

**MBEU Designated Activity Company**  
**Annual Report and Financial Statements**

31 March 2025

**Registered Office**

Unit 1 - Floor 4,  
One Central Plaza  
Dame Street  
Dublin 2  
Dublin  
D02 K7K5

**Registration number**

770591

## **Company information**

### **Directors**

P Rossiter (Chair) (appointed on incorporation, 28 August 2024)

V Dias (appointed on incorporation, 28 August 2024)

M Carney (appointed 9 September 2024)

N O'Brien (appointed 3 March 2025)

### **Auditors**

Ernst & Young

Address:

EY Building

Harcourt Centre

Harcourt Street

Dublin 2

Ireland

### **Bankers**

HSBC Continental Europe (Ireland Branch)

Address:

1 Grand Canal Square

Grand Canal Harbour

Grand Canal Dock

Dublin 2

Ireland

### **Company secretary**

M Ní Ghabóid (appointed 30 April 2025)

P Rossiter (appointed 28 August 2024, resigned 30 April 2025)

## **Directors' report for the period ended 31 March 2025**

The directors present their first annual report including the audited financial statements and auditor's report for the financial period 28 August 2024 (date of incorporation) to 31 March 2025.

### **Principal activities**

MBEU Designated Activity Company (the "Company" or "MBEU") was incorporated on 28 August 2024. Its primary aim is to obtain authorisation as a credit institution in the Republic of Ireland to carry out banking activities in the European Union in future periods.

### **Business review**

Since incorporation MBEU has incurred costs associated with the authorisation process and preparing for its proposed business activities in Ireland, these include personnel, legal and intercompany expenses. The Company has focused on key senior hires to support these activities.

### **Principal risks and uncertainties**

MBEU's principal risk is being unable to initiate regulated activities in accordance with its business strategy. Strategic risk, the risk we don't carry out our business plan or that our business model isn't sustainable, is currently our only principal risk and uncertainty under a scenario where we don't commence regulated activities. Due to the limited nature of the businesses activities during the reporting period and at the balance sheet date, we don't have any other principal risks and uncertainties.

### **Results and dividends**

The loss for the period after taxation was €4.1m. The directors are not recommending a final dividend.

### **Directors of the company**

The directors who served the Company during the year and up to the date these financial statements were approved are below.

P Rossiter (Chair) (appointed on incorporation, 28 August 2024)

V Dias (appointed on incorporation, 28 August 2024)

M Carney (appointed 9 September 2024)

N O'Brien (appointed 3 March 2025)

### **Directors' and Company secretary's interests**

The following directors held an interest in MBEU's parent undertaking, Monzo Bank Holding Group Limited (MBHG).

Name	Shares held at appointment date	Shares held at 31 March 2025
Peter Rossiter	-	1,000
Valerie Dias	22,637	41,856

### **Political donations**

We haven't made any donations or incurred any expense to any registered UK political party or other EU political organisation.

### **Events since the balance sheet date**

On 23rd April 2025 MBHG subscribed to a further 2,000,000 ordinary shares in the Company at a cost of €2,000,000.

### **Accounting records**

The measures that the directors have taken to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014, with regard to the keeping of accounting records, include the provision of appropriate resources to maintain adequate accounting records, including the appointment of personnel with appropriate qualifications, experience and expertise and the maintenance of computerised accounting systems.

The Company's accounting records are maintained at Broadwalk House, 5 Appold Street, London, EC2A 2AG.

### **Disclosing information to the auditor**

As far as each person who was a director at the date of approving this report is aware, there's no relevant audit information, being information needed by the auditor in connection with preparing its report, which the auditor isn't aware of. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that they're obliged to take as a director to make themselves aware of any relevant audit information, and to establish that the auditor is aware of that information.

### **We've prepared these statements on a going concern basis**

In line with FRS 102 paragraph 3.8, our directors have to assess our ability to continue as a going concern. That means they have to assess whether we'll have enough liquidity to pay our creditors when we need to and enough capital to fund our balance sheet. They also have to decide whether we should continue to adopt the going concern basis of accounting when we prepare our financial statements.

The directors have assessed that the Company will have sufficient capital and liquidity to support its activities for at least 12 months. Further capital will be made available by MBHG to support the Company's activities and business plan, including any regulatory capital requirements. Furthermore, the Company has a letter of comfort from MBHG to support its activities, which is also well capitalised and a going concern.

Based on our assessment, we've concluded that it's appropriate to continue preparing our financial statements on a going concern basis. The financial statements don't include any adjustments that would result if the Company was unable to continue as a going concern.

**Auditor**

The auditors, Ernst & Young, have expressed their willingness to continue in office in accordance with section 383(2) of Companies Act 2014.

Approved by the Board and signed on behalf of the Board.



Nicola O'Brien  
Director  
27 May 2025



Michael Carney  
Director  
27 May 2025

## Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare financial statements for each financial year. Under the law, the directors have elected to prepare the financial statements in accordance with Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Ireland (FRS 102). 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 assets, liabilities and financial position of the Company as at the financial year end date and of the profit or loss of the Company for the financial year and otherwise comply with the Companies Act 2014.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- 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 ensuring that the Company keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of the Company, enable at any time the assets, liabilities, financial position and profit or loss of the Company to be determined with reasonable accuracy, enable them to ensure that the financial statements and Directors' Report comply with the Companies Act 2014 and enable the financial statements to be audited.

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.

Approved by the Board and signed on behalf of the Board.



Nicola O'Brien  
Director  
27 May 2025



Michael Carney  
Director  
27 May 2025



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MBEU DESIGNATED ACTIVITY COMPANY**

**Report on the audit of the financial statements**

### **Opinion**

We have audited the financial statements of MBEU Designated Activity Company ('the Company') for the period ended 31 March 2025, which comprise the Statement of Comprehensive income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2025 and of its loss for the period then ended;
- have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been properly prepared in accordance with the requirements of the Companies Act 2014.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) 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 ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), 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 the date 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MBEU DESIGNATED ACTIVITY COMPANY**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Director's Report and Directors' responsibilities statement other than the financial statements and our auditor's report thereon. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

### **Opinions on other matters prescribed by the Companies Act 2014**

In our opinion, based solely on the work undertaken in the course of the audit, we report that:

- the information given in the directors' report for the financial period ended for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report, other than those parts relating to sustainability reporting where required by Part 28 of the Companies Act 2014, has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

### **Matters on which we are required to report by exception**

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures required by sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MBEU DESIGNATED ACTIVITY COMPANY**

### **Respective responsibilities**

#### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 management either intends to liquidate the Company or to cease operations, or has 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 (Ireland) 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 IAASA's website at: [https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

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

Our report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. 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.

A handwritten signature in black ink that reads 'Conor Buckley'.

Conor Buckley

for and on behalf of

Ernst & Young Chartered Accountants and Statutory Audit Firm

Dublin

Date: 27 May 2025

**Statement of comprehensive income  
for the period ended 31 March 2025**

	<b>Notes</b>	<b>2025</b> <b>€'000</b>
Interest income		27
<b>Total Revenue</b>		<b>27</b>
Interest expense		-
Fee and commission expense		(66)
<b>Cost of revenue</b>		<b>(66)</b>
<b>Gross (loss)</b>		<b>(39)</b>
Personnel expenses	2	(2,261)
Other operating expense	4	(1,765)
<b>Total Operating Expense</b>		<b>(4,026)</b>
<b>Loss before tax</b>		<b>(4,065)</b>
Taxation	5	-
<b>Loss for the period</b>		<b>(4,065)</b>

The results for the current period are derived entirely from continuing operations.

The Notes 1 to 12 form an integral part of these financial statements.

## Statement of financial position

As at 31 March 2025

	Notes	2025 €'000
<b>Assets</b>		
Cash and cash equivalents	6	1,901
Other Assets		84
<b>Total assets</b>		<b>1,985</b>
<b>Liabilities</b>		
Other liabilities	7	937
Customer Deposits		3
<b>Total liabilities</b>		<b>940</b>
<b>Equity</b>		
Called up share capital	8	4
Share premium account	8	3,996
Other reserves		1,110
Accumulated losses		(4,065)
<b>Total equity</b>		<b>1,045</b>
<b>Total liabilities and equity</b>		<b>1,985</b>

The Notes 1 to 12 form an integral part of these financial statements. The financial statements on pages 9 to 19 were approved and authorised for issuance by the Board on 27th May 2025 and signed on its behalf by:



Nicola O'Brien  
Director  
27 May 2025



Michael Carney  
Director  
27 May 2025

**Statement of changes in equity**  
**for the period ended 31 March 2025**

	Share capital	Share premium	Other reserves	Retained losses	Total equity
	€'000	€'000	€'000	€'000	€'000
<b>On incorporation</b>	-	-	-	-	-
Losses for the year	-	-	-	(4,065)	(4,065)
<b>Total comprehensive income for the year</b>	-	-	-	(4,065)	(4,065)
Shares issued	4	3,996	-	-	4,000
Capital contribution	-	-	1,110	-	1,110
<b>Balance as at 31 March 2025</b>	<b>4</b>	<b>3,996</b>	<b>1,110</b>	<b>(4,065)</b>	<b>1,045</b>

The Company's share capital as at 31 March 2025 was €4,000. See Note 8 for further detail.

**Notes to the financial statements**  
**for the period ended 31 March 2025**

**1. Significant accounting policies**

**a. Reporting entity**

These financial statements are prepared for MBEU which is a private limited company incorporated and registered in Ireland, Unit 1 - Floor 4, One Central Plaza, Dame Street, Dublin 2, Dublin, D02 K7k5, Ireland.

MBEU was incorporated on 28 August 2024. The financial statements presented will be the Company's initial set of accounts covering the 7 month-period, between 28 August 2024 and 31 March 2025.

**b. Basis of preparation**

We've prepared MBEU financial statements on a historical cost basis, except for instruments carried at fair value, in accordance with the Companies Act 2014 and with Financial Reporting Standard 102, the Financial Reporting Standard Applicable in the UK and Ireland (FRS 102).

We present the financial statements in Euro which is the Company's functional currency. Figures in tables are shown in thousands of Euros unless otherwise stated.

We present our Statement of financial position in order of liquidity. We base this on our intention and ability to recover, or settle, the majority of assets, or liabilities, in the financial statement line.

We have assessed our level of exposure to climate risk, as well as our climate related targets with regards to these Financial Statements and consider them to have limited impact as at 31 March 2025. Many of the effects arising from climate change will be longer term in nature, with an inherent level of uncertainty, and have limited effect on accounting judgements and estimates for the period.

As we covered in the Directors' report, we have reviewed our business plan and capital requirements over our going concern assessment period of 15 months from the date the Board approves our financial statements. Our plans are contingent on receiving an Irish banking licence and the support we will receive from MBHG.

MBEU has met all of the conditions required to be categorised as a small company under the Companies Act (2014). This means we can apply FRS 102 Section 1A, to exempt us from the requirements of FRS 102 for the following disclosures:

- Section 7 *Statement of cash flows*
- Paragraphs 26.18(b), 26.19 to 26.21 and 26.23 in relation to share based payments
- Paragraphs 29.28(b) and 29.29 in relation to Pillar two taxes, and
- Paragraph 33.7 the disclosure of remuneration of key management personnel as related party transactions.

### **c. Summary of significant accounting policies**

#### **ii. Interest income and expense calculated under the effective interest rate (EIR) method**

According to FRS 102 paragraph 11.16, we recognise interest income using the EIR method or approaches which closely approximate it. The EIR method represents the internal rate of return on any lending products, treasury assets and deposits with central banks, incorporating where relevant and material, all interest, direct fees, commissions and charges that are integral to the yield. The expected life of financial assets is used to calculate the internal rate of return. The identified interest, fees and charges are deferred and amortised over the product life.

Interest income presented in the table represents interest revenue calculated using the effective interest method.

#### **ii. Taxation**

##### *a. Current tax*

Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates and laws enacted or substantively enacted by the reporting date, and any adjustment to tax payable in respect of the previous period.

**d. Significant accounting estimates, critical judgements and assumptions**

There are no critical accounting estimates relevant to the activities of MBEU.

The consolidated financial statements of the parent company - Monzo Bank Holding Group Limited - include other areas of judgement and accounting estimates. The recognition and measurement of certain material assets and liabilities are based on assumptions and/or are subject to longer term uncertainties. Under FRS 102 paragraph 8.5B9(d), the areas of judgement and accounting estimates in the MBEU financial statements, are:

- Going concern Note 1
- Fair valuing stock based compensation in Note 9

## 2. Personnel expenses

	<b>2025</b>
	<b>€'000</b>
Salaries	1,063
Share-based payments	1,110
Social security contributions	71
Contributions to defined contribution plans	17
<b>Total personnel cost</b>	<b><u>2,261</u></b>

The average number of people employed by MBEU during the accounting period was 5. By 31 March 2025, MBEU had a headcount of 13.

## 3. Directors' remuneration

	<b>2025</b>
	<b>€'000</b>
Salaries and fees	465
Share-based payments	901
Contributions to defined contribution plans	15
<b>Total directors' emoluments</b>	<b><u>1,381</u></b>
Salaries	220
Share-based payments	887
Contributions to defined contribution plans	13
<b>Highest paid director</b>	<b><u>1,120</u></b>

As at 31 March 2025 there were no loans outstanding to directors and there were no loans made to directors during the period. Some directors were granted share options in the period.

#### 4. Other operating expenses

	2025
	€'000
Legal and professional fees	650
Other expenses	1,115
<b>Total operating expenses</b>	<b>1,765</b>

Other expenses are largely intercompany expenses with other members of the Monzo Group, along with some recruitment fees, rental and outsourcing costs.

#### 5. Taxation

We measure current income tax assets and liabilities at the amount we expect to recover from or pay to the taxation authorities. They involve a degree of estimation and judgement. To compute the amounts, we use the tax rates and tax laws which are enacted or substantively enacted at the reporting date.

We base tax assets and liabilities relating to open and judgemental matters on our assessment of the most likely outcome(s) based on the tax authorities having full knowledge of all relevant information. We engage constructively and transparently with the tax authorities with a view to resolving any uncertain tax matters.

MBEU has not incurred a tax expense during the reporting period.

#### Amounts recognised in profit or loss

	2025
	€'000
Profit / (Loss) on ordinary activities before tax	(4,065)
Standard rate of Irish corporation tax	12.5%
Expected tax charge / (credit)	(508)
<i>Effects of:</i>	
Staff share option adjustments	6
Deferred tax assets not recognised	502
<b>Total Irish corporate tax charge / (credit) for the period</b>	<b>-</b>

There are unrecognised deferred tax assets of €369k in relation to tax losses carried forwards and €133k in relation to share based payments at 31 March 2025.

## 6. Cash and cash equivalents

Cash and cash equivalents are recognised initially at fair value and then at amortised cost.

Cash and cash equivalents are held on demand. We show them in accordance with the regulatory licence held by the institution.

	2025
	€'000
<i>Cash and cash equivalents held with:</i>	
Other banks	1,901
<b>Total cash and cash equivalents</b>	<b>1,901</b>

## 7. Other liabilities

	2025
	€'000
Intercompany accounts payable	528
Other taxes and social security costs	2
Accruals	407
<b>Total other liabilities</b>	<b>937</b>

## 8. Share capital and share premium

	Nominal	Number of ordinary shares	Share Capital	Share premium	Total share capital and share premium
	€		€'000	€'000	€'000
On incorporation	0.001	10	0	0	0
Issued during the year	0.001	4,000,000	4	3,996	4,000
<b>As at 31 March 2025</b>		<b>4,000,010</b>	<b>4</b>	<b>3,996</b>	<b>4,000</b>

On incorporation, MBEU issued 10 ordinary shares at a nominal value of €0.001. On 9th September 2024 MBHG subscribed to 4,000,000 ordinary shares with a notional value of €4,000 and share premium value of €3,996,000.

## 9. Share-based payments

All new colleagues (including senior executives) receive share options in MBHG when they join the Company and may be entitled to further share options for performing well and to incentivise them to make Monzo a success.

The share options issued are equity settled with no cash settlement options, with a maximum term of 10 years. Options typically vest evenly over four years with a one year cliff; or on an exit event. If a colleague leaves before the vesting cliff, they forfeit all options at that date.

Our expense for the share options granted to our colleagues is recognised over the period between the grant date and the vesting date of those options. We calculate the overall cost of the option award using the number of options expected to vest and the fair value of the options at the grant date. The overall cost is recognised as a personnel expense, with a corresponding increase in other reserves within equity, over the period that colleagues provide services. This is generally the period between the award being granted or notified and the vesting date of the options.

Employees are granted share options under the grant plan Monzo Group Share Option Plan (EU), with the full cost of these options within the Group being allocated to MBEU.

## 10. Related party transactions and controlling parties

### Controlling parties

The controlling party at year end is MBHG, which owns 100% of the share capital of MBEU.

### Transactions with related parties

Intercompany expenditure is shown below.

	2025
	€'000
<b>Transactions with related parties</b>	
Intercompany Expenses	848
	<u>848</u>

MBEU's intercompany expenses have been incurred with Monzo Bank Limited (MBL).

Intercompany balances are shown below:

	2025
	€'000
<b>Balances with related parties</b>	
Intercompany Accounts Payable	528
	<hr/>
	<b>528</b>

All intercompany balances are held with MBL.

### **Transactions with key management personnel**

We are exempt from the requirements under paragraph 33.7 of FRS 102, to disclose transactions with key management personnel. Please refer to the Directors' remuneration disclosure in Note 3.

### **11. Auditor's remuneration**

Auditor's remuneration for the audit of the financial statements was €43,000. There was no remuneration for non-audit services.

### **12. Events after the reporting date**

On 23rd April 2025 MBHG subscribed to a further 2,000,000 ordinary shares in the Company at a cost of €2,000,000. There have been no other material post-balance sheet events.