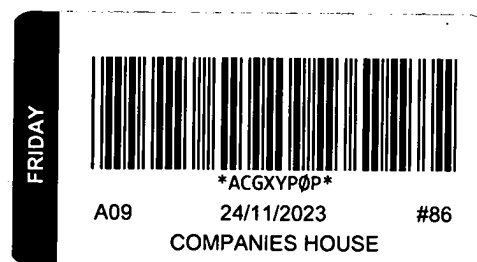


REGISTERED NUMBER: 02924423 (England and Wales)

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023
FOR
DDPAY LTD**



Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Profit or Loss	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Statement of Cash Flows	12
Notes to the Financial Statements	13
Reconciliation of Equity	21
Reconciliation of Profit	23

DDPAY LTD

**COMPANY INFORMATION
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

DIRECTORS:

Bradley David Warner Board
Milos Veverka
Susan Amanda Fozard

REGISTERED OFFICE:

Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

REGISTERED NUMBER:

02924423 (England and Wales)

AUDITORS:

Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

The directors present their report with the financial statements of the company for the period 1 January 2022 to 30 June 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of direct debit origination services, provider providing facilities management services to charities, non-profit making and sporting organisations in support of weekly lottery operations.

DIRECTORS

The directors who have held office during the period from 1 January 2022 to the date of this report are as follows:

Bradley David Warner Board - appointed 1 January 2023

Milos Veverka - appointed 1 November 2022

Nigel Edward Atkinson - appointed 1 November 2022 - resigned 1 January 2023

Philip Andrew Magleave - resigned 30 June 2023

Susan Amanda Fozard was appointed as a director after 30 June 2023 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK-adopted international accounting standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Wallwork Nelson & Johnson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

DDPAY LTD (REGISTERED NUMBER: 02924423)

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to read 'Susan Fozard', written over a horizontal line.

Susan Amanda Fozard - Director

10 October 2023

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DDPAY LTD (REGISTERED NUMBER: 02924423)**

Opinion

We have audited the financial statements of DDPay Ltd (the 'company') for the period ended 30 June 2023 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the period then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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.

In connection with our audit of the financial statements, 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DDPAY LTD (REGISTERED NUMBER: 02924423)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

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

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

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management around actual and potential litigation and claims.
- Enquiry of management and entity staff to identify any instances of non compliance with laws and regulations.
- Reviewing financial statement disclosures and testing to support documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Other matters which we are required to address

The financial statements of the company for the year ended 31 December 2021 were not subject to an audit. The company was exempt due to the size of the company. Hence the opening balances were not subject to audit but have been reviewed to ensure that they appear reasonable and no adjustments are considered necessary.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DDPAY LTD (REGISTERED NUMBER: 02924423)**

Use of our report

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



Michael J Barker FCCA (Senior Statutory Auditor)
for and on behalf of Wallwork Nelson & Johnson
Chartered Accountants & Statutory Auditors
Chandler House
7 Ferry Road Office Park
Riversway
Preston
Lancashire
PR2 2YH

10 October 2023

STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023

		Period 1/1/22 to 30/6/23	Year Ended 31/12/21 as restated
	Notes	£	£
CONTINUING OPERATIONS			
Revenue		1,300,428	790,035
Administrative expenses		(586,140)	(362,423)
OPERATING PROFIT		714,288	427,612
Finance costs	5	(486)	(19)
Finance income	5	10,918	125
PROFIT BEFORE INCOME TAX	6	724,720	427,718
Income tax	7	(150,000)	(81,266)
PROFIT FOR THE PERIOD		574,720	346,452

The notes form part of these financial statements

DDPAY LTD (REGISTERED NUMBER: 02924423)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**


	Period 1/1/22 to 30/6/23 £	Year Ended 31/12/21 as restated £
PROFIT FOR THE PERIOD	574,720	346,452
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>574,720</u>	<u>346,452</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
30 JUNE 2023

		30/6/23	31/12/21 as restated
	Notes	£	£
ASSETS			
CURRENT ASSETS			
Trade and other receivables	13	134,319	124,006
Cash and cash equivalents	14	2,957,428	2,504,457
		<u>3,091,747</u>	<u>2,628,463</u>
TOTAL ASSETS		<u><u>3,091,747</u></u>	<u><u>2,628,463</u></u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	15	100	100
Retained earnings	16	963,233	388,513
TOTAL EQUITY		<u>963,333</u>	<u>388,613</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	17	1,977,939	2,158,594
Tax payable		150,475	81,256
		<u>2,128,414</u>	<u>2,239,850</u>
TOTAL LIABILITIES		<u>2,128,414</u>	<u>2,239,850</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,091,747</u></u>	<u><u>2,628,463</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 October 2023 and were signed on its behalf by:



Susan Amanda Fozard - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2021	100	392,061	392,161
Changes in equity			
Dividends	-	(350,000)	(350,000)
Total comprehensive income	-	346,452	346,452
Balance at 31 December 2021	<u>100</u>	<u>388,513</u>	<u>388,613</u>
Changes in equity			
Total comprehensive income	-	574,720	574,720
Balance at 30 June 2023	<u>100</u>	<u>963,233</u>	<u>963,333</u>

STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023

		Period 1/1/22 to 30/6/23 £	Year Ended 31/12/21 as restated £
Cash flows from operating activities			
Cash generated from operations	1	523,320	902,613
Interest paid		(486)	(19)
Tax paid		(80,781)	(88,573)
Net cash from operating activities		<u>442,053</u>	<u>814,021</u>
Cash flows from investing activities			
Interest received		<u>10,918</u>	<u>125</u>
Net cash from investing activities		<u>10,918</u>	<u>125</u>
Cash flows from financing activities			
Equity dividends paid		<u>-</u>	<u>(350,000)</u>
Net cash from financing activities		<u>-</u>	<u>(350,000)</u>
Increase in cash and cash equivalents		<u>452,971</u>	<u>464,146</u>
Cash and cash equivalents at beginning of period	2	<u>2,504,457</u>	<u>2,040,311</u>
Cash and cash equivalents at end of period	2	<u><u>2,957,428</u></u>	<u><u>2,504,457</u></u>

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	Period 1/1/22 to 30/6/23	Year Ended 31/12/21 as restated
	£	£
Profit before income tax	724,720	427,718
Finance costs	486	19
Finance income	(10,918)	(125)
	<u>714,288</u>	<u>427,612</u>
(Increase)/decrease in trade and other receivables	(10,313)	49,326
(Decrease)/increase in trade and other payables	<u>(180,655)</u>	<u>425,675</u>
Cash generated from operations	<u><u>523,320</u></u>	<u><u>902,613</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Period ended 30 June 2023

	30/6/23	1/1/22
	£	£
Cash and cash equivalents	<u><u>2,957,428</u></u>	<u><u>2,504,457</u></u>

Year ended 31 December 2021

	31/12/21 as restated	1/1/21
	£	£
Cash and cash equivalents	<u><u>2,504,457</u></u>	<u><u>2,040,311</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

1. STATUTORY INFORMATION

DDPay Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The principal place of business is The Tannery, Chapel Lane, Galgate, Lancashire, LA2 0PR.

The company has chosen to produce financial statements for a period of eighteen months rather than twelve. The reason for the change in the year end is to ensure that the year end is coterminous with the ultimate parent. The comparative figures for the year ended 31 December 2021 are not entirely comparable with those for the eighteen-month period to 30 June 2023.

2. ACCOUNTING POLICIES

Statement of compliance

These financial statements have been prepared in accordance with UK-adopted international accounting standards and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

This is the first period that financial statements have been prepared in accordance with UK-adopted international accounting standards. There have been no changes to the financial statements due to the transition to IFRS from FRS 102.

New standards, interpretation and amendments not yet effective

There are a number of standards, amendments to standards and interpretations which have been issued by the IASB that are effective in future accounting periods that the company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2023:

- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice statement 2)
- Definition of accounting estimate (Amendment to IAS 8); and
- Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12).
- IFRS 17 Insurance contracts

The following amendments are effective for the period beginning 1 January 2024:

- IFRS 16 Leases (Amendment in Sale and Leaseback)
- IAS 1 Presentation of Financial statements (Amendment - Classification of Liabilities as Current and Non-Current)
- IAS 1 Presentation of Financial Statements (Amendment - Non-Current Liabilities with Covenants)

The company is currently assessing the impact of these new accounting standards and amendments. The company does not believe that the amendments will have significant impact on the presentation of its financial statements in the future.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

2. ACCOUNTING POLICIES - continued

Revenue recognition

Performance obligations and timing of revenue recognition

The company is a direct debit origination services provider and the majority of the company's revenue is derived from providing facilities management services to charitable, non-profit making and sports organisations primarily in support of weekly lottery operations. Revenue is recognised on a monthly basis for the services completed for the clients in the month and the company has the right to payment.

Incidental revenue arises from supplementary services provided to the client. This revenue is recognised in the same way.

Determining the contract price

The company's revenue is derived from contracts providing a fixed price per transaction processed in the month for either facilities managements or supplementary services.

Allocating amounts to performance obligations

For all contracts there is a fixed fixed price per transaction undertaken in the month. Therefore, there is no judgement involved in allocating the contract price to each transaction processed and recognising the revenue.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

Property, plant and equipment

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment - 33% on cost

Items of Property Plant & Equipment are initially recorded at cost.

Financial instruments

Financial assets

The financial assets of the company wholly arise from the provision of services to clients. Trade receivables are accounted for using amortised cost. They are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for current trade receivables are recognised based on the simplified approach within IFRS 9. During this process, the probability of the non-payment of the trade receivables is assessed. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised in the profit or loss. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

There is no provision included in the financial statements as the trade receivables are considered to be disclosed at the value expected to be recovered.

Financial liabilities

Trade payables and other short term monetary liabilities which are initially recognised at fair value and subsequently amortised using the effective interest rate method. There are no amounts amortised in the financial statements as all short-term liabilities are expected to be paid at the carrying value within a very short time after the year end. The inter company balance has an effective rate of zero and is payable on demand and is therefore considered to have a 0% effective rate.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023

2. ACCOUNTING POLICIES - continued

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Going concern

The directors consider that the company has sufficient resources and trade to enable the company to continue in the future and the going concern basis has been applied to the preparation of the financial statements.

Finance income

Finance income represents bank interest and is recognised on a received basis.

Dividends

Dividends are recognised when they are legally payable. This is considered to be when the directors have approved the dividend.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual expectations may differ from these estimates and assumptions. The estimates and assumptions that have a significant risk of causing material adjustments to the carrying value of assets and liabilities within the next financial year are discussed below.

Judgements

IFRS 15 - Revenue from Contracts with customers - The contracts with customers set out the services to be provided to the customer and at what price those services should be provided. There is judgement on the company as to when those services have been provided and the income recognised. The company maintain detailed records of the timing of the service to significantly reduce the impact of this judgement on the financial statements.

Estimates and assumptions:

- All trade receivables will be recovered and hence no need to include an impairment or amortisation cost in the financial statement. This balance as at 30 June 2023 is £134,319.
- Payment of trade and other payables will be made within a very short time post period end and hence no amortisation cost is considered necessary. This balance as at 30 June 2023 is £1,045,414.
- The inter company balance is payable on demand with no interest being charged leading to a 0% effective interest rate (30 June 2023: £933,000).

4. EMPLOYEES AND DIRECTORS

	Period 1/1/22 to 30/6/23	Year Ended 31/12/21 as restated
	£	£
Wages and salaries	<u>246,605</u>	<u>160,546</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the period was as follows:

	Period 1/1/22 to 30/6/23	Year Ended 31/12/21 as restated
Management	<u>2</u>	<u>2</u>

	Period 1/1/22 to 30/6/23	Year Ended 31/12/21 as restated
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. NET FINANCE INCOME

	Period 1/1/22 to 30/6/23	Year Ended 31/12/21 as restated
	£	£
Finance income:		
Deposit account interest	<u>10,918</u>	<u>125</u>
Finance costs:		
Corporation tax interest	<u>486</u>	<u>19</u>
Net finance income	<u>10,432</u>	<u>106</u>

6. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging:

	Period 1/1/22 to 30/6/23	Year Ended 31/12/21 as restated
	£	£
Auditors' remuneration	<u>2,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023

7. INCOME TAX**Analysis of tax expense**

	Period 1/1/22 to 30/6/23 £	Year Ended 31/12/21 as restated £
Current tax: Tax	150,000	81,266
Total tax expense in statement of profit or loss	<u>150,000</u>	<u>81,266</u>

Tax is calculated by applying the applicable tax rate to the profit shown in the Statement of Profit and Loss. For the period from 1 January 2022 to 31 March 2023 the rate will be 19%. From 1 April 2023 to 30 June 2023 the rate will be 25%. Hence the effective rate is 20% (2019: 19%).

8. DIVIDENDS

	Period 1/1/22 to 30/6/23 £	Year Ended 31/12/21 as restated £
Ordinary shares of £1 each Interim	-	350,000

9. PRIOR YEAR ADJUSTMENT

In the year to 31 December 2021, the company's cash and cash equivalents were stated net of direct debits collected on behalf of clients, but not yet transferred to the client's own accounts. As a result, an amount of £1,151,339 was classified as a credit balance against the cash and cash equivalents. In the period to 30 June 2023, these credits have been disclosed within other payables. Hence, a prior year adjustment has been included within the year to 31 December 2021 to reclassify the amount from cash and cash equivalents to other payables to facilitate comparisons. There is no net effect on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023

10. FINANCIAL INSTRUMENT - RISK MANAGEMENT

In common with other business, the company is exposed to risks that arise from its use of financial instruments. This note describes the company's objectives, policies and processes for managing those risks. There are no changes in the company's exposure to financial risks.

The principle financial instruments used by the company are as follows:

- Trade receivables
- Cash and cash equivalent
- Trade and other payables

The financial instruments not measured at fair value, due to the short-term nature, the carrying value approximates their fair value.

The directors have overall responsibility for the determination of the company's risk management objectives and policies. The policy of the directors is to reduce the risk as far as possible without unduly affecting the company's competitiveness and flexibility.

The company is exposed to credit risk which arises from the risk of financial loss to the company if a customer fails to meet its contractual obligations. The company is mainly exposed to credit risk from credit sales. It is company policy to assess credit risk of new customers before entering contracts. The company determines the value of credit risk by a monthly review of trade receivables' age analysis. Trade receivables are grouped by the age of the debt. Customers graded as high risk are contacted for payment. Due to the nature of the customers, the credit risk is not expected to increase once the amount owed passes 30 days. An amount that goes above the 30 days is likely to be due to a system delay in the customers' systems.

The trade receivables are assessed as receivable by the company and are not impaired.

11. CAPITAL MANAGEMENT POLICY

The company's principle objectives in managing capital are as follows:

- to maintain a sustainable balance sheet structure.
- to minimise exposure to credit risk.

The procedures to minimise the company's exposure to credit risk are set out in the risk management note.

12. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment £
COST	
At 1 January 2022	
and 30 June 2023	469
DEPRECIATION	
At 1 January 2022	
and 30 June 2023	469
NET BOOK VALUE	
At 30 June 2023	-
At 31 December 2021	-

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023

13. TRADE AND OTHER RECEIVABLES

	30/6/23	31/12/21 as restated
	£	£
Current:		
Trade debtors	134,319	123,737
Other debtors	-	269
	<u>134,319</u>	<u>124,006</u>

14. CASH AND CASH EQUIVALENTS

	30/6/23	31/12/21 as restated
	£	£
Bank deposit account	2,947,428	2,494,457
Bank accounts	10,000	10,000
	<u>2,957,428</u>	<u>2,504,457</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30/6/23	31/12/21 as restated
Number:	Class:	Nominal value:	£	£
100	Ordinary	£1	<u>100</u>	<u>100</u>

16. RESERVES

	Retained earnings £
At 1 January 2022	388,513
Profit for the period	<u>574,720</u>
At 30 June 2023	<u>963,233</u>

17. TRADE AND OTHER PAYABLES

	30/6/23	31/12/21 as restated
	£	£
Current:		
Trade creditors	43	309
Amounts owed to group undertakings	933,000	933,000
Other creditors	958,823	1,151,639
Accruals and deferred income	41,132	28,712
VAT	44,941	44,934
	<u>1,977,939</u>	<u>2,158,594</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 JANUARY 2022 TO 30 JUNE 2023**

18. PENSION COMMITMENTS

Contributions into the defined contribution pension scheme in the year was £3,519 (2021: £2,332).

19. ULTIMATE PARENT COMPANY

The immediate parent of the company is Starvale Management and Technologies Limited.

The ultimate parent of the company is Jumbo Interactive Limited, an Australian public company.

The first parent in the group to prepare consolidated financial statements is Jumbo Interactive UK Limited.

20. RELATED PARTY DISCLOSURES

Starvale Management and Technologies Limited is the immediate parent company of DDPay Limited.

Included in revenue is a management fee of £52,500 (2021: £35,000) to Starvale Management and Technologies Limited.

Included in trade receivables at 30 June 2023 is £63,285 (2021: £44,061) due from Starvale Management and Technologies Limited, relating to services rendered amounting to £911,553 over the period.

Some contracts are held by Starvale Management and Technologies Limited but DDPay Limited provide the facilities management service to those customers. The service invoices are raised to Starvale Management and Technologies Limited who then invoice the same amount to the customer. The transactions are considered to be at arm's length. The total of these invoices for the period was £778,850..

Included in other trade payables as at 30 June 2023 is £933,000 (2021: £933,000) due to Starvale Management and Technologies Limited. The loan is interest free and repayable on demand.

RECONCILIATION OF EQUITY
1 JANUARY 2021
(DATE OF TRANSITION TO IFRSS)

	FRS 102	Effect of	IFRSs
	£	transition	£
		to IFRSs	
		£	
ASSETS			
CURRENT ASSETS			
Trade and other receivables	173,332	-	173,332
Cash and cash equivalents	2,040,311	-	2,040,311
	<u>2,213,643</u>	<u>-</u>	<u>2,213,643</u>
TOTAL ASSETS	<u>2,213,643</u>	<u>-</u>	<u>2,213,643</u>
SHAREHOLDERS' EQUITY			
Called up share capital	100	-	100
Retained earnings	392,061	-	392,061
TOTAL EQUITY	<u>392,161</u>	<u>-</u>	<u>392,161</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	1,732,920	-	1,732,920
Tax payable	88,562	-	88,562
	<u>1,821,482</u>	<u>-</u>	<u>1,821,482</u>
TOTAL LIABILITIES	<u>1,821,482</u>	<u>-</u>	<u>1,821,482</u>
TOTAL EQUITY AND LIABILITIES	<u>2,213,643</u>	<u>-</u>	<u>2,213,643</u>

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2021

	FRS 102 £	Effect of transition to IFRSs £	IFRSs £
ASSETS			
CURRENT ASSETS			
Trade and other receivables	124,006	-	124,006
Cash and cash equivalents	2,504,457	-	2,504,457
	<u>2,628,463</u>	<u>-</u>	<u>2,628,463</u>
TOTAL ASSETS	<u>2,628,463</u>	<u>-</u>	<u>2,628,463</u>
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	100	-	100
Retained earnings	388,513	-	388,513
	<u>388,613</u>	<u>-</u>	<u>388,613</u>
TOTAL EQUITY	<u>388,613</u>	<u>-</u>	<u>388,613</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	2,158,594	-	2,158,594
Tax payable	81,256	-	81,256
	<u>2,239,850</u>	<u>-</u>	<u>2,239,850</u>
TOTAL LIABILITIES	<u>2,239,850</u>	<u>-</u>	<u>2,239,850</u>
TOTAL EQUITY AND LIABILITIES	<u>2,628,463</u>	<u>-</u>	<u>2,628,463</u>

**RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	FRS 102	Effect of transition to IFRSs	IFRSs
	£	£	£
Revenue	790,035	-	790,035
Administrative expenses	(362,423)	-	(362,423)
Finance costs	(19)	-	(19)
Finance income	125	-	125
PROFIT BEFORE TAX	427,718	-	427,718
Income tax	(81,266)	-	(81,266)
PROFIT FOR THE PERIOD	346,452	-	346,452