**Paxport Group UK Limited**

**Registered number:** 02447353

**Balance Sheet**

**as at 31 December 2021**

| | Notes | | 2021 | | 2020 |
|---|---|---|---|---|---|
| | | | £ | | £ |
| **Fixed assets** | | | | | |
| Intangible assets | 3 | | 1,125,761 | | 1,193,989 |
| Investments | 5 | | 520,035 | | 200,035 |
| | | | 1,645,796 | | 1,394,024 |
| **Current assets** | | | | | |
| Debtors | 6 | 1,228,061 | | 823,541 | |
| Cash at bank and in hand | | 588,701 | | 729,869 | |
| | | 1,816,762 | | 1,553,410 | |
| **Creditors: amounts falling due within one year** | 7 | (3,322,520) | | (2,339,583) | |
| **Net current liabilities** | | | (1,505,758) | | (786,173) |
| **Total assets less current liabilities** | | | 140,038 | | 607,851 |
| **Creditors: amounts falling due after more than one year** | 8 | | (861,667) | | - |
| **Provisions for liabilities** | | | (206,911) | | (218,342) |
| **Net (liabilities)/assets** | | | (928,540) | | 389,509 |
| **Capital and reserves** | | | | | |
| Called up share capital | | | 35 | | 35 |
| Revaluation reserve | 9 | | 46 | | 46 |
| Profit and loss account | | | (928,621) | | 389,428 |
| **Shareholders' funds** | | | (928,540) | | 389,509 |

The director is satisfied that the company is entitled to exemption from the requirement to obtain an audit under section 477 of the Companies Act 2006.

The members have not required the company to obtain an audit in accordance with section 476 of the Act.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of accounts.

The accounts have been prepared and delivered in accordance with the special provisions applicable to companies subject to the small companies regime. The profit and loss account has not been delivered to the Registrar of Companies.

Mr Claes Mikael Wandt

Director

Approved by the board on 2 September 2022

## Paxport Group UK Limited

## Notes to the Accounts

## for the year ended 31 December 2021

### 1 Accounting policies

***Basis of preparation***

The accounts have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

***Turnover***

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the sale of goods and from the rendering of services. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for work performed to date to the total estimated contract costs.

During 2021 there was a transfer pricing charge from the parent company amounting to £527,176 (2020: £346,426) charged to cost of sales, to fairly reflect the invoicing of work between the company and its parent.

***Intangible fixed assets***

Intangible fixed assets are measured at cost less accumulative amortisation and any accumulative impairment losses.

***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulative depreciation and any accumulative impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

| | |
|---|---|
| Plant and machinery (computer equipment) | 33.33% straight line |
| Fixtures & fittings | 20% straight line |

***Investments***

Investments in unquoted equity instruments are measured at fair value. Changes in fair value are recognised in profit or loss. Fair value is estimated by using a valuation technique.

***Stocks***

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

***Debtors***

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts. Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

### *Creditors*

Short term creditors are measured at transaction price (which is usually the invoice price). Loans and other financial liabilities are initially recognised at transaction price net of any transaction costs and subsequently measured at amortised cost determined using the effective interest method.

### *Taxation*

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period. Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used. Current and deferred tax assets and liabilities are not discounted.

### *Provisions*

Provisions (ie liabilities of uncertain timing or amount) are recognised when there is an obligation at the reporting date as a result of a past event, it is probable that economic benefit will be transferred to settle the obligation and the amount of the obligation can be estimated reliably.

### *Foreign currency translation*

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

### *Leased assets*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases. The rights of use and obligations under finance leases are initially recognised as assets and liabilities at amounts equal to the fair value of the leased assets or, if lower, the present value of the minimum lease payments. Minimum lease payments are apportioned between the finance charge and the reduction in the outstanding liability using the effective interest rate method. The finance charge is allocated to each period during the lease so as to produce a constant periodic rate of interest on the remaining balance of the liability. Leased assets are depreciated in accordance with the company's policy for tangible fixed assets. If there is no reasonable certainty that ownership will be obtained at the end of the lease term, the asset is depreciated over the lower of the lease term and its useful life. Operating lease payments are recognised as an expense on a straight line basis over the lease term.

### *Pensions*

Contributions to defined contribution plans are expensed in the period to which they relate.

## 2 Employees

| | 2021 | 2020 |
|---|---|---|
| | Number | Number |
| Average number of persons employed by the company | 19 | 28 |

## 3 Intangible fixed assets

Research and development expenditure

| | £ |
|---|---|
| **Cost** | |
| At 1 January 2021 | 1,668,090 |
| Additions | 123,150 |
| At 31 December 2021 | 1,791,240 |
| **Amortisation** | |
| At 1 January 2021 | 474,101 |
| Provided during the year | 191,378 |
| At 31 December 2021 | 665,479 |
| **Net book value** | |
| At 31 December 2021 | 1,125,761 |
| At 31 December 2020 | 1,193,989 |

Intangible assets is being written off in equal annual instalments over its estimated economic life as estimated by management.

## 4 Tangible fixed assets

| | Plant and machinery etc | Fixtures & fittings | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 January 2021 | 1,131,315 | 123,115 | 1,254,430 |
| At 31 December 2021 | 1,131,315 | 123,115 | 1,254,430 |
| **Depreciation** | | | |
| At 1 January 2021 | 1,131,315 | 123,115 | 1,254,430 |
| At 31 December 2021 | 1,131,315 | 123,115 | 1,254,430 |
| **Net book value** | | | |
| At 31 December 2021 | - | - | - |

## 5 Investments

| | Investments in subsidiary undertakings |
|---|---|
| | £ |
| **Cost** | |
| At 1 January 2021 | 200,035 |
| Additions | 320,000 |
| At 31 December 2021 | 520,035 |

## 6 Debtors

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Trade debtors | 464,319 | 248,591 |
| Amounts owed by group undertakings and undertakings in which the company has a participating interest | 594,461 | 411,146 |
| Prepayments & accrued income | 140,058 | 129,762 |
| Other debtors | 29,223 | 34,042 |
| | 1,228,061 | 823,541 |

## 7 Creditors: amounts falling due within one year

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Bank loans and overdrafts | 180,000 | 700,071 |
| Trade creditors | 647,617 | 494,711 |
| Amounts owed to group undertakings and undertakings in which the company has a participating interest | 2,046,499 | 532,002 |
| Other taxes and social security costs | 93,228 | 170,008 |
| Other creditors | 355,176 | 442,791 |
| | 3,322,520 | 2,339,583 |

## 8 Creditors: amounts falling due after one year

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| Bank loans | 861,667 | - |

## 9 Capital redemption reserve

| | 2021 | 2020 |
|---|---|---|
| | £ | £ |
| At 1 January 2021 | 46 | 46 |
| At 31 December 2021 | 46 | 46 |

## 10 Share capital

| | Nominal value | 2021 | 2020 |
|---|---|---|---|
| | | £ | £ |
| Allotted, called up and fully paid Ordinary shares | | | |
| A shares. One vote per share | £0.001 | 35 | 35 |
| D shares. No right to attend meetings, vote or dividends. | £0.001 | 1 | 1 |
| | | 36 | 36 |

## 11 Related party transactions

The company operates an intercompany account with group companies. At 31 December 2021 the company was owed £422,554 from Paxport Group AB (2020 £411,146) and from Paxport AB £Nil (2020: £Nil). The company was also owed £171,907 (2020: £Nil) from Pax2Pay Ltd. Also as at the balance sheet date the company owed £810,840 to Paxport AB (2020: £332,002) and to Pax2Pay Ltd £1,235,659 (2020: 200,000),

## 12 Controlling party

The company is controlled by Paxport Group AB by virtue of its majority shareholding.

## 13 Going concern

The concept of going concern has been assessed by management due to the loss in the year and the Ballance sheet having a net labilities position as at the balance sheet date. The directors have determined that it is still appropriate to prepare accounts on a going concern basis, cue to the fact that the business has the support of its parent company.

The assets have been reviewed for impairment and the directors consider that no impairment provision is necessary.

Consideration has been given to material uncertainties which may impact on the companies ability to continue as a going concern.

## 14 Other information

Paxport Group UK Limited is a private company limited by shares and incorporated in England.
Its registered office is:

The Landing, 125 Redcliff Street,

Bristol

Avon

BS1 6HU