

PXP FINANCIAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

PXP FINANCIAL LIMITED

COMPANY INFORMATION

Directors

K J Woodhead
R A Knight
K P Vanpraet (appointed 28 February 2019)
J R Bell (appointed 28 February 2019)
G A Griesbacher (resigned 15 September 2019)
A P Matthias (appointed 28 February 2020)

Registered number

05433326

Registered office

The Corn Mill
1 Roydon Road
Stanstead Abbots
Hertfordshire
SG12 8XL

Independent auditors

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

PXP FINANCIAL LIMITED

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PXP FINANCIAL LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Organisational overview

The company is part of the PXP Financial Group. The principal activity of PXP Financial Ltd "the company" is to provide payment services to businesses accepting electronic payments. In order to carry out that activity, the company is regulated and licensed as a payment institution by the Financial Conduct Authority (FCA). It is a principal Member of Visa and MasterCard and is PCI DSS compliant. The company has strategic partners in place to help to deliver this service.

Business model

PXP Financial Limited is a complete, end-to-end payment service that helps businesses make and receive payments online globally. PXP Financial Limited gives access to a wide variety of payment options including card payments and alternative payments and manages the entire payment flow in a secure environment for both their customers and their customers' customers.

The company regards its operations as being split into three main business areas:

- Global Gateway - providing a technical e-commerce payment gateway to merchants to connect them with payment providers in a safe and secure manner as well as providing consolidated risk, reconciliation and reporting services.
- Card Acquiring - Processing Visa, MasterCard and Maestro branded credit and debit card transactions in eleven settlement currencies (EUR, USD, GBP, CHF, AUD, CAD, SEK, NOK, DKK, JPY, PLN).
- Settlement Services - processing transactions via direct connections to over 90 alternative payment methods, providing a single combined settlement to merchants to enable them to offer a wide variety of alternative payment methods to customers without the need to contract and reconcile with those providers individually.

It can service merchants in 31 countries in Europe offering a robust technical solution that allows it to operate 24 hours a day, 365 days a year, safely, securely and continuously.

Strategy

Our goal is to be one of the leading providers of electronic payment services worldwide. We currently operate with a pan European licence in 31 countries. Our strategy is to differentiate ourselves by providing the best service and leading edge products to our customers whilst also seeking opportunities to grow the business through developing and offering additional products and services to our customers, and expanding into new geographical markets.

During 2019, PXP Financial Limited has continued to increase its number of customers and partners and grow its overall business, and sees its ongoing focus on collaboration and strengthening relationships with both existing and new customers and partners as a strong opportunity to grow the business further during 2020, as well as working to further develop the company's partner network going forward.

The company maintains an ongoing focus on development of its payments platform, as well as its products and services, to continually strengthen its brand and appeal to customers, and to build on its ambitions, strengthen its position in the market and grow its geographical footprint. The company is also committed to providing excellent customer service and developing long term partnerships with its customers, building on its services and driving efficiency through further automation, and providing enhanced reporting to its customers.

PXP FINANCIAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Performance Assessment, financial review and key performance indicators

Key revenue drivers for the company are the value of transactions processed, which increased by 37% (2018: increased 29%).

At the start of 2019, the Board of Directors agreed a 3-year strategic and financial plan for the Company with the PXP Group's shareholder, with a key focus on growing the business through winning new customers and business, broadening the products and services offered to customers, and expanding the business's geographical footprint. This plan also focused on further investment in the business, building capacity and capability in key control and customer-facing functions, and increasing the financial performance and returns generated.

The main focus in 2019, the first year of this 3-year plan, has been on developing the new business pipeline, along with investing in capacity and capability in key functions, through a number of key new hires into the business. The Board believes this will provide a solid foundation to deliver growing and sustainable financial performance and returns in future years.

While the Company has delivered increased financial returns on trading performance, the focus on investing in additional capacity and capability has resulted in an increase in overheads, which has partly offset the upside from trading performance in the reported 2019 EBITDA, the Company's key measure of financial trading performance. The Directors and the Company's shareholders are comfortable with this outcome on the basis that the investments made during the year provide a solid foundation for future growth and an expected increase in future, sustainable financial returns.

During the year a detailed review was undertaken of aged balances recorded within the Group's balance sheet. This review identified that there were a number of these receivables which related to historic commercial agreements and customers to whom the Group no longer provided services, and which in the opinion of the Directors there was no likely prospect of recovering. The Directors have therefore elected to make an adjustment to write-off these balances. As these balances arose from historic contracts and do not relate to trading activity in the year, these have been recorded as an exceptional item.

PXP FINANCIAL LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties

Risk management is an integral part of managing our business and the PXP Group formally maintains and reviews its risk register on a regular basis. Due to the nature of the financial products offered, a key risk to the company is the possibility of money laundering and fraud by external parties. In order to mitigate these risks, the company has robust policies and procedures in place.

IT Risk

The Company is exposed to significant IT risks through the operation of its trading activities on a proprietary e-payment platform which it licences from PXP Financial Group Limited.

Credit Risk

Credit risk is the risk of financial loss to the Company that a customer or payment service provider will fail to meet their contractual obligations. The Company mainly has agreements with merchants to provide net settlement whereby charges are deducted before funds are settled. This helps to reduce the risk to the Company, however there may be arrangements in place where the Company settles funds prior to receiving them or is obligated to settle funds not received from other payment service providers. In specific instances where credit is provided through pre-funding, flexible payment terms are agreed and these are monitored by the Company in order to reduce the risk.

Foreign Exchange Risk

PXP Financial aggregates and acquires transactions in multiple currencies for merchants in 28 European countries. Wherever possible the company will receive settlements from payment providers and card schemes in the same currency as the underlying transaction and will settle in this currency to its merchants. Some merchants may request settlement in a currency different from the underlying transaction and the company is able to generate foreign exchange income from providing this service.

Foreign exchange risk also occurs when transactions are entered into which are not denominated in the functional currency of the Company. PXP Financial aims to mitigate against this risk by naturally hedging its assets and liabilities.

Liquidity risk

PXP Financial Limited maintains sufficient cash and liquid resources to cover likely future settlements. We also have the backing of the Senjo group if required. Amounts owed to the group are non-current liabilities.

Emerging risk

As well as assessing ongoing risk, we also consider how the business could be affected by emerging risks over the longer term. These are risks which may develop but have a greater level of uncertainty attached to them. It is often possible to predict the potential impacts of emerging risks, but less possible to predict their likelihood, timing and velocity.

The global coronavirus pandemic involving the spread of Covid-19 presents a number of different risks to the business. The safety of our employees and those in our care is our first priority and is at the forefront of our response to the pandemic. It also creates a significant financial risk to the business with a number of our customers being impacted, including but not limited to those in the travel and hospitality sectors. The pandemic has resulted in a variable impact on our customers, primarily dependent on the industry sector in which they operate. For our customers in sectors heavily impacted by the pandemic, we have seen the value of processed transactions

decline from the start of the pandemic, while for customers in other sectors, such as online retail and gaming, we have seen an increase in transactions processed, compared to the same period in 2019. Furthermore, the Company's current focus is principally e-commerce and online transactions, which has generally overall seen an increase in activity as consumers have changed their buying behaviour and switched more of their purchases from Point-of-Sale to e-commerce and online purchases.

As a result, the Company has seen an increase in its overall value of transactions processed during 2020

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

compared to the same period in 2019. Nevertheless, in response to the pandemic we have taken short term and pre-emptive measures to maintain the financial strength and overall performance of the business, including limited use of government supported schemes, primarily around furloughing of a small number of our employees, and reducing all non-core overhead spend, without impacting the service we provide to our customers. In addition, we have actively engaged with a number of our customers who have been severely impacted by the pandemic, in order to work with them to agree arrangements around billing and payment for the services we provide them, in order to protect our cash income and longer term revenue streams. We actively keep up to date with government announcements and hold regular management meetings to assist in further reducing the financial risk that COVID-19 may have on our business and monitoring the potential medium and long term impacts.

A further emerging risk that has been considered is that of BREXIT. The Group, via PXP Financial Limited is regulated by the FCA, with the UK's membership of the EU allowing passporting of this licence to provide services to customers in the EEA. Under the BREXIT deal there is no clear agreement for financial services businesses and as such these passporting rights cease to apply as at 31 December 2020. Given the risks around BREXIT, the Directors have taken steps to develop a contingency plan to ensure continuity of the existing business and to maintain ongoing service to its (non-UK) EEA customers.

While the Directors believe that the announcement of a BREXIT trade deal in late December 2020 is generally positive for the UK economy, they are disappointed at the lack of a clear agreement covering services, and more specifically financial services businesses. This lack of a clear agreement creates a situation for UK financial services businesses, where there is currently no clear position for those businesses around being able to continue to provide services to their existing customers in the EEA under their existing FCA licence. As a result of this, the Directors took the decision to implement the BREXIT contingency plan in late December 2020. The Directors believe that this was the right course of action in light of the outcome of the BREXIT negotiations, to maintain continuity of service to existing non-UK customers and to protect the Group's interests.

Corporate governance

As an FCA licenced payment institution, we are obliged to abide by their regulations. PXP Financial Limited has established compliance and risk management processes through the use of workshops, committees and regular, timely reporting to ensure that risks are identified, monitored and controlled on an on-going basis and that significant risks are escalated to the Board of directors when necessary. The Board considers that the company has complied with these regulations throughout the year.

Directors' statement of compliance with duty to promote the success of the Company

The directors, both collectively and individually, consider that they have always acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole and whilst having regard for the stakeholders and other matters (as set out in s172(1) (a)-(f) of the Companies Act 2006).

Stakeholder engagement is fundamental to all Board level discussions, our decision-making process and successfully building a sustainable business model. In taking actions, the Board has consideration and regards, amongst other matters, to:

- the likely consequences of any decision in the long term;
- ensuring ongoing compliance with all of the Company's regulatory and legal obligations;
- the interest of the Company's shareholders;
- the interests of the Company's employees;
- the need to develop and maintain effective business relationships with suppliers, customers and others;
- the need to act fairly with all internal and external stakeholders.

PXP FINANCIAL LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

J R Bell

Director

Date: 29 January 2021

PXP FINANCIAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and the financial statements for the year ended 31 December 2019.

Directors

The Directors who served during the year were:

K J Woodhead

R A Knight

K P Vanpraet (appointed 28 February 2019)

J R Bell (appointed 28 February 2019)

G A Griesbacher (resigned 15 September 2019)

Results and dividends

The loss for the year, after taxation, amounted to €2,303,681 (2018 - loss €2,838,081).

The Directors consider the state of the company's affairs during the year and the financial position at the end of the year to be satisfactory. The Directors do not recommend the payment of a dividend.

Future developments

The Directors anticipate no significant changes in the company's activities in the foreseeable future.

Engagement with suppliers, customers and others

Building long term and effective relationships with the Company's customers and suppliers is a key focus area and the Board believes this is critical to delivering on long-term sustainable growth and success of the business.

Customer engagement

Building strong and long-term relationships with customers is a key priority for the Company. The Board strongly believes that a focus on excellent service and engagement with customers is a way in which the Company can differentiate itself and build long-term relationships with its customers. We invest significant time, effort and resources in providing high levels of service to our customers and providing and developing products and services which meet the needs of our customers. We proactively collect feedback from customers on the service and products the Company provides, both informally and more formally, through regular and recurring engagement with customers including 1:1 meetings and calls, Monthly / Quarterly Business Reviews, Customer Satisfaction Surveys, and Client Advisory Boards. This feedback is used to look at ways in which we can further improve our service and product offerings.

Supplier engagement

The Company has established long-term relationships with its key suppliers which include banking partners, technology hardware and software providers, and providers of other services which are key to the Company's provision of payment processing and technology solutions to its end customers. In addition, the Company has key long-term relationships with Card Schemes and Alternative Payment Providers which are integral to the operation of its business. Our approach is to develop and maintain effective business relationships with our suppliers to ensure the Company obtains value, quality and consistency in the service it receives from all of its suppliers. We treat suppliers fairly and pay them on time and agree payment terms with suppliers at the onset of our relationship.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to auditors

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

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

Post balance sheet events

The Coronavirus Pandemic in 2020 is a non-adjusting post balance sheet event and therefore no adjustments have been made to these financial statements for the economic impact that may arise. It is recognised that the effects of the Coronavirus Pandemic are subject to significant levels of uncertainty as to the severity, length and longer term effects of the pandemic, with the full range of possible impacts unknown at this stage. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19 on the business, such as additional measures around the safety and health of our people (such as social distancing and working from home) and measures around ongoing financial stability and liquidity. At this stage, the impacts on our business and financial results have been adequately mitigated and we have successfully been able to maintain normal levels of service and operational capability throughout this period, with almost all colleagues working from home. Based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we are focused on doing our utmost to continue our operations in the best and safest way possible without jeopardising the safety of our people, and maintaining a stable financial position throughout the remainder of the pandemic.

The transfer of the Company's non-UK customer portfolio as a result of the outcome of the BREXIT negotiations and resulting trade deal is a non-adjusting post balance sheet event. While this will result in a significant short-term reduction in the Company's gross and net revenue arising directly from providing services to those customers, the Company will earn significant additional new revenue from providing services under a services agreement, to manage the transferred portfolio. In addition, the Company expects to significantly grow its gross and net revenue going forward through cross- and up-sell of products and services to its existing customers, and through winning new customers.

Auditors

Under section 487(2) of the Companies Act 2006, Price Bailey LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

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

J R Bell

Director

Date: 29 January 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PXP FINANCIAL LIMITED

Opinion

We have audited the financial statements of PXP Financial Limited (the 'Company') for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PXP FINANCIAL LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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.

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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

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 Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PXP FINANCIAL LIMITED (CONTINUED)

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

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

Use of our report

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

Richard Vass (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants

Statutory Auditors

Causeway House

1 Dane Street

Bishop's Stortford

Hertfordshire

CM23 3BT

Date: 29 January 2021

PXP FINANCIAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Note | 2019 € | 2018 € |
|-------------------------------------|------|---------------------------|---------------------------|
| Revenue | 4 | 41,484,417 | 38,183,274 |
| Cost of sales | | (31,729,950) | (29,696,138) |
| Gross profit | | <u>9,754,467</u> | <u>8,487,136</u> |
| Administrative expenses | | (12,988,615) | (11,612,902) |
| Exceptional bad debt write off | 14 | (724,982) | - |
| Exchange Losses | 14 | 392,128 | (1,322,277) |
| Non Trading Income | | <u>1,334,018</u> | <u>1,514,870</u> |
| Operating loss | 6 | <u>(2,232,984)</u> | <u>(2,933,173)</u> |
| Income from subsidiary undertakings | 10 | - | 220,290 |
| Finance Income | 11 | 15,211 | 9,208 |
| Finance expense | 12 | (85,908) | (78,608) |
| Loss before tax | | <u>(2,303,681)</u> | <u>(2,782,283)</u> |
| Tax on loss | 13 | - | (55,798) |
| Loss for the financial year | | <u><u>(2,303,681)</u></u> | <u><u>(2,838,081)</u></u> |

There was no other comprehensive income for 2019 (2018:€NIL).

The notes on pages 16 to 32 form part of these financial statements.

PXP FINANCIAL LIMITED
REGISTERED NUMBER: 05433326

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

| | Note | 2019 € | 2018 € |
|--|------|---------------|---------------|
| Non-current assets | | | |
| | | 464,641 | 929,748 |
| Intangible assets | 15 | | |
| | | 64,684 | - |
| Tangible assets | 16 | | |
| | | 11 | 11 |
| Investments | 17 | | |
| | | <hr/> | <hr/> |
| | | 529,336 | 929,759 |
| Current assets | | | |
| Receivables: amounts falling due within one year | 18 | 50,966,364 | 67,239,617 |
| Cash at bank and in hand | 19 | 56,776,622 | 63,622,953 |
| | | <hr/> | <hr/> |
| | | 107,742,986 | 130,862,570 |
| Current liabilities | | | |
| Payables: amounts falling due within one year | 20 | (101,739,908) | (122,557,893) |
| | | <hr/> | <hr/> |
| Net current assets | | 6,003,078 | 8,304,677 |
| | | <hr/> | <hr/> |
| | | 6,532,414 | 9,234,436 |
| Total assets less current liabilities | | | |
| Non-current liabilities | | | |
| Payables: amounts falling due after more than one year | 21 | (71,814) | (470,155) |
| | | <hr/> | <hr/> |
| | | 6,460,600 | 8,764,281 |
| Net assets | | <hr/> | <hr/> |
| Capital and reserves | | | |
| | | 951,326 | 951,326 |
| Called up share capital | 24 | | |
| | | (122,808) | (122,808) |
| Foreign exchange reserve | 25 | | |
| | | 5,632,082 | 7,935,763 |
| Profit and loss account | 25 | | |
| | | <hr/> | <hr/> |
| | | 6,460,600 | 8,764,281 |
| | | <hr/> | <hr/> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

J R Bell
Director

Date: 29 January 2021

PXP FINANCIAL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

| | Called up share capital | Foreign exchange reserve | Profit and loss account | Total equity |
|--|----------------------------|--------------------------------|----------------------------|------------------|
| | € | € | € | € |
| At 1 January 2019 | 951,326 | (122,808) | 7,935,763 | 8,764,281 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (2,303,681) | (2,303,681) |
| Total comprehensive income for the year | - | - | (2,303,681) | (2,303,681) |
| Total transactions with owners | - | - | - | - |
| At 31 December 2019 | <u>951,326</u> | <u>(122,808)</u> | <u>5,632,082</u> | <u>6,460,600</u> |

The notes on pages 16 to 32 form part of these financial statements.

PXP FINANCIAL LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

| | Called up share capital | Foreign exchange reserve | Profit and loss account | Total equity |
|--|----------------------------|--------------------------------|----------------------------|------------------|
| | € | € | € | € |
| At 1 January 2018 | 951,326 | (122,808) | 10,773,844 | 11,602,362 |
| Comprehensive income for the year | | | | |
| Loss for the year | - | - | (2,838,081) | (2,838,081) |
| Total comprehensive income for the year | - | - | (2,838,081) | (2,838,081) |
| Total transactions with owners | - | - | - | - |
| At 31 December 2018 | <u>951,326</u> | <u>(122,808)</u> | <u>7,935,763</u> | <u>8,764,281</u> |

The notes on pages 16 to 32 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

The company is a private company limited by shares and is domiciled and incorporated in England and Wales. The address of its Registered Office is The Corn Mill, 1 Roydon Road, Stanstead Abbots, Hertfordshire, SG12 8XL, UK.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d)-134(f) and 135(c)-135(e) of IAS 36 Impairment of Assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.4 Impact of new international reporting standards, amendments and interpretations

IFRS 16

The Company has applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognised in retained earnings at 1 January 2019.

The following tables summarise the impacts of adopting new reporting standards on the Company's financial statements.

Statement of Financial Position (extract)

| | 31 December 2018 As originally presented € | IFRS 16 € | 1 January 2019 Adjusted balance € |
|--|--|---------------|--|
| Non-current assets | | | |
| Intangible assets | 929,748 | - | 929,748 |
| Tangible assets | - | 99,878 | 99,878 |
| Investments | 11 | - | 11 |
| | <u>-</u> | <u>99,878</u> | <u>99,878</u> |
| Current assets | | | |
| Receivables | 67,239,617 | - | 67,239,617 |
| Cash at bank and in hand | 63,622,953 | - | 63,622,953 |
| Total current assets | <u>-</u> | <u>-</u> | <u>-</u> |
| Creditors: amounts falling due within one year | (122,557,893) | - | (122,557,893) |
| Total assets less current liabilities | <u>9,234,436</u> | <u>99,878</u> | <u>9,334,314</u> |
| Payables: amounts falling due after more than one year | (470,155) | (99,878) | (570,033) |
| Net assets | <u>8,764,281</u> | <u>-</u> | <u>8,764,281</u> |
| Capital and reserves | | | |
| Called up share capital | 951,326 | - | 951,326 |
| Foreign exchange reserve | (122,808) | - | (122,808) |
| Profit and loss account | 7,935,763 | - | 7,935,763 |
| | <u>8,764,281</u> | <u>-</u> | <u>8,764,281</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.5 Going Concern

The company is historically profit making and has no requirements to be funded by its parent company, PXP Financial Group Limited. The directors are therefore satisfied that the company's financial statements can be prepared on a going concern basis.

2.6 Revenue

Revenue is recognised at the fair value of the consideration received or receivable net of VAT.

Revenue represents amounts chargeable in respect of services to customers and is recognised in the accounting period in which the services are rendered as this represents the way that control passes to customers. If the services rendered exceed the payments, a contract asset is recognised (note 18). If the payments exceed the services rendered, a contract liability is recognised. The company has three revenue models – payment gateway, aggregation services and card acquiring.

The payment gateway service offers the merchant a technical connection to many payment providers via the technical payment platform. This service may be charged on a fixed fee or per transaction with the revenue recognised and invoiced accordingly on a monthly basis.

The aggregation service offers the merchant a turnkey payment processing solution where technical and commercial relationships are handled by the company including a full cash management service. This service may be offered on a gross or net settlement basis and the revenue is recognised once the transaction is captured in the system.

As a card acquirer for Visa and MasterCard, the company can directly enter into contracts with merchants to offer merchant acquiring services. Customers are charged a fee on a transactional basis and revenue is recognised once the transaction is captured in the system.

All revenue is derived from continued operations.

2.7 Share capital

Financial instruments issued by the company are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset.

The company's ordinary shares are classified as equity instruments.

2.8 Leases

The Company as a lessee

The Company assesses whether a contract is or contains a lease, at inception of a contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.8 Leases (continued)

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is included in 'Payables' on the Statement of Financial Position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the Tangible Fixed Assets lines in the Statement of Financial Position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.13.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient.

2.9 Taxation

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of revenue or cost that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using rates that have been enacted or substantively enacted by the reporting date.

Income tax expense represents the sum of the directors' best estimate of taxation exposures and deferred tax.

Deferred tax is recognised in respect of all timing differences where transactions or events that have originated but not reversed at the balance sheet date result in an obligation to pay more tax in the future, or a right to pay less tax in the future.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.10 Foreign currency

Transactions entered into by the company in a currency other than the currency of the primary economic environment in which it operates (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss.

As at 1 January 2017, the company changed its functional currency from GBP to EUR. On translation of the brought forward reserves this resulted in a currency translation adjustment being made which is reflected within the Foreign exchange reserve.

2.11 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.12 Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and any provision for impairment. Amortisation is charged on all intangible fixed assets at rates calculated to write-off the cost of each asset on a straight line basis over its estimated useful life from the date it was brought into use.

Amortisation is provided on the following bases:

| | | | |
|---------------|---|------|---------------------|
| Licence Costs | - | 33 % | straight line basis |
|---------------|---|------|---------------------|

2.13 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

| | | | |
|--------------------|---|-----|---------------|
| Computer equipment | - | 33% | Straight line |
| Right of use asset | - | 33% | Straight line |

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

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

2.14 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.15 Trade and other receivables

Trade receivables are amounts due from customers attributable to activities relating to the acquiring and aggregation of transactions performed in the ordinary course of business. They are generally due to settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Payment services provider balances, included within other receivables, are funds waiting to settle in regards to the acquired and aggregation of transactions and represent the balances awaiting to be received by PXP Financial on behalf of its merchants. Other trade and other receivables consist of security deposits and receivables from merchants in respect to gross settlement arrangements. Trade and other receivables are measured at fair value.

2.16 Cash and cash equivalents

Cash held at bank consists of the company's funds generated through trading activities and funds held on behalf of merchants that have been settled by the card schemes or other payment providers to the company, but have yet to be settled to the merchant. There is a corresponding merchant payable or intercompany payable balance for all cash balances held on behalf of merchants.

2.17 Trade and other payables

Trade and other payables are generated through the more normal means of trading and are recognised on the accruals basis. All suppliers terms and credit periods are adhered to by the company. Merchant payables, included within other payables, consist of funds which are due to be paid to merchants once the settlement process has been completed. Other payables shows balances which are due to be paid on behalf of employee related creditors.

Trade payables are measured at fair value.

2.18 Deferred consideration

The company will receive a deferred cash payment in the future. This is recorded as a current asset within the balance sheet with accrued interest and is released to the profit and loss account on a monthly basis. The deferred consideration is measured at amortised cost.

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

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

- Payables classified as accruals and deferred income (note 20).

PXP FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. Turnover

The whole of the turnover is attributable to continued operations and relates to the rendering of services.

Analysis of turnover by country of destination:

| | 2019 € | 2018 € |
|-------------------|-------------------|-------------------|
| United Kingdom | 5,551,521 | 6,764,648 |
| Rest of Europe | 35,929,731 | 31,070,506 |
| Rest of the world | 3,165 | 348,120 |
| | <u>41,484,417</u> | <u>38,183,274</u> |

5. Other operating income

| | 2019 € | 2018 € |
|------------------------|------------------|------------------|
| Other operating income | <u>1,334,018</u> | <u>1,514,870</u> |

6. Operating loss

The operating loss is stated after charging:

| | 2019 € | 2018 € |
|---------------------------------------|---------------|--------------|
| Depreciation of tangible fixed assets | 41,422 | - |
| Amortisation of intangible assets | 465,107 | 458,978 |
| Defined contribution pension cost | <u>28,848</u> | <u>8,518</u> |

7. Auditors' remuneration

| | 2019 € | 2018 € |
|---|---------------|---------------|
| Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements | <u>55,280</u> | <u>42,997</u> |

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

PXP FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

8. Employees

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

| | 2019 € | 2018 € |
|-------------------------------------|----------------|----------------|
| Wages and salaries | 778,821 | 202,698 |
| Social security costs | 69,667 | 26,355 |
| Cost of defined contribution scheme | 28,848 | 8,518 |
| | <u>877,336</u> | <u>237,571</u> |

The average monthly number of employees, including the Directors, during the year was as follows:

| | 2019 No. | 2018 No. |
|---------------------|-------------|-------------|
| Finance | 3 | 1 |
| Compliance and risk | 2 | 2 |
| Sales and AM | 1 | - |
| HR | 1 | - |
| | <u>7</u> | <u>3</u> |

9. Directors' remuneration

| | 2019 € | 2018 € |
|---|----------------|---------------|
| Directors' emoluments | 339,458 | 74,092 |
| Company contributions to defined contribution pension schemes | 9,342 | 1,497 |
| | <u>348,800</u> | <u>75,589</u> |

During the year retirement benefits were accruing to 2 Directors (2018 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of €218,624 (2018 - €NIL).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to €6,012 (2018 - €NIL).

PXP FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

10. Income from investments

| | 2019 € | 2018 € |
|--|-----------|----------------|
| Dividends received from unlisted investments | <u>-</u> | <u>220,290</u> |

11. Interest receivable

| | 2019 € | 2018 € |
|---------------------------|---------------|--------------|
| Other interest receivable | <u>15,211</u> | <u>9,208</u> |

12. Interest payable and similar expenses

| | 2019 € | 2018 € |
|-------------------------------|---------------|---------------|
| Bank interest payable | 82,961 | 78,608 |
| Interest on lease liabilities | 2,947 | - |
| | <u>85,908</u> | <u>78,608</u> |

13. Taxation

| | 2019 € | 2018 € |
|--|-----------|---------------|
| Corporation tax | | |
| Current tax on profits for the year | - | - |
| Adjustments in respect of previous periods | - | 55,798 |
| | <u>-</u> | <u>55,798</u> |
| Deferred tax | | |
| Origination and reversal of timing differences | - | - |
| | <u>-</u> | <u>-</u> |
| Taxation on profit on ordinary activities | <u>-</u> | <u>55,798</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

| | 2019 € | 2018 € |
|--|--------------------|--------------------|
| Loss on ordinary activities before tax | <u>(2,303,681)</u> | <u>(2,782,283)</u> |
| Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | (437,699) | (528,634) |
| Effects of: | | |
| Capital allowances for year in excess of depreciation | - | 8,552 |
| Adjustments to tax charge in respect of prior periods | - | 55,798 |
| Group relief | 437,699 | 520,082 |
| Total tax charge for the year | <u>-</u> | <u>55,798</u> |

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

14. Exceptional items

| | 2019 € | 2018 € |
|------------------------------------|----------------|-----------|
| (Gains)/losses on foreign exchange | (392,128) | 1,322,277 |
| Exceptional bad debts | <u>724,982</u> | <u>-</u> |

PXP FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

15. Intangible assets

| | Software licences € |
|-------------------------------------|---------------------------|
| Cost | |
| At 1 January 2019 | 1,388,726 |
| | <hr/> |
| At 31 December 2019 | 1,388,726 |
| | <hr/> |
| Amortisation | |
| At 1 January 2019 | 458,978 |
| Charge for the year on owned assets | 465,107 |
| | <hr/> |
| At 31 December 2019 | 924,085 |
| | <hr/> |
| Net book value | |
| At 31 December 2019 | 464,641 |
| | <hr/> |
| At 31 December 2018 | 929,748 |
| | <hr/> |

PXP FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

16. Tangible fixed assets

| | Computer equipment € | Right of use assets € | Total € |
|--|----------------------------|-----------------------------|------------|
| Cost or valuation | | | |
| Impact of change in accounting policy | - | 99,878 | 99,878 |
| At 1 January 2019 (adjusted balance) | - | 99,878 | 99,878 |
| Additions | 6,228 | - | 6,228 |
| At 31 December 2019 | 6,228 | 99,878 | 106,106 |
| Depreciation | | | |
| Charge for the year on owned assets | 1,086 | - | 1,086 |
| Charge for the year on right-of-use assets | - | 40,336 | 40,336 |
| At 31 December 2019 | 1,086 | 40,336 | 41,422 |
| Net book value | | | |
| At 31 December 2019 | 5,142 | 59,542 | 64,684 |
| At 31 December 2018 | - | - | - |

17. Fixed asset investments

| | Investments in subsidiary companies € |
|--------------------------|--|
| Cost or valuation | |
| At 1 January 2019 | 11 |
| At 31 December 2019 | 11 |

PXP FINANCIAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

| Name | Registered office | Class of shares | Holding |
|--------------------|--|------------------------|----------------|
| PXP Financial Inc. | 140 Broadway, 46th Floor, New York, NY 10005, USA | Ordinary | 100 % |

The aggregate of the share capital and reserves as at 31 December 2019 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

| Name | Aggregate of share capital and reserves, € | Profit/(Loss), € |
|--------------------|---|-------------------------|
| PXP Financial Inc. | 527,266 | 437,132 |

18. Receivables

| | 2019 € | 2018 € |
|------------------------------------|-------------------|-------------------|
| Trade receivables | 165,384 | 708,667 |
| Amounts owed by group undertakings | 4,519,857 | 5,432,892 |
| Other receivables | 45,724,994 | 60,592,572 |
| Prepayments and accrued income | 241,024 | 40,685 |
| Contract assets | 315,105 | 464,801 |
| | <u>50,966,364</u> | <u>67,239,617</u> |

19. Cash and cash equivalents

| | 2019 € | 2018 € |
|--------------------------|-------------------|-------------------|
| Cash at bank and in hand | <u>56,776,622</u> | <u>63,622,953</u> |

PXP FINANCIAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

20. Payables: Amounts falling due within one year

| | 2019 € | 2018 € |
|------------------------------------|--------------------|--------------------|
| Bank loans | 476,932 | 451,570 |
| Trade payables | 773,387 | 509,626 |
| Amounts owed to group undertakings | 721,684 | 1,729,412 |
| Corporation tax | 10,392 | - |
| Other taxation and social security | 262,990 | 116,120 |
| Other payables | 98,944,461 | 118,900,349 |
| Accruals and deferred income | 550,062 | 850,816 |
| | <u>101,739,908</u> | <u>122,557,893</u> |

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

| | 2019 € | 2018 € |
|-------------------|---------------|----------------|
| Bank loans | 7,715 | 470,155 |
| Lease liabilities | 64,099 | - |
| | <u>71,814</u> | <u>470,155</u> |

22. Loans

Analysis of the maturity of loans is given below:

| | 2019 € | 2018 € |
|--|----------------|----------------|
| Amounts falling due within one year | | |
| Bank loans | 476,932 | 451,570 |
| Amounts falling due 1-2 years | | |
| Bank loans | 7,715 | 470,155 |
| | <u>484,647</u> | <u>921,725</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

23. Leases

Company as a lessee

The only lease to which the company is a party is a three year lease for computer servers.

Lease liabilities are due as follows:

| | 2019 € |
|---------------------------------|---------------|
| Between one year and five years | 64,099 |
| | <u>64,099</u> |

The following amounts in respect of leases, where the Company is a lessee, have been recognised in profit or loss:

| | 2019 € |
|---------------------------------------|--------------|
| Interest expense on lease liabilities | <u>2,947</u> |

24. Share capital

| | 2019 € | 2018 € |
|---|----------------|----------------|
| Allotted, called up and fully paid | | |
| 810,467 (2018 - 810,467) Ordinary shares of £1 each | <u>951,326</u> | <u>951,326</u> |

25. Reserves

Foreign exchange reserve

This reserve represents foreign exchange differences that arose when the company changed its functional currency.

Profit and loss account

The profit and loss reserve represents accumulated comprehensive income of the year and prior periods less any dividends paid.

26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to €28,848 (2018 - €8,518). Contributions totalling €NIL (2018 - €NIL) were payable to the fund at the reporting date and are included in creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

27. Related party transactions

The company has taken advantage of the exemption available under FRS 101 paragraph 8(k), not to disclose any transactions with wholly owned subsidiaries included in the consolidated financial statements of its parent company.

28. Post balance sheet events

The Coronavirus Pandemic in 2020 is a non-adjusting post balance sheet event and therefore no adjustments have been made to these financial statements for the economic impact that may arise. It is recognised that the effects of the Coronavirus Pandemic are subject to significant levels of uncertainty as to the severity, length and longer term effects of the pandemic, with the full range of possible impacts unknown at this stage. Measures taken by various governments to contain the virus have affected economic activity. We have taken a number of measures to monitor and mitigate the effects of COVID-19 on the business, such as additional measures around the safety and health of our people (such as social distancing and working from home) and measures around ongoing financial stability and liquidity. At this stage, the impacts on our business and financial results have been adequately mitigated and we have successfully been able to maintain normal levels of service and operational capability throughout this period, with almost all colleagues working from home. Based on our experience to date we expect this to remain the case. We will continue to follow the various government policies and advice and, in parallel, we are focused on doing our utmost to continue our operations in the best and safest way possible without jeopardising the safety of our people, and maintaining a stable financial position throughout the remainder of the pandemic.

The transfer of the Company's non-UK customer portfolio as a result of the outcome of the BREXIT negotiations and resulting trade deal is a non-adjusting post balance sheet event. While this will result in a significant short-term reduction in the Company's gross and net revenue arising directly from providing services to those customers, the Company will earn significant additional new revenue from providing services under a services agreement, to manage the transferred portfolio. In addition, the Company expects to significantly grow its gross and net revenue going forward through cross- and up-sell of products and services to its existing customers, and through winning new customers.

29. Controlling party

The ultimate holding company is Senjo Group Pte. Ltd incorporated in Singapore. The company's immediate holding company is PXP Financial Group Limited. Copies of the group financial statements are available from Companies House.

The accounts of Senjo Group Pte. Ltd are available to the public and may be obtained from the company's registered office at 410 North Bridge Road, 188726, Singapore.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.