

Registered Number: 06580786

PXP FINANCIAL GROUP LIMITED
ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



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PXP FINANCIAL GROUP LIMITED
COMPANY INFORMATION

Directors	K Hedjri G Lock K Woodhead
Registered Number	6580786
Registered Office	The Corn Mill 1 Roydon Road Stanstead Abbots Hertfordshire SG12 8XL
Auditors	Price Bailey LLP Causeway House 1 Dane Street Bishops Stortford Hertfordshire CM23 3BT

PXP FINANCIAL GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Organisational Overview

PXP Financial Group Limited is a subsidiary of Senjo Payments Group Pte Limited.

PXP Financial Group Limited consolidates all its subsidiaries.

Business model

PXP Financial Group Limited (The Group) is the holding company for various businesses and incorporates a number of subsidiaries within it, namely PXP Solutions Limited, PXP Solutions Inc, PXP Solutions PTY Ltd, PXP Accept GmbH, PXP Financial Limited, PXP Services Private Limited, PXP Services EOOD and PXP Financial Inc.

PXP Financial Group Limited is separated into two distinct businesses:

PXP Financial Limited and PXP Accept GmbH are complete, end-to-end payment services that help businesses make and receive payments online globally. They give access to a wide variety of payment options including card payments and alternative payments and manage the entire payment flow in a secure environment for both their customers and their customers' customers. PXP Financial Limited is also a principal member of Visa, Maestro and MasterCard for card acquiring, to which it settles transactions in eleven different currencies. It also offers settlement services where it processes 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.

PXP Solutions Limited provides a card focused technical payment gateway solution to merchants. The suite of solutions offered create added value for its merchants (and their customers), include the ability to pay in the native currency of their debit/credit card (Dynamic Currency Conversion), Tokenisation and Offline and Online PIN verification for processing local debit/credit cards in online PIN regions.

The group offers a robust technical solution that allows it to operate 24 hours a day, 365 days a year, safely, securely and continuously.

Strategy

PXP Financial Limited's aim is to be one of the largest providers of electronic payment services worldwide. It currently operates with a pan European license in 31 countries and our strategy provide the best service we can to our merchants whilst seeking opportunities to grow the business in as many ways as possible. PXP Financial has seen a large increase in the number of partners during 2018 and to assist in growing its business will continue to focus on collaborating with partners during 2019, hoping to grow on the relationships it has built during the year to further develop the partner network in 2019. PXP are continually developing the payments platform in order to achieve its goals and deliver and strengthen its position in the market and build a global footprint. PXP Financial also intends to continue its focus on providing excellent customer service with further automation and enhanced reporting for customers to be rolled out in 2019.

A key strategic focus for the PXP Solutions Limited side of the business was to focus on bringing Hospitality functionality to our flagship ANYPay platform. With features such as Pay at Table, Pay at Reception and Pay at Counter, the ANYPay platform is now relevant to both our existing PC-EFT clients and new clients across the globe. The company has cemented its relationship with the industry leading solution from Oracle by integrating with its OPI interface and becoming an Oracle Gold partner for Payment Gateway Services. Significant inroads into the Cruise sector have been achieved during 2018 having successfully won and implemented the business from the UK's largest cruise operator. As part of PXP's continued drive on efficiency we moved our offshore development capability from Spain to Vietnam. This has significantly reduced our development costs whilst increasing capacity and improving quality.

Performance assessment, financial review and key performance indicators

When evaluating the trading performance of the Group or individual Group entities, the Owners and Directors use an adjusted earning measure similar to EBITDA. This measure will therefore look at underlying trading performance having taken in to account interest, taxation, depreciation, amortisation and foreign exchange movements.

The adjusted trading performance earnings for the Group using this method for the year under review are:

	31-Dec 2018	31-Dec 2017
	€	€
Loss for the year	(1,296,733)	(3,418,576)
Taxation (refund)	501,134	(325,436)
Depreciation	1,149,935	1,058,807
Amortisation	6,423,960	5,294,946
EBITDA	6,778,296	3,609,741
Exchange Rate Losses	1,363,830	1,994,421
Management EBITDA	8,142,126	5,604,162

Key revenue drivers for PXP Financial Limited are the value of transactions processed, which increased by 36% (2017: 29%).

During the year a detailed review was undertaken of aged balances recorded within the balance sheet of PXP Financial Limited. This review identified that there were a number of historic receivables, which in the opinion of the Directors there is no likely prospect of recovering. The Directors have therefore elected to make an adjustment to write-off these balances. As these pre dated 2017 a prior year adjustment (note 25) has been made against 2017 opening reserves to account for this.

PXP FINANCIAL GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effect of credit risk and liquidity risk, amongst others. Effective risk management is critical to achieving the Group's objectives. The Group has a comprehensive system of controls in place to manage risks. The Group has put in place a risk management framework to plan for and mitigate certain risks faced by the business including financial risk.

Given the size of the Group the directors have not delegated the responsibility for financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Price Risk

The Group is exposed to price risk due to normal inflationary increases in the purchase price of goods and services in purchases within the territories that it serves.

IT Risk

The Group, by virtue of its PXP side of the business, is exposed to significant IT risks through the processing of financial transactions through its payments gateway and The Group, by virtue of its PKP Financial side of the business, is also exposed to significant IT risks through the operation of some 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 Group that a customer will fail to meet their contractual obligations.

For a large amount of the Group's revenue stream, it has agreements with merchants to provide net settlements whereby charges are deducted before funds are settled. This helps to reduce the risk to the Group, however, there may be arrangements in place where the Group settles funds prior to receiving them. In specific instances where credit is provided through pre-funding, flexible payment terms are agreed and these are monitored by the Group in order to reduce risk.

Another substantial portion of our revenues are due to support and maintenance contracts that are prepaid. For all other revenue streams internal policies require the finance department to monitor non-payment and consequently block any access to our platforms via a denial of service.

Foreign Exchange Risk

PXP Financial Limited 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. The Group aims to mitigate against this risk by naturally hedging its assets and liabilities.

Liquidity Risk

The Group actively assesses a mixture of long-term and short-term debt finance that is required to ensure the Group has sufficient available funds for operations.

Corporate governance

As an FCA licenced payment institution, the Group, through PXP Financial Limited and PXP Financial Inc, is obliged to abide by their regulations as well as the other group companies having to comply with PCI standards. The PXP Financial Group 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 Group companies, where applicable, have complied with these regulations throughout the year.

25/10/19

Approved by the Board of directors on and signed on its behalf by:



K Woodhead
Director

PXP FINANCIAL GROUP LIMITED
DIRECTORS REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Directors' Report

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors

The directors who held office during the year were as follows:

K Hedjri
G Lock
K Woodhead

Reporting Period

The reporting period for this and the prior year is to 31st December.

Principal activities

The principal activity of the Group in the year under review was to provide online payment services to merchants and customers. In order to provide some of these payment services, the company is authorised and regulated by the Financial Conduct Authority under the Payment Services Regulations 2009 and to issue electronic money as a principal member of MasterCard, as a prepaid card issuer. PXP Financial Limited is also a principal member of Visa and MasterCard for card acquiring. As a card acquirer for Visa and MasterCard, the company can directly enter into contracts with merchants to offer merchant acquiring services. The Group through its PXP Solutions Limited business also provides software design with technical support and computer consultancy services.

Results and dividends

The loss for the year after tax was €1,331,080 (2017 - €1,014,665). Dividends of €6,000,000 have been paid (2017 - €5,495,000).

Political and charitable donations

There were no charitable donations during the current or prior year.

Directors' indemnities

The Group maintains directors' and officers' liability insurance which gives appropriate cover for any legal action brought against its directors. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the year ended 31 December 2018 in relation to certain losses and liabilities which the directors may incur to third parties.

Statement of Directors' Responsibilities

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 International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). 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 apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS's as adopted by the European Union, 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 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.

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 that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that 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.

Auditors

The auditors, Price Bailey LLP, will be proposed for reappointment in accordance with section 487(2) of the Companies Act 2006

Approved by the Board on 25/10/19 and signed on its behalf by:



K Woodhead
Director

PXP FINANCIAL GROUP LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PXP FINANCIAL GROUP LIMITED

Opinion

We have audited the financial statements of PXP Financial Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2018, and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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

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 group's or the parent 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.

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 auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 our knowledge and understanding of the group and the parent company and their 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

PXP FINANCIAL GROUP LIMITED
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PXP FINANCIAL GROUP LIMITED

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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,
Bishops Stortford
Hertfordshire
CM23 3BT

Date: 25 October 2019

PXP FINANCIAL GROUP LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	31-Dec 2018 €	31-Dec 2017 €
REVENUE	2	55,115,717	39,734,788
Cost of Sales		(30,526,777)	(22,310,412)
Gross profit		24,588,940	17,424,376
Non Trading Income		397,143	1,113,232
Administration expenses	3	(25,781,682)	(22,281,620)
LOSS FROM OPERATIONS	4	(795,599)	(3,744,012)
Interest payable and similar charges		-	-
LOSS BEFORE TAXATION		(795,599)	(3,744,012)
Taxation	10	(501,134)	325,436
LOSS FOR THE YEAR		(1,296,733)	(3,418,576)
OTHER COMPREHENSIVE INCOME			
Items that will or may be reclassified to profit and loss			
Gain/(Loss) on Investment	8	(34,347)	2,403,911
TOTAL OTHER COMPREHENSIVE INCOME		(34,347)	2,403,911
TOTAL COMPREHENSIVE INCOME	20	(1,331,080)	(1,014,665)

The notes on pages 14 to 26 form part of these financial statements

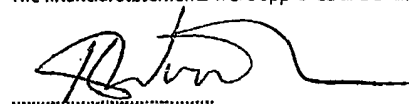
PXP FINANCIAL GROUP LIMITED
REGISTERED NUMBER: 6580786

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Notes	31-Dec 2018 €	31-Dec 2017 € (Restated)	31-Dec 2016 € (Restated)
Non-current assets				
Intangible assets	11	10,360,094	16,053,224	18,975,647
Property, plant and equipment	12	<u>4,766,682</u>	<u>1,075,201</u>	<u>1,404,729</u>
		15,126,776	17,128,425	20,380,376
Current assets				
Available for sale investment		-	-	2,192,030
Trade and other receivables	15	69,165,992	62,916,537	37,481,107
Tax recoverable		-	29,498	-
Cash at bank and In hand		<u>67,464,020</u>	<u>25,659,735</u>	<u>20,987,367</u>
		136,630,012	88,605,710	60,660,504
Current liabilities				
Trade and other payables	16	<u>(127,208,763)</u>	<u>(74,364,516)</u>	<u>(39,834,644)</u>
NET CURRENT ASSETS		<u>9,421,249</u>	<u>14,241,194</u>	<u>20,825,860</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,548,025</u>	<u>31,369,619</u>	<u>41,206,236</u>
Non-current liabilities				
Deferred tax		-	-	(367,953)
Loans	17	<u>(470,155)</u>	-	-
TOTAL ASSETS LESS LIABILITIES		<u>24,077,870</u>	<u>31,369,619</u>	<u>40,838,283</u>
Equity				
Called up Share capital	18	1,776,018	1,776,018	1,776,018
Share premium account	20	479,277	479,277	479,277
Available for sale reserve		-	-	1,841,092
Capital contribution reserve	19	59,948,071	59,948,071	59,948,071
Accumulated loss	20	<u>(38,125,496)</u>	<u>(30,833,747)</u>	<u>(23,206,175)</u>
		<u>24,077,870</u>	<u>31,369,619</u>	<u>40,838,283</u>

The notes on pages 14 to 26 form part of these financial statements

The financial statements were approved and authorised for issue by the board on 28/10/19 and signed on its behalf by:



K Woodhead
Director

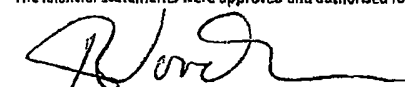
PXP FINANCIAL GROUP LIMITED
REGISTERED NUMBER: 06580786
COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

		31-Dec 2018	31-Dec 2017
	Notes	€	€
Non-current assets			
Property, plant and equipment	12	9,108,711	321,370
Intangible assets	11	2,017,581	2,961,678
Investments:	13		
Investments in subsidiary companies		33,163,173	33,134,629
Other investments and loans		843,988	811,521
		<u>34,007,159</u>	<u>33,946,150</u>
		39,131,451	37,229,198
Current assets			
Trade and other receivables	15	7,343,064	13,899,019
Cash at bank and in hand		<u>2,173,792</u>	<u>84,218</u>
		9,516,856	13,983,237
Current liabilities			
Trade and other payables	16	<u>(9,119,091)</u>	<u>(9,201,070)</u>
NET CURRENT ASSETS		<u>397,765</u>	<u>4,782,167</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>39,529,216</u>	<u>42,011,365</u>
Equity			
Called up Share capital	18	1,776,018	1,776,018
Share premium account	20	479,277	479,277
Capital contribution reserve	19	59,948,070	59,948,070
Accumulated loss	20	<u>(21,674,149)</u>	<u>(20,192,000)</u>
		<u>39,529,216</u>	<u>42,011,365</u>
		39,529,216	42,011,365

As permitted by Section 408 of the Companies Act 2006, PXP Financial Group Limited has not presented its own statement of comprehensive income. The result dealt with in the accounts of the company amounted to a profit of €3,517,851 (2017: €9,117,559). During the year an intra-group dividend of €- (2017: €6,758,132) was received.

The notes on pages 14 to 26 form part of these financial statements

The financial statements were approved and authorised for issue by the board on 28/07/19 and signed on its behalf by:



K Woodhead
Director

PXP FINANCIAL GROUP LIMITED
REGISTERED NUMBER: 06580786
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Share Capital	Share Premium	Capital Contribution reserve	Available for Sale reserve	Accumulated Loss	Currency Translation	Total attributable to equity holders of parent €	Total equity €
01 January 2018	1,776,018	479,277	59,948,071	-	(30,849,283)	15,536	31,369,619	31,369,619
Loss for the year	-	-	-	-	(1,331,080)	-	(1,331,080)	(1,331,080)
Other comprehensive income	-	-	-	-	-	39,331	39,331	39,331
Total comprehensive income	-	-	-	-	(1,331,080)	39,331	(1,291,749)	(1,291,749)
Transactions with owners in their capacity as owners:								
Dividends	-	-	-	-	(6,000,000)	-	(6,000,000)	(6,000,000)
	-	-	-	-	(6,000,000)	-	(6,000,000)	(6,000,000)
31 December 2018	1,776,018	479,277	59,948,071	-	(38,180,363)	39,331	24,077,870	24,077,870
01 January 2017	1,776,018	479,277	59,948,071	1,841,092	(24,439,618)	461,527	40,066,367	40,066,367
Loss for the year	-	-	-	-	(1,014,665)	-	(1,014,665)	(1,014,665)
Other comprehensive income	-	-	-	(1,841,092)	-	(445,991)	(2,287,083)	(2,287,083)
Total comprehensive income	-	-	-	(1,841,092)	(1,014,665)	(445,991)	(3,301,748)	(3,301,748)
Transactions with owners in their capacity as owners:								
Dividends	-	-	-	-	(5,395,000)	-	(5,395,000)	(5,395,000)
	-	-	-	-	(5,395,000)	-	(5,395,000)	(5,395,000)
31 December 2017	1,776,018	479,277	59,948,071	-	(30,849,283)	15,536	31,369,619	31,369,619

Two Dividends of €1.689 per share were issued on the 1st October 2018 and 21st December 2018.

PXP FINANCIAL GROUP LIMITED
REGISTERED NUMBER: 06580786
COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 DECEMBER 2018

	Share Capital	Capital Contribution reserve	Share Premium	Accumulated Loss	Currency Translation	Total attributable to equity holders of parent	Total equity
	€	€	€	€	€	€	€
01 January 2018	1,776,018	59,948,070	479,277	(20,156,201)	(35,799)	42,011,365	42,011,365
Profit for the year	-	-	-	3,517,851	-	3,517,851	3,517,851
Total comprehensive income	-	-	-	3,517,851	-	3,517,851	3,517,851
Transactions with owners in their capacity as owners:							
Dividends	-	-	-	(6,000,000)	-	(6,000,000)	(6,000,000)
	-	-	-	(6,000,000)	-	(6,000,000)	(6,000,000)
31 December 2018	1,776,018	59,948,070	479,277	(22,638,351)	(35,799)	39,529,216	39,529,216
01 January 2017	1,776,018	59,948,070	479,277	(23,878,760)	-	38,324,605	38,324,605
Profit for the year	-	-	-	9,117,559	-	9,117,559	9,117,559
Other comprehensive income	-	-	-	-	(35,799)	(35,799)	(35,799)
Total comprehensive income	-	-	-	9,117,559	(35,799)	9,081,760	9,081,760
Transactions with owners in their capacity as owners:							
Dividends	-	-	-	(5,395,000)	-	(5,395,000)	(5,395,000)
	-	-	-	(5,395,000)	-	(5,395,000)	(5,395,000)
31 December 2017	1,776,018	59,948,070	479,277	(20,156,201)	(35,799)	42,011,365	42,011,365

Two Dividends of €1.689 per share were issued on the 1st October 2018 and 21st December 2018.

PXP FINANCIAL GROUP LIMITED
REGISTERED NUMBER: 06580786
CONSOLIDATED STATEMENT OF CASHFLOWS
AS AT 31 DECEMBER 2018

	31-Dec-18	31-Dec-17
	€	€
Loss for the year	(1,331,080)	(1,014,665)
Adjustments for:		
Depreciation	1,149,996	1,049,324
Amortisation	6,423,960	6,271,964
Gain on Investment	-	(2,403,911)
Release of deferred tax	-	(367,953)
Release of deferred consideration	(25,043)	-
Income tax expense	501,134	(325,436)
Operating cashflows before movements in working capital - continuing operations	6,718,906	3,209,323
Increase in trade and other receivables	(6,224,412)	(26,193,148)
Increase in trade and other payables	52,107,282	36,074,639
Cash generated from operations - continued operations	52,601,776	13,090,814
Tax Paid	(186,301)	(1,219,331)
Net cash inflow from operating activities - continued operations	52,415,474	11,871,483
Investing activities		
Purchase of tangible assets	(4,841,417)	(762,599)
Cash proceeds on sale of Visa shares	-	2,403,911
Purchases of Intellectual property rights	(730,830)	(3,349,541)
Net cash generated/(used) by investing activities - continued operations	(5,572,246)	(1,708,229)
Financing activities		
Dividends paid	(6,000,000)	(5,395,000)
Proceeds from borrowings	1,377,388	-
Repayment of borrowings	(455,663)	-
Net cash generated by financing activities - continued operations	(5,078,275)	(5,395,000)
Net (decrease)/increase in cash and cash equivalents	41,764,953	4,768,254
Exchange differences	39,332	(95,886)
Cash and cash equivalents at beginning of the year	25,659,735	20,987,367
Cash and cash equivalents at end of the year	67,464,020	25,659,735

PXP FINANCIAL GROUP LIMITED
REGISTERED NUMBER: 06580786
COMPANY STATEMENT OF CASHFLOWS
AS AT 31 DECEMBER 2018

	31-Dec-18	31-Dec-17
	€	€
Profit/(Loss) for the year	3,517,851	2,274,792
Adjustments for:		
Amortisation	1,674,927	1,518,009
Depreciation	114,659	36,389
Interest paid	-	-
Operating cashflows before movements in working capital	5,307,437	3,829,190
Increase in trade and other receivables	6,555,955	(3,160,850)
Increase in trade and other payables	(81,979)	1,689,518
Cash (utilised by)/generated from operations	11,781,413	2,357,858
Net cash outflow from operating activities	11,781,413	2,357,858
Investing activities		
Purchase of tangible assets	(2,900,000)	(357,759)
Additions in Subsidiaries	-	-
Disposal of Subsidiaries	125,000	-
Purchase of Subsidiaries	(186,000)	(500,667)
Purchases of Intellectual property rights	(730,830)	(3,349,541)
Investment in Joint venture	-	-
Net cash generated/(used) by investing activities	(3,691,830)	(4,207,967)
Financing activities		
Dividends received	-	6,842,767
Dividends paid	(6,000,000)	(5,395,000)
Loan repayment	-	460,955
Net cash generated by financing activities	(6,000,000)	1,908,722
Net (decrease)/Increase in cash and cash equivalents	2,089,583	58,613
Exchange differences	(9)	25,605
Cash and cash equivalents at beginning of the year	84,218	-
Cash and cash equivalents at end of the year	2,173,792	84,218

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The Group and company financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated. The presentational currency is Euro.

1.2 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.

1.3 Adoption of new and revised Standards and Interpretations

The following new and revised Standards and Interpretations Issued by the International Accounting Standards Board (IASB), are effective for the first time in the current financial year and have been adopted by the company and the Group with no effect on their consolidated financial statements:

IFRS 2 (Amended)	- Classification and Measurement of Share-based Payment Transactions (effective for annual periods beginning on or after 1 January 2018)
IFRS 9	- Financial Instruments (effective date 1 January 2018)
IFRS 15	- Revenue Recognition (effective date 1 January 2018)
IFRIC 22	- Foreign Currency Transactions and Advance Consideration (effective date 1 January 2018)

The following relevant standards and interpretations were issued by the IASB or the IFRIC before the period end but are as yet not effective for the 31 December 2018 year end:

IFRS 17	- Insurance contracts (effective date 1 January 2021) *
IFRS 16	- Leases (effective date 1 January 2019)
IFRIC 23	- Income Tax Treatment (effective date 1 January 2019)
IFRS 9 (Amended)	- Prepayment Features with Negative Compensation (effective date 1 January 2019)
IFRS 3	- Definition of Business (effective date 1 January 2020)*
IAS 1 & IAS 8	- Definition of Materiality (effective date 1 January 2020)*
IAS 28 (Amended)	- Investments in Associates and Joint Ventures (effective date 1 January 2019) *

With the exception of IFRS 16, the impact of these standards on the consolidated financial statements of the Group has not yet been fully assessed by the Board of Directors.

*Not yet endorsed by the EU

1.4 Critical accounting policies, estimates and judgements

The Group makes certain estimates and assumptions regarding the future. Estimates and judgements 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:

- Intangible assets and Impairment of goodwill (note 11)
- Investments in subsidiaries (note 13)

1.5 Going Concern

The Group has an accumulated loss of €38,125,496 (2017: €30,833,747) and incurred a net loss during the year ended 31 December 2018 of €1,331,080 (2017: €1,014,665). However the directors have considered that the accumulated loss position is not indicative of a going concern issue as the group has cash and cash equivalents of €67,464,020 (€2017: €25,659,735) and has a positive current assets position of €9,421,249 (2017: €14,241,194).

These accounts are prepared on a going concern basis. The Directors have prepared cash-flow forecasts for a period of 12 months from the date of approval of these financial statements which in the Directors' opinion are prepared based around prudent assumptions which clearly demonstrate that the Group is cash generative over this period.

The Directors' believe the Group has protection through a good spread of business over many clients with little dependency upon one, or a small number of clients. Similarly, the Group has the majority of its business annually recurring and a significant number of clients remain on 12 months or longer contracts which they feel confident will be renewed and reinforce security to cash flow.

The Directors are therefore of the opinion that the Group has adequate resources to continue as a going concern for at least 12 months from date of approval of the accounts.

1.6 Revenue

Revenue comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

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 2). If the payments exceed the services rendered, a contract liability is recognised. Revenue derives from many different services within the group, with the main elements being:

- Services provided under software and support agreements, which comprise licence fees, set up fees, engineering consultancy fees, sale of hardware, support and maintenance charges for the term of the agreement.
- Fees from hosting, support and maintenance agreements, which are invoiced in advance of the services provided and an adjustment is made at each month end to account for the deferred income element. The revenue is recognised in the month or year in which the process or service took place.
- Payment gateway services, which offer 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 as the service is provided and invoiced accordingly.
- Aggregation services, which offers the merchant a turnkey payment processing solution where technical and commercial relationships are handled by the company including a full cash management service. The revenue is recognised once the transaction has settled.
- Merchant acquiring services, where customers are charged a fee on a transactional basis and revenue is recognised once the transaction has settled.

All revenue is derived from continued operations.

Non trading income comprises administration and development work charged on to customers.

1.7 Basis of consolidation

The financial statements consolidate the accounts of PXP Financial Group Limited and all of its subsidiary undertakings ('subsidiaries') made up to 31st December 2018. Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases.

1.8 Intangible fixed assets and amortisation

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. This is subject to annual impairment reviews, with any impairment being written off directly to the consolidated statement of comprehensive income.

Other Intangibles and Acquired Intangibles are made up of Intellectual property rights, which relate to patents, rights to inventions, copyright and related rights, moral rights, trademarks and service marks, trade names and domain names, rights in get-up, rights to sue for passing off or unfair competition, as well as rights in designs.

Development costs incurred internally or via a third party are capitalised when the cost can be clearly attributed to a project which is for Intellectual property and are amortised once the project is complete.

Amortisation is provided at the following rates:

Other Intangibles	-	20% straight line
Acquired Intangibles	-	Term of the contract (between 3 and 5 years)

1.9 Property, plant and equipment

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures & fittings	-	20% straight line
Computer equipment	-	33% straight line
Software	-	33% straight line

1.10 Functional currency

The Groups functional currency is Euro. Transactions not in Euro are translated into Euro at the rate ruling on the date of the transaction.

Foreign currency translation in the consolidated numbers are performed on all subsidiaries whose functional currency is not Euros. Translations are calculated using year end rates for Balance sheet items and yearly averages for income statement values.

1.11 Deferred consideration

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

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

1.12 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

1.13 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in payables net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.14 Operating leases

Rentals under operating leases are charged to the income statement on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

1.15 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

1.16 Financial assets

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 for 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 group 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 are funds waiting to settle in regards to the acquiring and aggregation of transactions and represent the balances awaiting to be received by PXP Financial Limited on behalf of its merchants. Other trade and other receivables consist of security deposits and receivables from merchants in respect of gross settlement arrangements. Trade and other receivables are measured at fair value.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, client funds, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less.

1.17 Financial Liabilities

Trade and other payables

Trade and other payables are generated through the normal means of trading and are recognised at amortised cost. All suppliers' terms and credit periods are adhered to by the company. Other payables show balances which are due to be paid on behalf of employee related payables.

Other financial liabilities

Loans from the parent company are in relation to preference shares issued and are initially recognised at fair value and they incur annual interest of Euro libor plus 4%. The difference between the fair value of the loan on initial recognition and the amount of the proceeds is credited directly to equity as a capital contribution. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the effective interest rate amortisation which is included in finance costs in the statement of comprehensive income.

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. REVENUE

An analysis of net revenue derived from sale of services by geographical location, is given below:

	2018	2017
	€	€
Sales – UK	9,572,864	7,237,386
Sales – Europe	39,131,389	28,016,125
Sales – Rest of world	6,411,464	4,481,277
	<u>55,115,717</u>	<u>39,734,788</u>

Assets and liabilities related to contracts with customers

The group has recognised the following assets and liabilities related to contracts with customers:

	2018	2017
	€	€
Total contract assets	937,191	2,629,198
Total current contract liabilities	(937,250)	(1,326,813)
Revenue recognised that was included in the contract liability balance at the beginning of the period	1,326,813	923,341

The decline in total contract assets has incurred due to a completion of a contract in 2018 relating to sales commissions previously recorded as accrued income in the prior year. There is no corresponding contract asset in the current year.

The increase in contract liabilities is due to an increase in the number of invoices issued in the current year but the service period they relate to runs into future years.

3. ADMINISTRATIVE EXPENSES

An analysis of administrative expenses is given below:

	2018	2017
	€	€
Staff Costs	8,548,563	7,301,346
Other Overheads	4,610,442	2,241,545
Outsourced Services	1,994,733	2,222,139
Webhosting And Technical Services	1,462,309	847,605
Depreciation	1,149,935	1,058,807
Amortisation	6,423,960	6,294,946
Management Fees	-	192,586
Marketing And Sponsorship	227,910	128,224
Exchange Rate Losses/(Gains)	1,363,830	1,994,421
	<u>25,781,682</u>	<u>22,281,620</u>

4. LOSS FROM OPERATIONS

The operating loss is stated after charging:

	2018	2017
	€	€
Amortisation - intangible fixed assets	6,423,960	6,294,946
Depreciation of tangible fixed assets	1,149,935	1,058,807
Other operating leases	(1,811,523)	250,002
Exchange rate loss/(gain)	1,363,830	1,994,421

5. AUDITORS' REMUNERATION

	2018	2017
	€	€
Fees payable to the company's auditor for the audit of the Group's annual accounts	<u>113,592</u>	<u>77,142</u>

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

6. STAFF COSTS

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

	2018	2017
	€	€
Wages and Salaries	7,536,867	6,420,624
Social security costs	970,223	867,885
Staff pension	41,473	12,837
	<u>8,548,563</u>	<u>7,301,346</u>

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

	2018	2017
Sales & Marketing	9	15
Product & Development	68	49
Operations	59	36
Finance	22	5
Legal & Compliance	6	7
	<u>164</u>	<u>112</u>

7. KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, including the directors of the company listed on page 1.

	2018	2017
	€	€
Directors Remuneration (including benefits in kind)	<u>240,000</u>	<u>748,124</u>

The highest paid director did not receive any pension or other benefits during the year.

8. (GAIN)/LOSS ON INVESTMENT

	2018	2017
	Total	Total
	€	€
Gain realised on sale of Visa Shares	-	2,403,911
Loss on disposal of subsidiary	(34,347)	-
	<u>(34,347)</u>	<u>2,403,911</u>

9. DEFERRED TAX

	2018	2017
	Total	Total
	€	€
As at 1 January	-	367,953
Prior year adjustment	-	-
At beginning of the year as restated	-	367,953
Release from deferred tax - Available for sale asset	-	(367,953)
Exchange movement	-	-
As at 31 December 2018	<u>-</u>	<u>-</u>

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

10. TAXATION	2018	2017
Analysis of tax charge in the year	€	€
Current Tax	381,734	
Prior year adjustment	55,798	(421,060)
Foreign Corporation tax charge for the year	63,602	-
Foreign Corporation tax refund in the year	-	95,624
Corporation tax charge on profit for the year	<u>501,134</u>	<u>(325,436)</u>
Deferred tax	-	-
Tax charge for the year	<u>501,134</u>	<u>(325,436)</u>
The Group has an unrecognised UK deferred tax asset in relation to operating losses carried forward by the Group. The estimated deferred		
Factors affecting current tax charge for the year		
The tax assessed for the period is higher than the standard rate of corporation tax in the UK of 19%. The differences are explained below:		
	2018	2017
	€	€
Loss on ordinary activities before tax	<u>(829,946)</u>	<u>(1,340,101)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax	(157,690)	(257,969)
Effects of:		
Expenses not deductible for tax purposes	927,137	379,668
Capital allowances in excess of depreciation	(102,427)	94,562
Difference in tax rate for overseas subsidiaries	18,244	27,673
Fx related	(19,407)	-
Prior year losses utilised	(288,757)	(148,310)
Prior year adjustment	55,798	(421,060)
Losses carried forward	68,236	-
Tax charge for the year	<u>501,134</u>	<u>(325,436)</u>

The Income tax expense above is calculated using the corporation tax rate of 19% (2017: 19.25%) payable by corporate entities on taxable profits under tax law in that jurisdiction.

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. INTANGIBLE ASSETS

Group	Acquired Intangibles €	Other Intangibles €	Goodwill €	Total €
At 1 January 2017				
Cost or valuation	22,670,995	1,505,076	10,322,553	34,498,624
Accumulated amortisation	(12,369,454)	(370,008)	(2,783,515)	(15,522,977)
Net book amount	10,301,541	1,135,068	7,539,038	18,975,647
Year ended 31 December 2017				
Opening net book amount	10,301,541	1,135,068	7,539,038	18,975,647
Additions	1,890,114	1,459,427	-	3,349,541
Amortisation charge	(5,778,662)	(493,302)	-	(6,271,964)
Closing net book amount	6,412,993	2,101,193	7,539,038	16,053,224
At 31 December 2017				
Cost or valuation	24,561,109	2,964,503	10,322,553	37,848,165
Accumulated amortisation	(18,148,116)	(863,310)	(2,783,515)	(21,794,941)
Net book amount	6,412,993	2,101,193	7,539,038	16,053,224
Year ended 31 December 2018				
Opening net book amount	6,412,993	2,101,193	7,539,038	16,053,224
Additions	-	730,830	-	730,830
Disposals	-	-	-	-
Amortisation charge	(5,477,532)	(946,428)	-	(6,423,960)
Closing net book amount	935,461	1,885,595	7,539,038	10,360,094
At 31 December 2018				
Cost or valuation	24,561,109	3,695,333	10,322,553	38,578,995
Accumulated amortisation	(23,625,648)	(1,809,738)	(2,783,515)	(28,218,901)
Net book amount	935,461	1,885,595	7,539,038	10,360,094

Company	Acquired Intangibles €	Other Intangibles €	Total €
At 1 January 2017			
Cost or valuation	3,674,861	1,409,211	5,084,072
Accumulated amortisation	(3,674,861)	(279,065)	(3,953,926)
Net book amount	-	1,130,146	1,130,146
Year ended 31 December 2017			
Opening net book amount	-	1,130,146	1,130,146
Exchange differences	-	-	(153,725)
Additions	1,890,114	1,459,427	3,349,541
Amortisation charge	(1,029,629)	(488,380)	(1,518,009)
Closing net book amount	860,485	2,101,193	2,961,678
At 31 December 2017			
Cost or valuation	5,564,975	2,868,638	8,433,613
Accumulated amortisation	(4,704,490)	(767,445)	(5,471,935)
Net book amount	860,485	2,101,193	2,961,678
Year ended 31 December 2018			
Opening net book amount	860,485	2,101,193	2,961,678
Additions	-	730,830	730,830
Disposals	-	-	-
Amortisation charge	(728,499)	(946,428)	(1,674,927)
Closing net book amount	131,986	1,885,595	2,017,581
At 31 December 2018			
Cost or valuation	5,564,975	3,599,468	9,164,443
Accumulated amortisation	(5,432,989)	(1,713,873)	(7,146,862)
Net book amount	131,986	1,885,595	2,017,581

Acquired intangible assets are those intangible assets purchased as part of an acquisition and primarily include customer lists, brands and software. The fair value of acquired intangibles is based on cashflow projections at the time of acquisition.

Other intangibles primarily include development and intellectual property rights. Development expenditure represents software infrastructure assets that have been developed and generated internally. Other intangibles are being amortised over their estimated useful economic lives of five years.

In accordance with IAS 36, the Group regularly monitors the carrying value of its intangible assets. A detailed review was undertaken at 31 December 2018 to assess whether the carrying value of assets was supported by the net present value of future cashflows derived from those assets using cashflow projections for a five-year period at a discount rate of 7.6%. A growth rate of 5% has been forecast for the next 2 years with a 2% growth thereafter. The review concluded that no impairment was required for the year.

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. PROPERTY, PLANT AND EQUIPMENT

Group	Fixtures & Fittings €	Computer Equipment €	Software €	Total €
At 1 January 2017				
Cost or valuation	134,201	3,113,969	269,708	3,517,878
Accumulated amortisation	(90,453)	(1,849,773)	(172,923)	(2,113,149)
Net book amount	43,748	1,264,196	96,785	1,404,729
Year ended 31 December 2017				
Opening net book amount	43,748	1,264,196	96,785	1,404,729
Exchange differences	(1,743)	(37,856)	(3,204)	(42,803)
Additions	71,668	280,548	410,383	762,599
Disposals	-	-	-	-
Amortisation charge	(20,388)	(923,879)	(105,057)	(1,049,324)
Closing net book amount	93,285	583,009	398,907	1,075,201
At 31 December 2017				
Cost or valuation	204,126	3,356,661	676,887	4,237,674
Accumulated amortisation	(110,841)	(2,773,652)	(277,980)	(3,162,473)
Net book amount	93,285	583,009	398,907	1,075,201
Year ended 31 December 2018				
Opening net book amount	93,285	583,009	398,907	1,075,201
Additions	135,572	331,516	4,374,329	4,841,417
Disposals	-	-	-	-
Amortisation charge	(53,945)	(464,536)	(631,455)	(1,149,936)
Closing net book amount	174,912	449,989	4,141,781	4,766,682
At 31 December 2018				
Cost or valuation	339,698	3,688,177	5,051,216	9,079,091
Accumulated amortisation	(164,786)	(3,238,188)	(909,435)	(4,312,409)
Net book amount	174,912	449,989	4,141,781	4,766,682

Company	Software €	Total €
At 1 January 2017		
Cost or valuation	-	-
Accumulated amortisation	-	-
Net book amount	-	-
Year ended 31 December 2017		
Opening net book amount	-	-
Additions	357,759	357,759
Disposals	-	-
Amortisation charge	(36,689)	(36,689)
Closing net book amount	321,070	321,070
At 31 December 2017		
Cost or valuation	357,759	357,759
Accumulated amortisation	(36,689)	(36,689)
Net book amount	321,370	321,370
Year ended 31 December 2018		
Opening net book amount	321,370	321,370
Exchange differences	-	-
Additions	2,900,000	2,900,000
Disposals	-	-
Amortisation charge	(114,659)	(114,659)
Closing net book amount	3,106,711	3,106,711
At 31 December 2018		
Cost or valuation	3,257,759	3,257,759
Accumulated amortisation	(151,048)	(151,048)
Net book amount	3,106,711	3,106,711

PXP FINANCIAL GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

13. INVESTMENTS

Company	Investments in subsidiary companies €	Other investments and loans €	Total €
At 1 January 2017			
Cost or valuation	32,634,158	1,333,683	33,967,841
Net book amount	32,634,158	1,333,683	33,967,841
Year ended 31 December 2017			
Opening net book amount	32,634,158	1,333,683	33,967,841
Exchange differences	(196)	(61,207)	(61,403)
Additions	500,667	-	500,667
Repayment in year	-	(460,955)	(460,955)
Closing net book amount	33,134,629	811,521	33,946,150
At 31 December 2017			
Cost or valuation	33,134,629	811,521	33,946,150
Net book amount	33,134,629	811,521	33,946,150
Year ended 31 December 2018			
Opening net book amount	33,134,629	811,521	33,946,150
Exchange differences	-	9	9
Additions	186,000	-	186,000
Disposals	(125,000)	-	(125,000)
Present value adjustment	(32,456)	32,456	-
Closing net book amount	33,163,173	843,986	34,007,159
At 31 December 2018			
Cost or valuation	33,163,173	843,986	34,007,159
Net book amount	33,163,173	843,986	34,007,159

Details of the principal subsidiaries can be found under Note 26.

As at 31st December 2018, included within other Investments and loans are loans to subsidiaries: PXP Solutions PTY Limited, €585,767 (2017 - €563,237) and to PXP Solutions Inc €258,219 (2017 - €248,284). These loans are repayable on 1 April 2025 and are measured at fair value.

14. AVAILABLE FOR SALE INVESTMENT

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	€	€	€	€
At 1 January 2018	-	2,192,030	-	-
Reclassified as held for sale:				
Fair value adjustment 2018	-	262,178		
Sale of shares	-	(2,454,208)		
At 31 December 2018	-	-	-	-

The available for sale asset held consisted of 4,650 Series B convertible participating shares in Visa Inc. The shares were sold to PXP Financial Group Limited on 23rd May 2017 for €2,454,208.

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15. RECEIVABLES

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	€	€	€	€
		(Restated)		
Trade receivables	2,671,729	5,239,980	700,000	2,945,869
Other receivables	4,224,464	4,115,866	53,796	519,147
Social security and other taxes	-	158,537	-	-
Amounts owed by group undertakings and undertakings in	4,728,000	1,000,000	6,589,268	8,490,921
Deferred consideration	682,681	657,638	-	-
Prepayments and accrued income	1,061,661	-	-	1,942,812
Payment service providers	55,797,456	51,744,516	-	-
	69,165,992	62,916,537	7,343,064	13,898,749

The carrying value of receivables approximates fair value.

As part of the Visa Europe Limited share sale the Company was informed that a deferred cash payment of €692,829 including interest is expected to be paid in 2019. A discount rate of 4% has been applied to calculate the deferred consideration of €682,681. The discount is being unwound through the income statement on a monthly basis.

16. PAYABLES

Amounts falling due within one year

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	€	€	€	€
Amounts owed to group undertakings and undertakings in which the group has a participating interest	-	-	5,740,116	7,882,599
Trade payables	4,314,361	1,743,859	2,956,162	843,909
Social security and other taxes	251,379	-	-	2,588
Corporation Tax	285,395	-	381,735	-
Merchant payables	117,128,186	68,587,141	-	-
Other payables	4,313,013	3,129,334	-	-
Other loans	451,570	-	-	-
Accruals and deferred income	464,859	904,182	41,078	471,973
	127,208,763	74,364,516	9,119,091	9,201,069

The carrying value of payables approximates fair value.

17. PAYABLES

Amounts falling due after one year

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
Other loans	470,155	-	-	-
	470,155	-	-	-

18. SHARE CAPITAL

Allotted, called up and fully paid

1,513,050 Ordinary shares of £1 each

31-Dec-18	31-Dec-17
€	€
1,776,018	1,776,018
1,776,018	1,776,018

19. CAPITAL CONTRIBUTION RESERVE

At 31 December 2017
Capital contribution in the year
At 31 December 2018

31-Dec-18	31-Dec-17
€	€
59,948,071	59,948,071
-	-
59,948,071	59,948,071

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20. RESERVES

	Share Premium account		Accumulated Loss	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	€	€	€	€
Group				(Restated)
At 1 January	479,277	479,277	(30,833,747)	(23,978,091)
Loss for the year	-	-	(1,331,080)	(1,014,665)
Dividend payment	-	-	(6,000,000)	(5,395,000)
Currency translation difference on consolidation	-	-	39,331	(445,991)
At 31 December	<u>479,277</u>	<u>479,277</u>	<u>(38,125,496)</u>	<u>(30,833,747)</u>

	Share Premium account		Accumulated Loss	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	€	€	€	€
Company				
At 31 December 2017	479,277	479,277	(20,192,000)	(23,878,760)
Currency translation difference	-	-	-	(35,799)
Profit/(Loss) for the year	-	-	3,517,851	9,117,559
Dividends	-	-	(6,000,000)	(5,395,000)
At 31 December 2018	<u>479,277</u>	<u>479,277</u>	<u>(22,674,149)</u>	<u>(20,192,000)</u>

21. SHAREHOLDERS' FUNDS

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share premium	Amount subscribed for share capital in excess of nominal value
Capital contribution reserve	Funds transferred over by parent company as a capital injection
Accumulated loss	All other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere
Currency translation	Gains arising on the retranslation of the net assets of an overseas subsidiary

22. FINANCIAL INSTRUMENTS

	Group		Company	
	31-Dec-18	31-Dec-17	31-Dec-18	31-Dec-17
	€	€	€	€
Financial assets measured at fair value				
Trade and other receivables	62,693,650	61,100,362	-	-
Cash and cash equivalent	67,464,020	25,659,735	-	-
Amounts owed by group undertakings	4,728,000	1,000,000	6,589,268	8,490,921
	<u>134,885,670</u>	<u>87,760,097</u>	<u>6,589,268</u>	<u>8,490,921</u>
Financial liabilities measured at fair value				
Trade and other payables	126,690,573	74,364,516	-	-
Amounts owed to group undertakings	-	-	5,740,116	7,882,599
	<u>126,690,573</u>	<u>74,364,516</u>	<u>5,740,116</u>	<u>7,882,599</u>

Trade and other receivables are largely made up of amounts owed by payment service providers, trade receivables and security deposits.

Trade and other payables are largely made up of trade and merchant payables.

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Financial Instruments measured at fair value

The fair value hierarchy of financial instruments measured at fair value through the Income statement is provided below:

Financial Instruments	Level 1		Level 2		Level 3	
	2018	2017	2018	2017	2018	2017
	€	€	€	€	€	€
<i>Financial Assets</i>						
Loans and receivables (Company)	-	-	-	-	843,986	811,521
Loans and receivables (Group)	-	-	-	-	-	-
As at 31 December	-	-	-	-	843,986	811,521

Categorisation within the hierarchy has been determined on the basis of the lowest level input that is significant to the fair value measurement of the relevant asset as follows:

Level 1 – valued using quoted prices in active markets for identical assets

Level 2 – valued by reference to valuation techniques using observable inputs other than quoted prices within level 1

Level 3 – valued by reference to valuation techniques using inputs that are not based on observable market data.

There were no transfers between levels during the year.

The valuation techniques and significant unobservable inputs used in determining the fair value measurements of level 3 financial instruments are set out in the table below.

Financial Instrument	Valuation technique used	Significant unobservable inputs
Contingent consideration	Discounted cash flow forecasts	Weighted average cost of capital and expected cash flows
Loans and receivables	Effective interest rate method	Euro libor plus 4% per annum

A description of the principal risk relating to financial instruments and their relevance to the company and how they are managed is given below:

Liquidity risk:

The company maintains sufficient cash and liquid resources to cover likely future settlements. The company also have the backing of the group if required. Amounts owed to the group are non-current liabilities.

Currency risk:

Foreign currency risk arises due to aggregation and acquiring transactions in multiple currencies for merchants in 31 countries. Wherever possible the Group 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.

Capital management risk:

Equity comprises all components of equity (i.e. called up share capital and accumulated losses). The Group manages its capital structure and makes adjustments to it in the light of changes to its net debt. In order to adjust the capital structure, the Group may reduce debt or preserve a strong cash base to achieve the required net debt ratio.

As at 31 December	2018	2017
	€	€
Cash and Cash equivalents	67,464,020	25,659,735
Net surplus	67,464,020	25,659,735

Credit Risk:

Credit risk is the risk of financial loss to the Group that a customer will fail to meet their contractual obligations. The Group 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 Group, however there may be arrangements in place where the Group settles funds prior to receiving them. In specific instances where credit is provided through pre-funding, flexible payment terms are agreed and these are monitored by the Group in order to reduce the risk.

Another substantial portion of our revenues are due to support and maintenance contracts that are prepaid. For all other revenue streams internal policies require the finance department to monitor non-payment and consequently block any access to our gateway via a denial of service.

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23. OPERATING LEASE COMMITMENTS

The Group had lease payment commitments under non cancellable operating leases as follows:

	Land and Buildings		Other	
	31-Dec 2018	31-Dec 2017	31-Dec 2018	31-Dec 2017
Expiry Date:	€	€	€	€
Within 1 year	699,942	187,885	4,196	5,947
Between 2 & 5 years	1,502,147	375,769	16,782	7,021
Over 5 years	164,379	-	699	-
Present value of minimum lease payments	2,366,468	563,654	21,677	12,968

24. RELATED PARTIES

Name of related party	Nature of related party	Income statement movements		(Payable)/Receivable	
		2018	2017	2018	2017
		€	€	€	€
Senjo Group Pte Ltd	Parent	-	-	4,000,000	1,000,000
Senjo Payment Asia Pte Ltd	Group subsidiary	3,440,000	-	728,000	-

25. PRIOR PERIOD ADJUSTMENT

During the year a detailed review was undertaken of aged balances recorded within the balance sheet of PXP Financial Limited. This review identified that there were a number of historic receivables dating back as far as 2013, prior to the acquisition by Senjo, which in the opinion of the Directors there is no likely prospect of directly recovering the amounts due at any point in the future. Therefore an adjustment to write-off these balances to the value of €771,917 has been recorded. As these pre dated 2017 a prior year adjustment has been made against 2017 opening reserves, to reflect the earlier years income statement impact, and to the payment service provider balance within receivables.

26. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The immediate and ultimate holding and controlling company is Senjo Group Pte Ltd, incorporated in Singapore.

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

27. PRINCIPAL SUBSIDIARIES

Company Name	Country	Registered Office	Percentage Shareholding	Description
PXP Solutions Limited	UK	The Corn Mill, Roydon Road, Stanstead Abbots, Herts, SG12 8XL	100	IT Consultancy Services
PXP Solutions PTY Limited	Australia	Suite 4.02, Level 4, Help Street, Chatswood, NSW 2067	100	IT Consultancy Services
PXP Solutions Inc.	USA	3001 N.Rocky Point Dr. E Suite 200, Tampa FL 33607	100	IT Consultancy Services
PXP Financial Limited	UK	The Corn Mill, Roydon Road, Stanstead Abbots, Herts, SG12 8XL	100	Payment Service Provider
PXP Financial Inc	USA	140 Broadway, 46th Floor, New York, NY 10005, USA	100	Provision of gateway services
PXP Accept GmbH	Austria	Donau-City-Straße, 1220 Wien, Austria	100	Payment gateway and technology service provider
PXP Services Bulgaria EOOD	Bulgaria	Sofia, 1612, Ulitsa Tsar Boris III 1, Bulgaria	100	Technology service provider
PXP Services Private Limited	India	CSR Estate, 4th Floor, Plot no 8, Sector 1, Huda Techno Enclave, Madhapur Main Road, Hyderabad, Telangana 50081, India	100	Technology service provider