSL is regulated by the Financial Conduct Authority (FCA) under its electronic money licence and provides card issuing services to the Group.

Wirecard AG, the parent of WCSL filed for insolvency on 25 June 2020 and so subsequently the FCA took the step to freeze WCSL's regulated trading activities on the 26 June 2020 in order to protect customer funds held by WCSL in trust accounts with deposit taking banks and as a consequence has temporarily paused its card issuing services, including cards issued to the Group's customers. The Group's receivables position as at 31 December 2019 was £665k and at the date of this statement was £359k.

In preparing its going-concern models, the Group did extensive scenario planning and included in this analysis a scenario where significant trade receivables were not collected. Card deposits are not on the Balance Sheet of Equals Group plc, they are held with Wirecard Card Solutions and ring-fenced under the FCA rules with Tier-1 banks.

Considering the above information, the Group has no reason to believe that WCSL is insolvent and therefore there is no requirement to impair the receivable outstanding.

Richard Cooper

Chief Financial Officer

28 June 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER

	Note	2019 £	2018 (Restated) £	2018 £
Gross value of currency transactions sold		2,117,459,669	1,783,710,215	1,783,710,215
Revenue on currency transactions		25,611,521	20,463,645	20,463,645
Banking revenue		5,333,203	5,628,747	5,628,747
Revenue	**2**	**30,944,724**	**26,092,392**	**26,092,392**
Direct costs	**2**	(10,378,265)	(8,551,315)	(5,605,691)
Gross profit	**2**	**20,566,459**	**17,541,077**	**20,486,431**
Administrative expenses		(20,123,517)	(14,156,777)	(16,790,975)
Amortisation charge		(2,830,587)	(1,318,649)	(1,318,649)
Impairment charge		(4,858,898)	-	-
Acquisition expenses		(478,476)	(297,484)	(297,484)
Total operating expenses		(28,291,478)	(15,772,910)	(18,407,108)
Operating (loss) / profit		**(7,725,019)**	**1,768,167**	**2,079,323**
Finance costs		(233,564)	-	-
(Loss) / profit before tax	**3**	**(7,958,583)**	**1,768,167**	**2,079,323**
Tax credit	**5**	(2,586,885)	849,499	538,343
(Loss) / profit and total comprehensive (expense) / income for the year		**(5,371,698)**	**2,617,666**	**2,617,666**
Loss is attributable to:				
Owners of Equals Group PLC		(5,342,074)	2,617,666	2,617,666
Non-controlling interest		(29,624)	-	-
(Loss) / Earnings per share	**4**			
Basic		(3.20)	1.68	1.68
Diluted		(3.12)	1.64	1.64

All income and expenses arise from continuing operations. There are no differences between the profit for the year and total comprehensive income for the year, hence no Statement of Other Comprehensive Income is presented.

During the year, the Group changed its accounting policy for research and development tax credits (R&D tax credit) which had previously been accounted for under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The Group believes that accounting for the R&D tax credit is more appropriate under IAS 12 *Income Taxes* which better reflects the substance and benefit of the credit. Under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the R&D tax credit, was deducted from administration expenses on a systemic basis. Under IAS 12 *Income Taxes* the R&D tax credit is included within tax credit / expense in the year that the claim relates to. A change in accounting policy requires a retrospective adjustment and consequently the comparatives amounts have been restated. In 2018 an adjustment of £311,156 has been deducted from administrative costs and a corresponding amount included as a tax credit. There is no adjustment to earnings per share or retained earnings. In 2019, the £3,478,997 has been recognised as a tax credit. No periods prior to 2018 have been affected by the change in accounting policy.

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

		Group		Company	
		2019	**2018**	**2019**	**2018**
	Note	**£**	**£**	**£**	**£**
ASSETS					
Non-current assets					
Property, plant and equipment		1,972,818	941,826	-	-
Right of use assets	**6**	6,948,876	-	-	-
Intangible assets and goodwill		33,324,137	27,107,873	-	-
Deferred tax assets		2,438,859	2,895,642	238,369	-
Investments		-	-	38,892,060	38,725,451
		44,684,690	30,945,341	39,130,429	38,725,451
Current assets					
Inventories		263,971	286,713	-	-
Trade and other receivables		11,347,749	7,150,750	20,138,017	4,907,704
Derivative financial assets		4,560,780	1,181,892	-	-
Cash and cash equivalents		11,265,266	7,860,368	-	-
		27,437,766	16,479,723	20,138,017	4,907,704
TOTAL ASSETS		**72,122,456**	**47,425,064**	**59,268,446**	**43,633,155**
EQUITY AND LIABILITIES					
Equity attributable to equity holders					
Share capital		1,786,029	1,553,682	1,786,029	1,553,682
Share premium		53,003,077	35,858,770	53,003,077	35,858,770
Share based payment reserve		1,345,234	1,748,105	957,757	835,148
Merger reserve		8,395,521	8,395,521	2,979,438	2,979,438
Contingent consideration reserve		207,100	543,172	207,100	543,172
Retained (deficit) / earnings		(15,338,881)	(9,832,880)	(1,624,991)	240,954
Equity attributable to owners of Equals Group PLC		49,398,080	38,266,370	57,308,410	42,011,164
Non-controlling interest		118,826	-	-	-
		49,516,906	38,266,370	57,308,410	42,011,164
Non-current liabilities					
Lease liabilities	**6**	6,431,578	-	-	-
Deferred tax liabilities		3,226,586	1,900,607	-	-
		9,658,164	1,900,607	-	-
Current liabilities					
Trade and other payables		7,947,364	6,679,131	1,960,036	1,621,991
Lease liabilities	**6**	811,628	-	-	-
Derivative financial liabilities		4,188,394	578,956	-	-
		12,947,386	7,258,087	1,960,036	1,621,991
TOTAL EQUITY AND LIABILITIES		**72,122,456**	**47,425,064**	**59,268,446**	**43,633,155**

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER

Group	Share capital	Share premium	Share based payment	Retained (deficit) / earnings	Merger reserve	Contingent consideration reserve	Total attributable to owners of Equals Group PLC	Non-controlling interest	Total
	£	£	£	£	£	£	£	£	£
	Attributable to the owners of Equals Group PLC								
At 1 January 2018	1,553,682	35,858,770	1,144,832	(12,450,546)	8,395,521	543,172	35,045,431	-	35,045,431
Profit for the year and total comprehensive income	-	-	-	2,617,666	-	-	2,617,666	-	2,617,666
Share based payment charge	-	-	603,273	-	-	-	603,273	-	603,273
At 31 December 2018	1,553,682	35,858,770	1,748,105	(9,832,880)	8,395,521	543,172	38,266,370	-	38,266,370
Acquisition of subsidiary with non-controlling interest	-	-	-	-	-	-	-	148,450	148,450
Loss for the year and total comprehensive income	-	-	-	(5,342,074)	-	-	(5,342,074)	(29,624)	(5,371,698)
Share based payment charge	-	-	122,609	-	-	-	122,609	-	122,609
Movement in deferred tax on share-based payment charge	-	-	(525,480)	-	-	-	(525,480)		
Share issues in year	232,347	17,144,307	-	(163,927)	-	(336,072)	16,876,655	-	16,876,655
Capital reserve movement	-	-	-	-	-	-	-	-	-
At 31 December 2019	**1,786,029**	**53,003,077**	**1,345,234**	**(15,338,881)**	**8,395,521**	**207,100**	**49,398,080**	**118,826**	**49,515,906**

CONSOLIDATED AND COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER

Company	Share capital	Share premium	Share based payment	Retained (deficit) / earnings	Merger reserve	Contingent consideration reserve	Total attributable to owners of Equals Group PLC	Non-controlling interest	Total
	£	£	£	£	£	£	£	£	£
At 1 January 2018	1,553,682	35,858,770	781,383	(1,123,092)	2,979,438	543,172	40,593,353	-	40,593,353
Profit for the year and total comprehensive income	-	-	-	1,364,046	-	-	1,364,046	-	1,364,046
Share based payment charge (note 22)	-	-	53,765	-	-	-	53,765	-	53,765
At 31 December 2018	1,553,682	35,858,770	835,148	240,954	2,979,438	543,172	42,011,164	-	42,011,164
Loss for the year and total comprehensive income	-	-	-	(1,702,018)	-	-	(1,702,018)	-	(1,702,018)
Share issues in year	232,347	17,144,307	-	(163,927)	-	(336,072)	16,876,655	-	16,876,655
Share based payment charge (note 22)	-	-	122,609	-	-	-	122,609	-	122,609
At 31 December 2019	**1,786,029**	**53,003,077**	**957,757**	**(1,624,991)**	**2,979,438**	**207,100**	**57,308,410**	**-**	**57,308,410**

CONSOLIDATED STATEMENT OF CASH FLOWS

Group

	2019	2018
	£	£
(Loss) / profit for the year	(5,371,698)	2,617,666
Cash flows from operating activities		
Adjustments for:		
Interest on finance lease	233,564	-
Depreciation	1,347,872	200,123
Amortisation	2,830,587	1,318,649
Impairment	4,858,898	-
Share based payment charge	122,609	53,765
(Increase) / decrease in deferred tax asset on share-based payment	(525,480)	549,508
Increase in trade and other receivables	(4,203,756)	(1,551,213)
Increase in derivative financial assets	(3,378,888)	(878,117)
Decrease / (increase) in deferred tax asset	456,784	(2,383,730)
Increase in trade and other payables	1,443,563	1,899,118
Increase in deferred tax liabilities	1,325,978	878,369
Increase in derivative financial liabilities	3,609,438	433,751
Decrease / (increase) in inventories	22,742	(86,966)
Net cash inflow from operating activities	2,773,213	3,050,923
Cash flows from investing activities		
Acquisition of property, plant and equipment	(1,460,870)	(670,827)
Acquisition of intangibles	(11,679,597)	(5,758,957)
Acquisition of subsidiary, net of cash acquired	(2,226,153)	(6,563,834)
Net cash used in investing activities	(15,366,620)	(12,993,618)
Cash flows from financing activities		
Principal elements of lease payments	(643,786)	-
Interest paid on finance lease	(233,564)	-
Proceeds from issuance of ordinary shares	17,748,353	-
Costs directly attributable to share issuance	(871,698)	-
Net cash from financing activities	15,999,305	-
Net increase / (decrease) in cash and cash equivalents	3,404,898	(9,942,695)
Cash and cash equivalents at the beginning of the year	7,860,368	17,803,063
Cash and cash equivalents at end of the year	**11,265,266**	**7,860,368**

CONSOLIDATED STATEMENT OF CASH FLOWS

Company

	2019	2018
	£	**£**
(Loss) / profit for the year	(1,702,018)	1,364,046
Cash flows from operating activities		
Adjustments for:		
Share based payment charge	-	53,765
Increase in trade and other receivables	(15,230,313)	(965,517)
Increase / (decrease) in trade and other payables	294,045	(452,294)
Increase in deferred tax asset	(238,369)	-
Net cash outflow from operating activities	(16,876,655)	-
Cash flows from financing activities		
Proceeds from issuance of shares	17,748,353	-
Costs directly attributable to share issuance	(871,698)	-
Net cash from financing activities	16,876,655	
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at end of the year	**-**	**-**

At 31 December the Company held no bank accounts.

1. Basis of preparation and significant accounting policies

The principal accounting policies applied in the preparation of the Group and Company financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The financial statements have been prepared on a historical cost basis with the exception of derivative financial instruments which are measured at fair value through profit or loss.

Basis of preparation
These financial statements are prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs") and AIM Regulations. The financial statements are presented in sterling, the Company and Group's presentational currency.

IFRS requires management to make certain accounting estimates and to exercise judgement in the process of applying the Company and Group's accounting policies. These estimates are based on the Directors best knowledge and past experience and are explained further in note 3.24.

Presentational adjustment
During the year, the Group performed an analysis of cost drivers. This process resulted in management determining that various costs disclosed as administrative expenses in the prior year were directly linked to transactions generating revenues. As a result, these costs have been restated as direct costs in the 2018 comparatives. Staff costs have been re-categorised from Admin costs to Direct costs for commissions paid. Along with staff costs the following have also been re-categorised bank charges, bad debts and marketing costs for affiliate commissions paid and vouchers.

Change in accounting policy
During the year, the Group changed its accounting policy for research and development tax credits (R&D tax credit) which had previously been accounted for under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*. The Group believes that accounting for the R&D tax credit is more appropriate under IAS 12 *Income Taxes* which better reflects the substance and benefit of the credit. Under IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, the R&D tax credit, was deducted from administration expenses on a systemic basis. Under IAS 12 *Income Taxes* the R&D tax credit is included within tax credit / expense in the year that the claim relates to.

A change in accounting policy requires a retrospective adjustment and consequently the comparatives amounts have been restated. In 2018 an adjustment of £311,156 has been deducted from administrative costs and a corresponding amount included within tax credit. There is no adjustment to earnings per share or retained earnings. In 2019, the £3,478,997 has been recognised as tax income. No periods prior to 2018 have been affected by the change in accounting policy.

2018	As Stated	Presentational adjustment	Change in accounting policy	Restated
	£		£	£
Consolidated Statement of Comprehensive Income				
Revenue	**26,092,392**	**-**	**-**	**26,092,392**
Direct Costs	(5,605,961)	(2,945,354)	-	(8,551,315)
Gross Profit	**20,486,431**	**(2,945,354)**	**-**	**17,541,077**
Administrative expenses	(16,790,975)	2,945,354	(311,156)	(14,156,777)
Amortisation charge	(1,318,649)	-	-	(1,318,649)
Acquisition Expenses	(297,484)	-	-	(297,484)
Operating profit	**2,079,323**	**-**	**(311,156)**	**1,768,167**
Tax credit	538,343	-	311,156	849,499
Profit and total comprehensive income for the year	**2,617,666**	**-**	**-**	**2,617,666**

Going concern

Details of the Group's business activities, results, cash flows and resources, together with the risks it faces and other factors likely to affect its future development, performance and position are set out in the strategic report. Certain Group companies are regulated by the Financial Conduct Authority and perform annual capital adequacy assessments. Consideration was given to whether there is sufficient liquidity and financing to support the business, the post balance sheet trading of the Group, the regulatory environment and the effectiveness of risk management policies. The Board therefore has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future and therefore the financial statements are prepared on a going concern basis.

2. Segmental Analysis

Group	Currency Cards	International Payments	Travel Cash	Banking	Central	Total
2019						
	£	£	£	£	£	£
Segment revenue	11,293,815	11,928,662	2,389,044	5,333,203	-	30,944,724
Direct costs	(4,391,599)	(3,537,900)	(1,043,047)	(1,405,719)	-	(10,378,265)
Gross profit	6,902,216	8,390,762	1,345,997	3,927,484	-	20,566,459
Administrative expenses	-	-	-	-	(20,123,517)	(20,123,517)
Amortisation	-	-	-	-	(2,830,587)	(2,830,587)
Impairment charge	-	-	-	(4,858,898)	-	(4,858,898)
Acquisition costs	-	-	-	-	(478,476)	(478,476)
Finance costs	-	-	-	-	(233,564)	(233,564)
Profit / (loss) before tax	6,902,216	8,390,762	1,345,997	(931,414)	(23,666,144)	(7,958,583)
Total assets	-	-	-	5,077,618	67,044,838	72,122,456
Total liabilities	-	-	-	(1,926,658)	(20,678,892)	(22,605,550)
Total net assets	-	-	-	3,150,960	46,365,946	49,516,906

Group	Currency Cards	International Payments	Travel Cash	Banking	Central	Total
2018						
	£	£	£	£	£	£
Segment revenue	9,996,890	8,389,851	2,076,904	5,628,747	-	26,092,392
Direct costs (restated*)	(4,049,852)	(2,280,028)	(857,416)	(1,364,019)	-	(8,551,315)
Gross profit	5,947,038	6,109,823	1,219,488	4,264,728	-	17,541,077
Administrative expenses (restated*)	-	-	-	-	(14,156,777)	(14,156,777)
Amortisation	-	-	-	-	(1,318,649)	(1,318,649)
Acquisition costs	-	-	-	-	(297,484)	(297,484)
Profit / (loss) before tax (restated*)	5,947,038	6,109,823	1,219,488	4,264,728	(15,772,910)	1,768,167
Total assets	-	-	-	-	47,425,064	47,425,064
Total liabilities	-	-	-	-	(9,158,694)	(9,158,694)
Total net assets	-	-	-	-	38,266,370	38,266,370

3. (Loss) / profit before tax

(Loss) / profit before tax is stated after charging / (crediting) the following operating costs:-	2019	2018
	£	£
Operating leases – property*	-	910,947
Operating leases – vehicles*	-	40,317
Marketing costs	4,089,772	3,076,015
Staff costs	10,695,174	7,589,132
Property and office costs	1,015,832	629,429
Audit fees	319,200	198,500
Other professional fees	963,966	510,103
IT and telephone cost	877,597	666,756
Travel and similar	452,041	261,416
Foreign exchange loss	229,710	20,274
Share option charge	122,609	53,765
Bank charges	9,744	-
Depreciation of right of use assets*	917,993	-
Depreciation of property, plant and equipment	429,879	200,123
	20,123,517	14,156,777

4. (Loss) / earnings per share

Basic earnings per share

The calculation of basic profit or loss per share has been based on the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding. The loss after tax attributable to ordinary shareholders of the Group is £5,342,074 (2018 profit: £2,617,666) and the weighted average number of shares in issue for the period is 167,096,081 (2018: 155,368,259).

Diluted earnings per share

The calculation of diluted earnings per share has been based on the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding, after adjustment for the effects of all dilutive potential ordinary shares. The weighted average number of dilutive shares is 171,327,405 (2018: 159,916,115).

(Loss) / Earnings per share	2019	2018
Basic	(3.20)	1.68
Diluted	(3.12)	1.64

5. Taxation

	2019	2018 (restated*)
	£	£
Current year R&D credit	(3,478,997)	(311,156)
Changes in tax estimates related to prior years	(25,000)	32,544
Changes in tax estimates in pre-acquisition accounts of businesses acquired during the year	(10,487)	384,966
Current tax (credit) / expense	**(3,514,484)**	**106,354**
Origination and reversal of temporary differences	868,016	(1,063,420)
Recognition of previously unrecognised deductible temporary differences	59,583	107,567
Deferred tax credit	**927,599**	**(955,853)**
Total tax credit	**(2,586,885)**	**(849,499)**

6. Leases

(i) Measurement of Group lease liabilities

	2019
	£
Operating lease commitments disclosed as disclosed at 31 December 2018 under	4,107,112
Operating lease commitments later than five years, if extension options are	4,722,397
Total operating lease commitments under IAS 17 *Leases*, including extension options	8,829,509
Discounted using the lessees' incremental borrowing rate at the date of initial application*	7,524,124
Of which are:	
Not later than one year	546,168
Later than one year, including the extension periods	6,977,956

**The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 3.06%.*

There was no lease liability recognised in the Statement of Financial Position immediately prior to adoption of IFRS 16 *Leases*.

(ii) Measurement of Group right of use assets

The associated right of use assets were measured at the amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the balance sheet as at 31 December 2018.

(iii) Adjustments recognised in the consolidated statement of financial position on 1 January 2019

	1 Jan 2019
	£
Right of use assets	7,494,970
Deferred tax assets	-
Prepayments	(49,546)
Accruals	78,700
Lease liabilities	(7,524,124)
Retained earnings	-

(iv) Amounts recognised in the consolidated statement of financial position

This note provides information for leases where the Group is a lessee. The Group does not have any leases where it acts as a lessor.

Group

Right of use assets	**Vehicles**	**Property**	**Total**
	£	**£**	**£**
At 1 January 2019	93,017	7,401,953	7,494,970
Additions to right of use assets	-	1,007,981	1,007,981
Termination of right of use assets *	-	(636,082)	(636,082)
Depreciation charge for the year	(39,642)	(878,351)	(917,993)
At 31 December 2019	**53,375**	**6,895,501**	**6,948,876**

Lease Liabilities	**Total**
	£
At 1 January 2019	7,524,124
Additions to lease liabilities	999,487
Termination of lease liabilities *	(636,082)
Lease finance expenses	228,438
Lease termination expense	5,126
Payments	(877,887)
At 31 December 2019	**7,243,206**
Current lease liabilities	811,628
Non-current lease liabilities	6,431,578
	7,243,206

* Termination of right of use assets and lease liabilities relates to a property lease which ended during the year.

	£
Net lease liability	**(294,330)**

(v) Amounts recognised in the consolidated statement of comprehensive income

Group

	Property	Vehicles	Total 2019	Total
	£	**£**	**£**	**£**
Depreciation charge for right of use	878,351	39,642	917,993	-
Lease finance expenses	225,731	2,707	228,438	-
Lease termination expense	5,126	-	5,126	-
Expense relating to short-term leases	67,201	-	67,201	-
Expense relating to leases of low-value	66,310	-	66,310	-
	1,242,719	**42,349**	**1,285,068**	**-**

Included within expenses relating to low value assets, which are below the de-minimus level, are amounts relating to IT equipment (printer and photocopiers etc.) and property costs (fridges, microwaves etc.). Expense relating to short-term lease relates to the Aldgate office which was vacated in the year.

The total cash outflow for leases in 2019 was £877,887 including for principal and interest.

- ENDS -