Payen Limited

Annual report and financial statements

for the year ended 31 March 2022

Registered number: 07427913

Company Information

Directors	A MacAngus R Raubitschek-Smith Magenta Partners LLP S J Van Greune
Registered number	07427913
Registered office	130 Wood Street London EC2V 6DL
Independent auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	NatWest Bank plc 151 High Street Guildford GU1 3AH

Contents

Directors' report

for the year ended 31 March 2022

The directors present their report and the Group strategic report and the consolidated financial statements of Payen Limited ('the company') and its subsidiaries (together 'the group') for the year ended 31 March 2022.

Results and dividends

The profit for the year, after taxation, amounted to £1,149,463 (2021 - loss £274,897).

The directors proposed and paid a total dividend of £303,179 for the year ended 31 March 2022 (2021 - £2,307,000).

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Group strategic report and the consolidated 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 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the group and of the profit or loss of the group for that period.

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

- select suitable accounting policies for the group's financial statements and then apply them consistently;
- make judgements 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 group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

The directors who served during the year and to the date of approval of these financial statements were:

A MacAngus
R Raubitschek-Smith
Magenta Partners LLP
S J Van Greune

Engagement with employees

Payen Limited's continued success is predicated on the skills and commitment of our workforce. As a small team, we engage with every member of the company personally to ensure that we are fostering an environment that they are happy to work in and that best supports their well-being and our success as a company.

Directors' report (continued)

for the year ended 31 March 2022

Engagement with suppliers, customers and others

Strong relationships with our partners and suppliers are key to delivering high quality service to our customers. We work collaboratively to maintain existing relationships and foster new ones.
We strive to deliver a quality personalised service to our clients, providing cross departmental support both directly between teams and via our service desk.

Impact on the environment

There is no negative impact on the environment from the group's activities.

Strategic report

The company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the group's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' report. It has done so in respect of future developments, research & development activities and financial instruments.

Disclosure of information to auditor

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 and the group's auditor is 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 and the group's auditor is aware of that information.

This report was approved by the board on 22 March 2023 and signed on its behalf by:

A MacAngus
Director

Group strategic report

for the year ended 31 March 2022

The directors present their Group strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the group and company for the year was the ongoing development of the payment platform and the provision of payment, FX and Treasury Services to our clients.

Business review and future developments including principal risks and uncertainties

FY2021-22 saw annual revenue increase by £3m (20%) to £19.3 m. The increase was driven by growth in card processing and Foreign Exchange (FX) services which outweighed a decline in Alternative Payment Methods. The gross profit margin in card processing increased significantly in Q4 due to the introduction of domestic Canadian processing which continues to drive an increase in overall group profit margins in FY2022-23.
Indirect costs increased in line with growth and included the cost of legal and professional services related to the expansion into additional strategic markets.

Risks and provisions

Client funds are safeguarded in Tier one banks at all times. The group's policy on liquidity ensures there is sufficient cash available to fund ongoing operations, international expansion and exceeds capital adequacy requirements, at all times.
Owing to the current economic climate we continue to assess the financial risk associated with our merchants and partners, ensuring in-depth analysis and forecasts are performed regularly to identify any potential negative impact.

Financial key performance indicators ('KPIs')

KPI's including volumes and margins by merchant and processing type are reviewed by the board monthly as well as current opportunities and risks in relation to the business.

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

The Board of Directors consider that they have fulfilled their individual and collective duty under section 172(1) of the Companies Act 2006 to act in the way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its members as a whole and in doing so, have regard to a number of broader matters which are detailed below.
The Board of Directors of Payen Limited strives for high standards of business conduct and considers the long-term implication of all business decisions.
Payen Limited's Board meets on a regular basis to review and discuss key factors influencing the business and the impacts these have on the current and future state of Payen Limited, including its regulatory obligations, its financial position, its staff and its customers and suppliers.
Each Board meeting covers a review of KPIs, partner and client relationships, current and pipeline as well as a technical update. A review of current risks is also undertaken both at board level and by Risk Committee comprised of department heads and regulatory and compliance specialists.
Engagement with employees, suppliers and customers is also recognised as key to our operations and success as an organisation as set out in the director's report.

Group strategic report (continued)
for the year ended 31 March 2022

This report was approved by the board on 22 March 2023 and signed on its behalf by:

A MacAngus
Director

Buzzacott

Independent auditor's report to the members of Payen Limited

for the year ended 31 March 2022

Opinion

We have audited the financial statements of Payen Limited ('the parent company') and its subsidiaries ('the group') for the year ended 31 March 2022, which comprise the Consolidated statement of comprehensive income, the Consolidated and Company statements of financial position, the Consolidated and Company statement of changes in equity, the Consolidated 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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 March 2022 and of the group's profit 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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

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

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

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

Independent auditor's report to the members of Payen Limited (continued)

for the year ended 31 March 2022

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.
Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 Group 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 Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement, 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.

Independent auditor's report to the members of Payen Limited (continued)

for the year ended 31 March 2022

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 Group financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the Senior Statutory Auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we made enquiries of management as to where they considered there was susceptibility to fraud, and their knowledge of actual, suspected and alleged fraud;
- we identified the laws and regulations that could reasonably be expected to have a material effect on the financial statements of the group and company through discussions with management at the planning stage;
- the audit team held a discussion to identify any particular areas that were considered to be susceptible to misstatement, including with respect to fraud and non-compliance with laws and regulations; and
- we focused our planned audit work on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the group and company including the Companies Act 2006, E-money regulations and taxation legislation.

We assessed the extent of compliance with the laws and regulations identified above through:

- making enquiries of management;
- inspecting legal expenditure throughout the period for any potential litigation or claims; and
- considering the internal controls in place that are designed to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- determined the susceptibility of the group and company to management override of controls by checking the implementation of controls and enquiring of individuals involved in the financial reporting process;
- reviewed journal entries at the end of the year to identify unusual transactions;
- performed analytical procedures to identify any large, unusual or unexpected transactions and investigated any large variances from the prior period;
- reviewed accounting estimates and evaluated where judgements or decisions made by management indicated bias on the part of the group and company's management;
- tested the completeness of revenue by obtaining supporting documentation for a sample of each of the various revenue streams and investigated any material variances to expectations; and
- carried out substantive testing to check the occurrence and cut-off of expenditure

Independent auditor's report to the members of Payen Limited (continued)

for the year ended 31 March 2022

Auditor's responsibilities for the audit of the financial statements (continued)

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error as they may involve deliberate concealment or collusion. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Jonathan West (Senior statutory auditor)
for and on behalf of
Buzzacott LLP
Statutory Auditor
130 Wood Street
London
EC2V 6DL

22 March 2023

Consolidated statement of comprehensive income

for the year ended 31 March 2022

	Note	2022 £	As restated 2021 £
Turnover	4	**19,344,348**	16,187,009
Cost of sales		**(13,478,087)**	(10,615,183)
Gross profit		**5,866,261**	5,571,826
Administrative expenses		**(3,743,573)**	(3,543,822)
Exchange differences		**(816,344)**	(2,387,456)
Operating profit/(loss)	5	**1,306,344**	(359,452)
Interest receivable and similar income	9	**-**	526
Profit/(loss) before taxation		**1,306,344**	(358,926)
Tax on profit/(loss)	11	**(156,881)**	84,029
Profit/(loss) for the financial year		**1,149,463**	(274,897)
Total comprehensive income for the year		**1,149,463**	(274,897)
Profit/(loss) for the year attributable to:			
Owners of the parent company		**1,149,463**	(274,897)
		1,149,463	(274,897)
Total comprehensive income for the year attributable to:			
Owners of the parent company		**1,149,463**	(274,897)
		1,149,463	(274,897)

All amounts relate to continuing operations.

The notes on pages 15 to 33 form part of these financial statements.

Consolidated statement of financial position

as at 31 March 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	13		**3,350,621**		3,369,760
Tangible assets	14		**37,551**		128,980
			3,388,172		3,498,740
Current assets					
Debtors	16	**6,477,425**		9,334,367	
Cash at bank and in hand	17	**50,278,129**		30,067,845	
		56,755,554		39,402,212	
Creditors: amounts falling due within one year	18	**(54,659,366)**		(38,265,220)	
Net current assets			**2,096,188**		1,136,992
Total assets less current liabilities			**5,484,360**		4,635,732
Provisions for liabilities					
Deferred taxation	19	**(124,585)**		(122,241)	
			(124,585)		(122,241)
Net assets			**5,359,775**		4,513,491
Capital and reserves					
Called up share capital	20		**130**		130
Share premium account	21		**2,058,214**		2,058,214
Profit and loss account	21		**3,301,431**		2,455,147
Equity attributable to owners of the parent company			**5,359,775**		4,513,491

The financial statements were approved and authorised for issue by the board on 22 March 2023 and were signed on its behalf by:

A MacAngus
Director

The notes on pages 15 to 32 form part of these financial statements.

Company statement of financial position

as at 31 March 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	13		**3,350,621**		3,369,760
Tangible assets	14		**36,356**		128,980
Investments	15		**2,835**		2,916
			3,389,812		3,501,656
Current assets					
Debtors	16	**1,030,177**		895,967	
Cash at bank and in hand	17	**34,768,302**		28,722,129	
		35,798,479		29,618,096	
Creditors: amounts falling due within one year	18	**(36,896,399)**		(29,853,438)	
Net current liabilities			**(1,097,920)**		(235,342)
Total assets less current liabilities			**2,291,892**		3,266,314
Provisions for liabilities					
Deferred taxation	19	**(124,585)**		(122,241)	
			(124,585)		(122,241)
Net assets			**2,167,307**		3,144,073
Capital and reserves					
Called up share capital	20		**130**		130
Share premium account	21		**2,058,214**		2,058,214
Profit and loss account brought forward		**1,085,729**		3,984,874	
Loss for the year		**(673,587)**		(592,145)	
Dividends paid		**(303,179)**		(2,307,000)	
Profit and loss account carried forward			**108,963**		1,085,729
			2,167,307		3,144,073

The financial statements were approved and authorised for issue by the board on 22 March 2023 and were signed on its behalf by:

A MacAngus
Director

The notes on pages 15 to 33 form part of these financial statements.

Consolidated statement of changes in equity
for the year ended 31 March 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	130	2,058,214	2,455,147	4,513,491
Profit for the year	-	-	1,149,463	1,149,463
Dividends paid	-	-	(303,179)	(303,179)
At 31 March 2022	130	2,058,214	3,301,431	5,359,775

Consolidated statement of changes in equity
for the year ended 31 March 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	130	2,051,199	5,037,044	7,088,373
Loss for the year	-	-	(274,897)	(274,897)
Dividends paid	-	-	(2,307,000)	(2,307,000)
Shares redeemed during the year	-	7,015	-	7,015
At 31 March 2021	130	2,058,214	2,455,147	4,513,491

The notes on pages 15 to 33 form part of these financial statements.

Company statement of changes in equity
for the year ended 31 March 2022

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	130	2,058,214	1,085,729	3,144,073
Loss for the year	-	-	(673,587)	(673,587)
Dividends paid	-	-	(303,179)	(303,179)
At 31 March 2022	130	2,058,214	108,963	2,167,307

Company statement of changes in equity
for the year ended 31 March 2021

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2020	130	2,051,199	3,984,874	6,036,203
Loss for the year	-	-	(592,145)	(592,145)
Dividends paid	-	-	(2,307,000)	(2,307,000)
Shares issued during the year	-	7,015	-	7,015
At 31 March 2021	130	2,058,214	1,085,729	3,144,073

The notes on pages 15 to 33 form part of these financial statements.

Consolidated statement of cash flows
for the year ended 31 March 2022

	2022	2021
	£	£
Cash flows from operating activities		
Profit/(loss) for the financial year	**1,149,463**	(274,897)
Adjustments for:		
Amortisation of intangible assets	**528,577**	527,274
Depreciation of tangible assets	**95,210**	217,199
Interest received	-	(526)
Taxation charge	**156,881**	(84,029)
Decrease in debtors	**2,585,991**	3,492,873
Increase in creditors	**16,236,698**	9,166,369
Corporation tax received	**273,862**	-
Net cash generated from operating activities	**21,026,682**	13,044,263
Cash flows from investing activities		
Purchase of intangible fixed assets	**(509,438)**	(480,001)
Purchase of tangible fixed assets	**(8,142)**	(3,369)
Sale of tangible fixed assets	**4,361**	-
Interest received	**-**	526
Net cash from investing activities	**(513,219)**	(482,844)
Cash flows from financing activities		
Issue of ordinary shares	**-**	7,015
Dividends paid	**(303,179)**	(2,307,000)
Net cash used in financing activities	**(303,179)**	(2,299,985)
Net increase in cash and cash equivalents	**20,210,284**	10,261,434
Cash and cash equivalents at beginning of year	**30,067,845**	19,806,411
Cash and cash equivalents at the end of year	**50,278,129**	30,067,845
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**50,278,129**	30,067,845

Notes to the financial statements

for the year ended 31 March 2022

1. General information

Payen Limited is a private company limited by shares and was incorporated in England and Wales. Its company registration number is 07427913. The principal place of business is 22 & 24 Frederick Sanger Road, Surrey Research Park, Guildford, Surrey, GU2 7YD. The registered office is 130 Wood Street, London, EC2V 6DL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the company's and group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Consolidated statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The company and group have sufficient liquid resources to continue as a going concern for the foreseeable future and the directors believe the company and group will be able to meet their liabilities as they fall due for a least twelve months from the date of approval of these financial statements.

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

2.4 Turnover

Turnover from transaction processing services includes merchant and end user fees as well as FX spread income (fees from inter-currency transactions) which are generated from online activities. FX spread equates to the client buy rate less the FX provider cost.

In current period, the Group recognise the FX gross margin and the associated costs instead of the net margin. As a result of the change in accounting policy, prior year revenue and cost of sales have been restated (see note 27).

Turnover from transaction processing services is recognised at the time the customer transactions are fulfilled. Processing fees are calculated as a percentage of funds processed and/or as a charge per transaction.

Turnover from licensing software is recognised in full when the right to use the software is transferred to the customer.

Turnover from software support services is recognised over the term of the support contract on a straight line basis.

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed 10 years.

Amortisation is provided on the following bases:

Patents	-	10 %	on cost
Website and software development costs	-	10 %	on cost

2.6 Tangible 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.

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

2.6 Tangible assets (continued)

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:

Fixtures and fittings	-	20%	on cost
Office equipment	-	33%	on cost

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.

2.7 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

Notes to the financial statements
for the year ended 31 March 2022

2. Accounting policies (continued)

2.11 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in profit or loss.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the group would receive for the asset if it were to be sold at the reporting date.

2.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The group's and company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'Other operating income'.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.17 Interest income

Interest income is recognised in profit or loss using the effective interest method.

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.
Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.
When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probably that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.20 Exceptional items

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

Notes to the financial statements

for the year ended 31 March 2022

2. Accounting policies (continued)

2.21 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives as set out in 2.5 above.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.22 Safeguarding of Client Funds

As an FCA regulated Electronic Money Institution, Payen Limited (FRN 900043) has an obligation to safeguard its client funds as well as those in relation to its registered agent, Ilixium Limited (FRN 900202). Since the obligation to safeguard sits within the institution (and not the agent), all relevant client funds are safeguarded within Payen Limited. The Ilixium clients safeguarded funds are then subsequently moved to Ilixium Merchant Settlement Accounts to facilitate:

- client settlement funds due for settlement to the client as per contracted settlement terms
- client funds held for treasury service, instructed by the client for onward payment to an alternative financial institution.

In accordance with the above, Cash at bank and in hand consists of client and own funds as detailed in Note 17 to the financial statements. Client cash is represented by trade creditors - being amounts owed to merchants, less merchant acquirers (debtors) - being funds not yet received from acquirers.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the reporting date and the amounts reported for turnover and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following judgements have had the most significant effect on amounts recognised in the financial statements: the useful lives of intangible and tangible assets and their capitalisation, including amortisation and depreciation rates, the valuation of accruals and the estimation of the research and development expenditure capitalised during the year. Amounts receivable from acquirers are recognised to the extent that they are judged recoverable.

4. Turnover

The whole of the turnover is attributable to fees earned from providing payment processing services during the year.

Notes to the financial statements

for the year ended 31 March 2022

5. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022	2021
	£	£
Exchange differences	**816,344**	2,387,456
Other operating lease rentals	**69,327**	84,583

6. Auditor's remuneration

	2022	2021
	£	£
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	**18,000**	12,000
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of subsidiaries	**9,000**	8,000
Taxation compliance services	**4,500**	4,500
All other non-audit services not included above	**6,500**	6,000

Notes to the financial statements

for the year ended 31 March 2022

7. Employees

Staff costs, including directors' remuneration during the year, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	**1,287,949**	1,276,008	**1,234,599**	1,276,008
Social security costs	**153,206**	151,532	**151,914**	151,532
Cost of defined contribution scheme	**149,768**	109,122	**146,874**	109,122
	1,590,923	1,536,662	**1,533,387**	1,536,662

Figures disclosed in table are net of capitalised R&D expenditure. The gross Wages and salaries figure for Group was £1,704,393 (2021: £1,674,589) and company was £1,651,043 (2021: £1,674,589). The gross Social security costs figure for Group was £203,844 (2021: £198,865) and company was £202,552 (2021: £198,865).

The average monthly number of employees, including the directors who were remunerated through payroll, during the year was as follows:

	2022 No.	2021 No.
Directors	**3**	2
Administration	**6**	5
Sales	**-**	1
Development	**8**	8
Support	**9**	8
	26	24

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	**368,120**	266,667
Company contributions to defined contribution pension schemes	**24,131**	-
	392,251	266,667

During the year retirement benefits were accruing to 3 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £246,778 (2021 - £250,000).

Notes to the financial statements

for the year ended 31 March 2022

9. Interest receivable

	2022	2021
	£	£
Other interest receivable	-	526

10. Analysis of net debt

An analysis of changes in net debt has not been presented as all of the entity's cash flows relate to movements in cash, and the entity has no items to include in such an analysis other than the cash flows in the Statement of cash flows.

11. Taxation

	2022	2021
	£	£
Corporation tax		
Current tax on profits for the year	**154,537**	-
Adjustments in respect of previous periods	-	(180,038)
	154,537	(180,038)
Total current tax	**154,537**	(180,038)
Deferred tax		
Origination and reversal of timing differences	**(36,259)**	(59,090)
Effect of changed tax rate on opening balance	**38,603**	155,099
Total deferred tax	**2,344**	96,009
Taxation on profit/(loss) on ordinary activities	**156,881**	(84,029)

Notes to the financial statements
for the year ended 31 March 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022	2021
	£	£
Profit/(loss) on ordinary activities before tax	**1,306,344**	(358,926)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**248,205**	(68,196)
Effects of:		
Fixed asset differences	**5,023**	88
Expenses not deductible for tax purposes	**1,337**	423
Other permanent differences	-	64
Adjustments to tax charge in respect of prior periods - deferred tax	**29,900**	155,099
Adjustments to brought forward values	-	(1,424)
Adjustments in respect of prior periods	-	(180,137)
Additional deduction for R&D expenditure	**(127,584)**	(120,812)
Losses carried back	-	130,866
Total tax charge for the year	**156,881**	(84,029)

Factors that may affect future tax charges

On 10 June 2021, the Finance Bill 2021 received Royal Assent. The Bill confirms an increase in the corporation tax rate from 1 April 2023. From this date, the rate will taper from 19% for businesses with profits of less than £50,000 to 25% for businesses with profits over £250,000.

The deferred taxes at the reporting date reflected in these financial statements have been measured at 19% being the substantively enacted tax rate that at the reporting date was expected to apply to the reversal of the timing differences.

12. Dividends

	2022	2021
	£	£
Ordinary dividends paid	**303,179**	2,307,000

Notes to the financial statements

for the year ended 31 March 2022

13. Intangible assets

Group and Company

	Patents	Website and software development costs	Total
	£	£	£
Cost			
At 1 April 2021	285,000	4,974,255	5,259,255
Additions	-	509,438	509,438
At 31 March 2022	285,000	5,483,693	5,768,693
Amortisation			
At 1 April 2021	125,875	1,763,620	1,889,495
Charge for the year	28,500	500,077	528,577
At 31 March 2022	154,375	2,263,697	2,418,072
Net book value			
At 31 March 2022	130,625	3,219,996	3,350,621
At 31 March 2021	159,125	3,210,635	3,369,760

All of the Group's intangible fixed assets are held in the parent company.

Notes to the financial statements

for the year ended 31 March 2022

14. Tangible fixed assets

Group

	Fixtures and fittings	Office equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2021	**66,538**	**675,335**	**741,873**
Additions	**-**	**8,142**	**8,142**
Disposals	**(4,361)**	**-**	**(4,361)**
At 31 March 2022	**62,177**	**683,477**	**745,654**
Depreciation			
At 1 April 2021	**40,420**	**572,473**	**612,893**
Charge for the year	**7,762**	**87,448**	**95,210**
At 31 March 2022	**48,182**	**659,921**	**708,103**
Net book value			
At 31 March 2022	**13,995**	**23,556**	**37,551**
At 31 March 2021	26,118	102,862	128,980

Notes to the financial statements
for the year ended 31 March 2022

Tangible assets (continued)

Company

	Fixtures and fittings	Office equipment	Total
	£	£	£
Cost or valuation			
At 1 April 2021	66,538	675,335	741,873
Additions	-	6,873	6,873
Disposals	(4,361)	-	(4,361)
At 31 March 2022	62,177	682,208	744,385
Depreciation			
At 1 April 2021	40,420	572,473	612,893
Charge for the year	7,762	87,374	95,136
At 31 March 2022	48,182	659,847	708,029
Net book value			
At 31 March 2022	13,995	22,361	36,356
At 31 March 2021	26,118	102,862	128,980

Notes to the financial statements
for the year ended 31 March 2022

15. Fixed asset investments

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Trustpay Secure UK Limited	130 Wood Street, London, EC2V 6DL	Dormant	Ordinary	100 %
Pinpay Limited	130 Wood Street, London, EC2V 6DL	Dormant	Ordinary	100 %
Pinpay Limited	28 John Olysbo Street, Ikeja, Lagos, Nigeria	Dormant	Ordinary	99.99 %
Ilixium Limited	130 Wood Street, London, EC2V 6DL	Online payment services	N/A	0 %
Ilixium Canada Limited	2600-1066 West Hastings Street, Vancouver, BC V6E 3X1, Canada	Online payment services	Ordinary	100 %

Ilixium Limited, which has been included in the group financial statements from 1 April 2015, is considered a subsidiary due to the control agreement signed by both parties which permits by law that, during the continuance of the agreement, powers of controls are held by Payen Limited.
The control agreement was cancelled on 6 January 2023 with 100% of the share capital of Ilixium Limited transferred to Payen Limited at this date (see note 26).
Pinpay Limited and Trustpay Secure UK Limited were dissolved on 21 February 2023.

16. Debtors

	Group 2022 £	Group 2021 £	**Company 2022 £**	Company 2021 £
E-money debtors	**5,325,179**	8,171,128	**135,073**	26,882
Trade debtors	**10,000**	140,000	-	-
Amounts owed by group undertakings	-	-	**45,769**	-
Other debtors	**542,731**	339,704	**528,903**	339,704
Prepayments and accrued income	**599,515**	412,584	**320,432**	258,430
Tax recoverable	-	270,951	-	270,951
	6,477,425	9,334,367	**1,030,177**	895,967

E-money debtors represent amounts processed on behalf of the merchant, but yet to be received from the acquirer.

Notes to the financial statements
for the year ended 31 March 2022

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	**50,278,129**	30,067,845	**34,768,302**	28,722,129
	50,278,129	30,067,845	**34,768,302**	28,722,129

Within the group cash at bank and in hand figure, an amount of £2,566,538 (2021 - £1,861,473) belonged to the group.
Within the company cash at bank and in hand figure, an amount of £426,698 (2021 - £1,861,473) belonged to the entity.

18. Creditors: amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
E-money creditors	**54,099,145**	37,825,049	**3,833,504**	5,039,695
Trade creditors	**77,103**	324,457	**3,253**	243,592
Amounts owed to group undertakings	**-**	-	**32,935,880**	24,486,903
Corporation tax	**157,448**	-	**2,911**	-
Other taxation and social security	**101,624**	58,542	**52,556**	58,542
Other creditors	**106,257**	939	**670**	939
Accruals and deferred income	**117,789**	56,233	**67,625**	23,767
	54,659,366	38,265,220	**36,896,399**	29,853,438

E-money creditors represent amounts processed on behalf of, but not yet settled to merchants.

19. Deferred taxation

Group

	2022 £
At beginning of year	**(122,241)**
Charged to profit or loss	**(2,344)**
At end of year	**(124,585)**

Notes to the financial statements
for the year ended 31 March 2022

19. Deferred taxation (continued)

Company

	2022
	£
At beginning of year	**(122,241)**
Charged to profit or loss	**(2,344)**
At end of year	**(124,585)**

	Group	Group	Company	Company
	2022	2021	2022	2021
	£	£	£	£
Fixed asset timing differences	**(136,718)**	(166,785)	**(136,718)**	(166,785)
Short term timing differences	**12,133**	8,138	**12,133**	8,138
Losses and other deductions	**-**	36,406	**-**	36,406
	(124,585)	(122,241)	**(124,585)**	(122,241)

20. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
9,207 (2021 - 9,207) A shares of £0.001 each	**9**	9
38,907 (2021 - 38,907) B shares of £0.001 each	**39**	39
66,469 (2021 - 66,469) C shares of £0.001 each	**66**	66
16,031 (2021 - 16,031) D shares of £0.001 each	**16**	16
	130	130

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.
Called-up share capital represents the nominal value of shares that have been issued.

Notes to the financial statements

for the year ended 31 March 2022

21. Reserves

Share premium account
The share premium account consists of amounts paid in excess of the value of the share capital.
Profit and loss account
The profit and loss account includes all current and prior period retained earnings.

22. Contingent liabilities

There were no contingent liabilities at 31 March 2022 or 31 March 2021.

23. Capital commitments

The group had no capital commitments at 31 March 2022 or 31 March 2021.

24. Commitments under operating leases

At 31 March 2022 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group and company	Group and company
	2022	2021
	£	£
Not later than 1 year	**50,600**	85,908
Later than 1 year and not later than 5 years	**14,758**	70,400
	65,358	156,308

Notes to the financial statements

for the year ended 31 March 2022

25. Related party transactions

During the year, the company provided services totalling £2,426,910 (2021: £3,410,641) to Ilixium Limited, a company incorporated in England and Wales. In order to meet the requirements of FCA regulation, funds received by Ilixium Limited in relation to payment services are safeguarded by the company. At 31 March 2022, the net balance owing to Ilixium Limited was £32,533,338 (2021: £24,484,901). Ilixium Limited is a related party by virtue of common control.
During the year, the company received services totalling £100,000 (2021: 100,000) from Magenta Partners LLP. At 31 March 2022, the balance owing to Magenta Partners LLP was £nil (2021: £30,000). Magenta Partners LLP is a related party by virtue of significant influence.

During the year, the company received services totalling £60,000 (2021: £60,000) from a company owned by a Director. At 31 March 2022, the balance owing to the company was £95,000 (2021: £65,000).
At 31 March 2022, the balance owing from R Raubitschek-Smith (director) was £100,000 (2021: £nil).
During the year, interest was charged on the outstanding loan at a rate of 3% and amounted to £875 (2021: £521). The maximum amount outstanding during the year was £100,000 (2021: £127,043).
There were no members of key management personnel other than directors during the year. Directors' remuneration is disclosed in note 8.

26. Controlling party

The directors consider A MacAngus to be the ultimate controlling party by virtue of his majority shareholding in the company.
The largest and smallest group of undertakings for which consolidated financial statements have been prepared which include the company is headed by Payen Limited.
On 6 January 2023, the control agreement between Ilixium Limited and Payen Limited was cancelled. On this date, 100% of the share capital of Ilixium Limited was transferred to Payen Limited. As such, Payen Limited is now the immediate parent undertaking through its 100% ownership of the ordinary share capital in Ilixium Limited (previously through the control agreement).

27. Prior year adjustment

The comparative figures in these group financial statements have been restated due to a change in accounting policy (see accounting policy 2.4). The group recognise the FX gross margin and the associated costs instead of the net margin. The following adjustments have been made:

- Turnover has increased by £1,411,586
- Cost of sales has increased by £1,411,586

There was no effect on the profit or net assets for the year ended 31 March 2021.