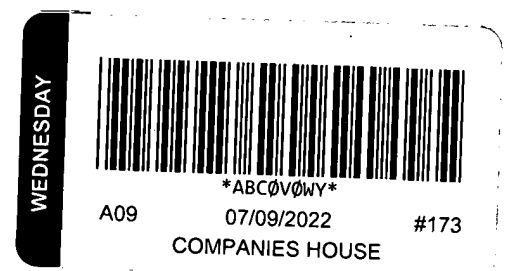


Registered number: 07930355

Bancom Europe Limited

Annual report and audited financial statements

for the year ended 31 December 2021



Bancom Europe Limited

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Bancom Europe Limited

Strategic report

The Directors of Bancom Europe Limited ("the Company") present their Strategic Report for the year ended 31 December 2021.

Review of the business

Turnover remained constant in 2021 at £84,000 and the Company made a net profit after tax amounting to £33,021 (2020: £4,683).

Principal risks and uncertainties

The Company uses financial instruments as detailed in note 3. The Company does not use derivative financial instruments. The main purpose of these financial instruments is to raise finance for the Company's operations. The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and capital management risk. The directors review and agree policies for managing each of these risks and they are summarised below:

Credit risk

The Company does not offer any credit facility to its clients it, therefore, is not subject to any credit risk except from within the institutions with which the company banks itself.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any surplus cash assets of the Company safely and profitably. The Company is financed through equity. At 31 December 2021 the Company had a positive net cash balance.

Capital management risk

There can be no assurance that the regulatory body providing a licence to the Company, namely the Financial Conduct Authority, will not change their licensing requirements, including the terms and conditions to which the licence and approval currently held by the Company are subject. If a regulatory scheme under which the Company operates were to change its licensing requirements, the Company may be required to expend significant capital or other resources to comply with the new requirements and/or may not be able to meet the new requirements, either or a combination of which could have a material adverse effect on the Company's business, financial condition and results of operations.

Future Developments

Looking forward, the Company sees itself in a strong position to continue to provide expert support to organisations that are interested in entering the e-money issuing market under the tutelage and license of an EU regulated entity post Brexit.

There have been no further significant events since the balance sheet date.

Approved by the Board and signed on its behalf by:



Jonathan Amrani

Director

24 June 2022

Bancom Europe Limited

Directors' report

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2021.

Principal Activities

The principal activity of the Company is that of an e-money issuer regulated by the Financial Conduct Authority under the Electronic Money Regulations 2011 (Register ref: 900098) for the issuing of electronic money and this regulatory status has been passported to include all EEA states. It is anticipated that the Company will continue to develop its core business in the same way over the forthcoming year.

Revenue during the year was derived entirely from providing consultancy on payment and card processing services, based on MasterCard branded products and services, and external support to organisations that are interested in entering the e-money issuing market under the tutelage and licence of an EU regulated entity post Brexit.

Results and Dividends

The results for the year are shown on page 8. The profit after tax for the year attributable to shareholders amounted to £33,021 (2020: £4,682). The directors do not recommend payment of a dividend (2020: £Nil).

Future developments

Details of future developments can be found in the Strategic Report on page 1.

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the Statement of accounting policies in the notes to the financial statements.

Financial risk management objectives and policies

The Company's activities expose it to a number of financial risks including credit risk, liquidity risk and capital management risk and these are discussed in the Strategic Report on page 1. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provide written principles on the use of financial derivatives to manage these risks. However, at the present time, the Company does not use derivative financial instruments.

Directors

The directors, who served throughout the year and to the date of this report, are as follows:

Philip J Davies	(resigned 15 March 2021)
Anthony R Davis	(resigned 28 January 2021)
Jonathan Amrani	
Clare Mahood	

Bancom Europe Limited

Directors' report (continued)

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Our Auditors, KPMG Audit LLC, being eligible, have expressed their willingness to continue in office in accordance with Section 485 of the Companies Act 2006.

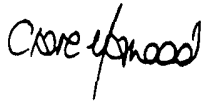
Subsequent events

There have been no events subsequent to 31 December 2021 which the Directors feel has had a material impact upon these financial statements.

Registered office

The Company has its registered office at Afon Building, Worthing Road, Horsham, West Sussex, RH12 1TL.

Approved by the Board and signed on its behalf by;



Clare Mahood
Director

24 June 2022

Bancom Europe Limited

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent auditor's report to the members of Bancom Europe Limited

Our Opinion

We have audited the financial statements of Bancom Europe Limited (the "Company"), which comprise the balance sheet as at 31 December 2021, the profit and loss account, statement of changes in equity and cash flow statement for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

1. give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of the Company's profit for the year then ended;
2. are properly prepared in accordance with United Kingdom accounting standards, including FRS 102 The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland; and
3. 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Company's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

Independent auditor's report to the members of Bancom Europe Limited

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence, and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Company is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or impacts on the Company's ability to operate. We identified financial services regulation as being the area most likely to have such an effect, recognising the regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

The directors' report and strategic report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;

Independent auditor's report to the members of Bancom Europe Limited

- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

Respective responsibilities

Directors' responsibilities

As explained more fully in their 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

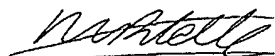
Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Mark Russell Kelly (Senior Statutory Auditor)
For and on behalf of KPMG Audit LLC (Statutory Auditor)
Chartered Accountants
Heritage Court
41 Athol Street
Douglas
Isle of Man

24 June 2022

Bancom Europe Limited

Profit and loss account

For the year ended 31 December 2021

	Note	2021 £	2020 £
Turnover	4	84,000	84,000
Cost of sales		-	-
Gross profit		<u>84,000</u>	<u>84,000</u>
Administrative expenses		<u>(43,259)</u>	<u>(78,194)</u>
Profit on ordinary activities before taxation	5	40,741	5,806
Tax on profit on ordinary activities	8	<u>(7,720)</u>	<u>(1,123)</u>
Profit for the financial year		<u><u>33,021</u></u>	<u><u>4,683</u></u>

The Directors consider that all results derive from continuing activities.

In both the current and preceding financial years, there was no other comprehensive income other than that dealt with in the profit and loss account above.

The notes on pages 12 to 20 form part of these financial statements.

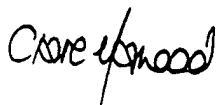
Bancom Europe Limited

Balance Sheet

As at 31 December 2021

	Note	2021 £	2020 £
Current assets			
Debtors	9	7,444	7,444
Cash at bank and in hand		431,730	392,341
		<u>439,174</u>	<u>399,785</u>
Creditors: amounts falling due within one year	10	<u>(20,273)</u>	<u>(13,905)</u>
Net current assets		418,901	385,880
Net assets		<u>418,901</u>	<u>385,880</u>
Capital and reserves			
Called-up share capital	11	350,000	350,000
Profit and loss account	11	68,901	35,880
Shareholders' funds		<u>418,901</u>	<u>385,880</u>

The financial statements of Bancom Europe Limited (registered number 07930355) were approved by the board of directors and authorised for issue on 24 June 2022. They were signed on its behalf by:



Clare Mahood
Director

The notes on pages 12 to 20 form part of these financial statements.

Bancom Europe Limited

Cash flow statement

For the year ended 31 December 2021

	Note	2021 £	2020 £
Operating profit		40,741	5,806
Adjustments for:			
Decrease in trade and other receivables		-	6
(Decrease) / Increase in trade and other payables		(250)	2,687
Cash from operations		<u>40,491</u>	<u>8,499</u>
Taxation paid	8	(1,102)	(4,078)
Net increase in cash and cash equivalents		<u>39,389</u>	<u>4,421</u>
Cash and cash equivalents at beginning of year		392,341	387,920
Cash and cash equivalents at end of year		<u><u>431,730</u></u>	<u><u>392,341</u></u>

The notes on pages 12 to 20 form part of these financial statements.

Bancom Europe Limited

Statement of changes in equity For the year ended 31 December 2021

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2020	350,000	31,197	381,197
Profit for the financial year	-	4,683	4,683
At 31 December 2020	<u>350,000</u>	<u>35,880</u>	<u>385,880</u>
At 1 January 2021	350,000	35,880	385,880
Profit for the financial year	-	33,021	33,021
At 31 December 2021	<u>350,000</u>	<u>68,901</u>	<u>418,901</u>

The notes on pages 12 to 20 form part of these financial statements

Bancom Europe Limited

Notes to the financial statements For the year ended 31 December 2021

1. Accounting policies

The principal accounting policies are summarised below.

a. General information and basis of accounting

Bancom Europe Limited is a Company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 3. The nature of the Company's operations and its principal activities are set out on page 2.

The financial statements have been prepared under the historical cost convention, and in accordance with the Companies Act 2006 and United Kingdom Accounting Standards Financial Reporting Standard 102 ("FRS 102") issued by the Financial Reporting Council. The Company has not adopted the Triennial Review changes to FRS 102 issued in December 2017, which are effective for accounting periods commencing on or after 1 January 2019.

The functional currency of Bancom Europe Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report and directors' report ('the reports'). The reports further describe the financial position of the Company; its cash flows and liquidity position; the Company's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments and its exposure to credit risk and liquidity risk.

The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's services; (b) the exchange rate between sterling and other currencies and thus the consequence for the Company's direct cost of doing business.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

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.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

c. Financial instruments (continued)

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risk and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of direct issue costs.

d. Impairment of assets

Assets other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1. Accounting policies (continued)

e. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrealized tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, 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.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

f. Turnover

The Company is involved in the provision of consultancy on payment and card processing services to an entity under common ownership, PSI-Pay Limited (see note 12). Turnover is accounted for on an accruals basis.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the Directors have considered if they are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources, specifically around accruals and deferred income. The Directors are of the opinion that there is no material uncertainty in the carrying amounts of assets and liabilities, which all have a maturity date of less than one year.

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

3. Financial Risk

The Company is exposed to a range of financial risks through its financial assets and financial liabilities. In particular, the key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations to repay account holders as they fall due. The most important components of this financial risk are credit risk and liquidity risk. The risk management policies employed by the Company to manage these risks are discussed below.

(a) Credit risk and concentrations

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. Key areas where the Company is exposed to credit risk are:

- cash and cash equivalents and
- amounts due from clients (trade debtors)

The Company manages the levels of credit risk it accepts by placing limits on its exposure to a single counterparty. Such risks are subject to regular review. Limits on the level of credit risk by category and territory are approved by the Board of Directors.

The assets bearing credit risk are summarised below, together with an analysis by credit rating:

	2021	2020
	£	£
Client debtors	7,000	7,000
Cash at bank and in hand	431,730	392,341
Total assets bearing credit risk	438,730	399,341

	2021	2020
	£	£
AAA	-	-
AA	427,519	390,840
A	-	-
BBB	-	-
Below BBB or not rated	11,211	8,501
Total assets bearing credit risk	438,730	399,341

Concentration risk arises when a number of counterparties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The concentration of credit risk is substantially unchanged compared to prior year. No financial assets are past due or impaired at the reporting date and management expects no significant losses from non-performance by these institutions.

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

3. Financial Risk (continued)

(b) Liquidity risk

Liquidity risk is the risk that cash may not be available to pay obligations when due at a reasonable cost. The primary liquidity risk of Bancom Europe is to meet its obligations as they fall due.

All of the Company's financial assets and liabilities have maturity dates within the next year. Full details of these assets and liabilities are provided elsewhere in the notes to the financial statements.

(c) Capital management risk

The Company defines capital in accordance with regulations prescribed by the Financial Conduct Authority ("FCA"). The Company's capital consists of:

	2021	2020
	£	£
Share capital (paid)	350,000	350,000
Retained earnings	68,901	35,880
	<hr/>	<hr/>
Total Capital Resources	418,901	385,880
Total Capital Requirement (€350,000)	294,308	312,951
	<hr/>	<hr/>
Capital surplus	124,593	72,929
	<hr/>	<hr/>

The Company's objectives when managing capital are:

- i) to comply with legal and statutory obligations and maintain capital resources commensurate with the nature, scale and risk profile of its business;
- ii) to provide a framework for monitoring the financial and capital position of the Company, including the procedures to be followed during periods of general financial distress, either due to internal or external events; and
- iii) to safeguard the Company's ability to continue as a going concern.

Management information to monitor the Company's capital requirements and solvency position is produced and presented to the Board on a regular basis ensuring that the Company meets its capital requirements at all times.

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

4. Turnover and revenue

An analysis of the Company's turnover by class of business is set out below.

	2021 £	2020 £
Turnover:		
Consultancy fees	84,000	84,000
	<u>84,000</u>	<u>84,000</u>

All of the Company's turnover arises from consultancy services rendered in the United Kingdom.

5. Profit on ordinary activities before taxation

	2021 £	2020 £
Profit on ordinary activities before taxation is stated after charging:		
Audit fees	7,440	7,440
Tax compliance fees paid to the Company's auditor : current year	4,200	4,200
under-provision for previous year	3,000	3,000
	<u>14,640</u>	<u>14,640</u>

6. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2021 Number	2020 Number
Administration	2	4
	<u>2</u>	<u>4</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	27,179	54,500
Social security costs	1,100	2,896
	<u>28,279</u>	<u>57,396</u>

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

7. Directors' remuneration

	2021 £	2020 £
<i>Directors' remuneration</i>		
Emoluments	<u>27,179</u>	<u>54,500</u>
	2021 £	2020 £
Remuneration of the highest paid director:		
Emoluments	<u>11,000</u>	<u>20,000</u>

8. Tax on profit on ordinary activities

The tax charge comprises:	2021 £	2020 £
Current tax on profit on ordinary activities		
UK corporation tax	7,720	1,123
Total current tax	<u>7,720</u>	<u>1,123</u>
Total tax on profit on ordinary activities	<u>7,720</u>	<u>1,123</u>

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

8. Tax on profit on ordinary activities (continued)

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>40,741</u>	<u>5,806</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 19.0% (2020: 19.0%)	7,741	1,103
Effects of:		
- Adjustments to tax charge in respect of previous periods	<u>(21)</u>	<u>20</u>
Total tax charge for year	<u>7,720</u>	<u>1,123</u>

9. Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Amounts owed by entities under common control (see note 12)	7,000	7,000
Prepayments	<u>444</u>	<u>444</u>
	<u>7,444</u>	<u>7,444</u>

Amounts owed by entities under common control are unsecured, interest free and repayable on demand.

Bancom Europe Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

10. Creditors: amounts falling due within one year

	2021 £	2020 £
Other taxation and social security	1,003	1,033
Corporation tax	7,741	1,123
Amounts owed to entities under common control (see note 12)	609	-
Accruals and deferred income	10,920	11,749
	<u>20,273</u>	<u>13,905</u>

Amounts owed to entities under common control are unsecured, interest free and repayable on demand.

11. Called-up share capital and reserves

	2021 £	2020 £
Allotted, called-up and fully-paid		
350,000 ordinary shares of £1.00 each	<u>350,000</u>	<u>350,000</u>

The shareholders have the right to receive notice of and attend any general meeting, as well as the right to vote. The shareholders have the right to receive distributions and dividends.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

12. Related party transactions

During the year, the Company made charges totalling £84,000 (2020: £84,000) to PSI-Pay Limited, a Company controlled by Avraham Shaked, the ultimate controlling party of Bancom Europe Limited. At the year end, the Company was owed £7,000 (2020: £7,000) by PSI-Pay Limited and owed an amount of £609 (2020: £Nil) to PSI-Pay Limited.

13. Controlling party

Mr. Avraham Shaked, controls the Company as a result of controlling directly 100 per cent of the issued share capital of the Company.