

Company Registration No. 07435577 (England and Wales)

PAYSME LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021
PAGES FOR FILING WITH REGISTRAR

PAYSME LIMITED

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PAYSME LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	4		370,581		322,223
Tangible assets	5		104,169		50,423
			<u>474,750</u>		<u>372,646</u>
Current assets					
Debtors	6	289,496		149,629	
Cash at bank and in hand		26,745		151,282	
		<u>316,241</u>		<u>300,911</u>	
Creditors: amounts falling due within one year	7	(321,860)		(424,241)	
Net current liabilities			(5,619)		(123,330)
Total assets less current liabilities			<u>469,131</u>		<u>249,316</u>
Creditors: amounts falling due after more than one year	8		(444,159)		(60,062)
Net assets			<u>24,972</u>		<u>189,254</u>
Capital and reserves					
Called up share capital	10		460,212		460,206
Share premium account			1,613,669		1,505,886
Equity reserve			108,120		-
Profit and loss reserves			(2,157,029)		(1,776,838)
Total equity			<u>24,972</u>		<u>189,254</u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

PAYSME LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 MARCH 2021

The financial statements were approved by the board of directors and authorised for issue on 25 June 2021 and are signed on its behalf by:

Mr D Stewart
Director

Company Registration No. 07435577

PAYSME LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Equity reserves £	Profit and loss reserves £	Total £
Balance at 1 April 2019		460,185	1,107,971	-	(1,298,655)	269,501
Year ended 31 March 2020:						
Loss and total comprehensive income for the year		-	-	-	(478,183)	(478,183)
Issue of share capital	10	21	397,915	-	-	397,936
Balance at 31 March 2020		460,206	1,505,886	-	(1,776,838)	189,254
Year ended 31 March 2021:						
Loss and total comprehensive income for the year		-	-	-	(380,191)	(380,191)
Issue of share capital	10	6	107,783	-	-	107,789
Issue of convertible loan	9	-	-	108,120	-	108,120
Balance at 31 March 2021		460,212	1,613,669	108,120	(2,157,029)	24,972

PAYSME LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Paysme Limited is a private company limited by shares incorporated in England and Wales. The registered office is 41 Luke Street, London, EC2A 4DP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs	10% straight line
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PAYSME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

PAYSME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include other debtors, corporation tax repayable and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, other creditors, bank loans, and other loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

PAYSME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	4	6

PAYSME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

4 Intangible fixed assets

	Other £
Cost	
At 1 April 2020	732,017
Additions	126,994
	<hr/>
At 31 March 2021	859,011
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Amortisation and impairment	
At 1 April 2020	409,794
Amortisation charged for the year	78,636
	<hr/>
At 31 March 2021	488,430
	<hr/>
Carrying amount	
At 31 March 2021	370,581
	<hr/> <hr/>
At 31 March 2020	322,223
	<hr/> <hr/>

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 April 2020	56,087
Additions	82,383
	<hr/>
At 31 March 2021	138,470
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Depreciation and impairment	
At 1 April 2020	5,664
Depreciation charged in the year	28,637
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At 31 March 2021	34,301
	<hr/>
Carrying amount	
At 31 March 2021	104,169
	<hr/> <hr/>
At 31 March 2020	50,423
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PAYSME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Corporation tax recoverable	87,928	98,940
Other debtors	201,568	50,689
	<u>289,496</u>	<u>149,629</u>

7 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	85,849	84,000
Convertible loans	-	161,000
Trade creditors	37,031	48,477
Taxation and social security	34,351	37,999
Other creditors	164,629	92,765
	<u>321,860</u>	<u>424,241</u>

The convertible loan of £Nil (2020: £161,000) has a fixed charge on the assets of the company.

Included in other creditors is a balance of £87,867 (2020: £26,600) for loans secured on the assets of the company.

8 Creditors: amounts falling due after more than one year

	Notes	2021	2020
		£	£
Bank loans and overdrafts		-	10,062
Convertible loans	9	380,551	-
Other creditors		63,608	50,000
		<u>444,159</u>	<u>60,062</u>

The convertible loans of £380,551 (2020: £Nil) have a fixed charge on the assets of the company.

Included in other creditors is a balance of £40,833 (2020: £Nil) for loans secured on the assets of the company.

PAYSME LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Convertible loan notes

	2021 £	2020 £
Liability component of convertible loan notes	380,551	161,000

The net proceeds received from the issue of the convertible loan notes have been split between the financial liability element and an equity component, representing the fair value of the embedded option to convert the financial liability into equity.

The liability component is measured at amortised cost, and the difference between the carrying amount of the liability at the date of issue and the amount reported in the Balance Sheet represents the effective interest rate less interest paid to that date.

The effective rate of interest is 24.72%.

The equity component of the convertible loan notes has been credited to the equity reserve.

10 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and not fully paid				
Ordinary of 1p each	-	20,609	-	206
Ordinary of 0.01p each	2,118,541	-	212	-
	<u>2,118,541</u>	<u>20,609</u>	<u>212</u>	<u>206</u>
Preference share capital Issued and fully paid				
Preference shares of £1 each	460,000	460,000	460,000	460,000
	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>	<u>460,000</u>
Preference shares classified as equity			460,000	460,000
			<u>460,000</u>	<u>460,000</u>
Total equity share capital			<u>460,212</u>	<u>460,206</u>

On 7 September 2020, a special resolution was passed that the share capital be sub-divided from 20,609 Ordinary shares of 1p each (which have been issued and are fully paid up), to 2,060,900 Ordinary shares of 0.01p each.

During the period 57,641 Ordinary 0.01p shares were issued for a total consideration of £107,789.

Included within other debtors is a balance of £5,156 (2020: £8,156) due to the company for unpaid shares.

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