

Registered number: 09016606

Payoma Limited

**Annual report and financial statements
for the year ended 30 April 2016**



Payoma Limited

Company Information

Director	Kristofers Muiznieks
Registered number	09016606
Registered office	Level 18 40 Bank Street London E14 5NR
Independent auditors	Kreston Reeves LLP Chartered Accountants and Statutory Auditors Third Floor 24 Chiswell Street London EC1Y 4YX

Payoma Limited

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Payoma Limited

Director's report For the year ended 30 April 2016

The director presents his report and the financial statements for the year ended 30 April 2016.

Principal activity

The principal activity of the company continued to be that of a digital payment provider.

Results and dividends

The loss for the year, after taxation, amounted to £74,794 (2015: profit of £Nil).

No dividend has been proposed (2015: £Nil).

Director

The director who served during the year was:

Kristofers Muiznieks

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is satisfied that he gives 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Payoma Limited

Director's report (continued) For the year ended 30 April 2016

Future developments

Payoma Limited is an account-based e-money solution, designed for use in an online environment to acquire online merchants' customers (cardholders) funds on behalf of merchants. Our mission is to develop to compete with current online payment service companies and provide a safe, secure, easy to use and cost effective alternative to these existing offerings.

In developing Payoma Limited, the goal has been to create a payment product that is innovative, secure and competitive, which is scalable to enable it to operate globally in due course and agile enough to service the needs of consumers and businesses. At its heart is an innovative and bespoke technical platform, which will remain central to Payoma Limited's success as it adapts and is modified to meet the changing needs of customers in the digital world. Although innovation will be central, this will sit alongside integrity and providing a top level of customer service.

As this is a start-up business, it is not entirely possible to predict the future movements of the market. Payoma Limited has therefore implemented a short to medium term strategy that is designed to be agile and able to accommodate external forces which could shift the focus and direction the business goes in.

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

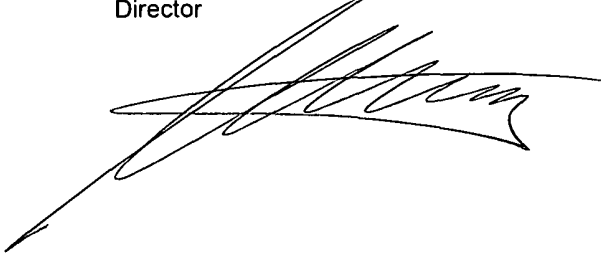
- so far as he is aware, there is no relevant audit information of which the company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that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

Auditors

The auditors, Kreston Reeves LLP, were appointed on 23 November 2016 and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25 January 2017 and signed on its behalf.

Kristofers Muiznieks
Director

A handwritten signature in black ink, appearing to read 'Kristofers Muiznieks', written over a horizontal line.

Payoma Limited

Strategic report For the year ended 30 April 2016

Introduction

The director has the pleasure in presenting his strategic report for the year ended 30 April 2016. The director's aim is to present a balanced and comprehensive review of the development and performance of the company's business during the year and its position at the year end. The review is consistent with the size and nature of the business and is written in the context of risks and uncertainties that the company faces.

Business review

Payoma Limited ("the Company") is an authorised Electronic Money Institution regulated by the Financial Conduct Authority under the Electronic Money Regulations 2011 (Register ref 900217) for the issuing of electronic money. This regulatory status has been passported to include all EEA states. The Company has successfully started to operate in the e-commerce market and started to provide solutions for its customers during the year.

Principal risks and uncertainties

The company's activities are exposed to currency exchange, liquidity and interest rate risks.

Foreign exchange risk:

The company performs transactions with third parties mainly in local currency, US dollars, Russian Rubles and Euros. The company expects currency exchange risk to not be significant due to the low inflation and economic turbulence.

Liquidity risk:

The company manages its liquidity risk by maintaining sufficient amounts of cash and cash equivalents. To ensure liquidity during the start-up phase, a small loan was obtained from the shareholder.

Capital risk management:

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can provide adequate returns for shareholders and benefits to other stakeholders, as well as to ensure optimal capital structure to reduce the cost of capital.

Financial key performance indicators

The company reviews and approves the annual budget. In addition to reviewing performance against budget on a monthly basis, the company has established a number of KPIs. The Director considers the main KPIs of the company to be turnover (2016: £371,986) and gross profit (2016: £50,083). The company relies on different KPIs at an operational level which are specific to the business. Such KPIs are used by shareholder to monitor performance on a regular basis.

This report was approved by the board on 25 January 2017 and signed on its behalf.

Kristofers Muiznieks
Director



Payoma Limited

Independent auditors' report to the shareholders of Payoma Limited

We have audited the financial statements of Payoma Limited for the year ended 30 April 2016, set out on pages 6 to 15. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Director's responsibilities statement on page 1, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the director; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2016 and of its profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements.

The financial statements for the period to 30 April 2015 were not audited, and as such, the comparative information shown in these financial statements are unaudited.

Payoma Limited

Independent auditors' report to the shareholders of Payoma Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Kreston Reeves LLP

Michael Cook BA(Hons) FCA (Senior statutory auditor)
for and on behalf of

Kreston Reeves LLP
Chartered Accountants and Statutory Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX

Date: *26 JANUARY 2017*

Payoma Limited

Profit and loss account For the year ended 30 April 2016

	Note	2016 £	2015 £
Turnover	2,3	371,986	-
Cost of sales		(321,903)	-
Gross profit		50,083	-
Administrative expenses		(143,251)	-
Operating (loss)/profit	4	(93,168)	-
Interest receivable and similar income		87	-
Interest payable and expenses		(213)	-
(Loss)/profit before tax		(93,294)	-
Tax on (loss)/profit		18,500	-
(Loss)/profit for the year		(74,794)	-

There was no other comprehensive income for 2016 (2015: £Nil).

The notes on pages 10 to 15 form part of these financial statements.

Payoma Limited
Registered number: 09016606

Balance sheet
As at 30 April 2016

	Note	2016 £	2015 £
Current assets			
Debtors: amounts falling due within one year	8	1,364,932	-
Cash at bank and in hand		1,669,422	505,779
		<u>3,034,354</u>	<u>505,779</u>
Creditors: amounts falling due within one year	10	(2,609,147)	(5,778)
Net current assets		425,207	500,001
Net assets		425,207	500,001
Capital and reserves			
Called up share capital	13	5,001	5,001
Share premium account	14	495,000	495,000
Profit and loss account	14	(74,794)	-
		<u>425,207</u>	<u>500,001</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
25 January 2017.

Kristofers Muiznieks
 Director

The notes on pages 10 to 15 form part of these financial statements.



Payoma Limited

Statement of changes in equity For the year ended 30 April 2016

	Called up share capital	Share premium account	Profit and loss account	Total
	£	£	£	£
At 1 May 2014	1	-	-	1
Shares issued during the year	5,000	495,000	-	500,000
At 30 April 2015	5,001	495,000	-	500,001
Loss for the year	-	-	(74,794)	(74,794)
At 30 April 2016	5,001	495,000	(74,794)	425,207

The notes on pages 10 to 15 form part of these financial statements.

Payoma Limited

**Statement of cash flows
For the year ended 30 April 2016**

	2016 £	2015 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(74,794)	-
Adjustments for:		
Interest receivable	(87)	-
Taxation charge	(18,500)	-
Increase in debtors	(1,346,432)	-
Increase in creditors	2,603,208	1,038
Net cash generated from operating activities	<u>1,163,395</u>	<u>1,038</u>
Cash flows from investing activities		
Interest received	87	-
Net cash from investing activities	<u>87</u>	<u>-</u>
Cash flows from financing activities		
Issue of ordinary shares	-	500,000
Shareholder loans	161	4,741
Net cash used in financing activities	<u>161</u>	<u>504,741</u>
Net increase in cash and cash equivalents	<u>1,163,643</u>	<u>505,779</u>
Cash and cash equivalents at beginning of year	505,779	-
Cash and cash equivalents at the end of year	<u><u>1,669,422</u></u>	<u><u>505,779</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	<u><u>1,669,422</u></u>	<u><u>505,779</u></u>

**Notes to the financial statements
For the year ended 30 April 2016**

1. General information

The Company is a private company limited by shares and it is incorporated and domiciled in England and Wales. The company's registered office is Level 18, 40 Bank Street, London, E14 5NR and principal activity can be found on page 1.

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 the Republic of Ireland and the Companies Act 2006 (FRS 102).

This is the first year in which the financial statements have been prepared under FRS 102. It has not been necessary to restate the prior year comparatives, as the adoption of FRS 102 had no effect on the prior year figures. The accounting policies of the company have not been materially affected by the adoption of FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

2.2 Turnover

Turnover is the commission receivable on currency transactions translated at the spot rate on the date of the transaction, excluding value added tax.

2.3 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

2.4 Foreign currency translation

Functional and presentation currency

The 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 Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

**Notes to the financial statements
For the year ended 30 April 2016**

2. Accounting policies (continued)

2.5 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the Profit and loss account on a straight line basis over the lease term.

Benefits received as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.6 Taxation

The tax expense for the year comprises deferred tax. Tax is recognised in the Profit and loss account.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable 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 balance sheet date.

3. Turnover

Analysis of turnover by country of destination:

	2016 £	2015 £
Rest of Europe	232,491	-
Rest of the world	139,495	-
	<u>371,986</u>	<u>-</u>

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Notes to the financial statements For the year ended 30 April 2016

4. Operating (loss)/profit

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

	2016 £	2015 £
Exchange differences	9,562	-

During the year, no director received any emoluments (2015 - £NIL).

5. Auditors' remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	7,500	-
Fees payable to the company's auditor in respect of:		
Tax compliance services	900	-

6. Employees

The company has no employees other than the directors, who did not receive any remuneration (2015 - £NIL).

7. Taxation

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	(18,500)	-

Payoma Limited

Notes to the financial statements For the year ended 30 April 2016

7. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - the same as) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	(93,294)	-
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(18,659)	-
Effects of:		
Other adjustments	159	-
Total tax charge for the year	(18,500)	-

Factors that may affect future tax charges

Following the end of the accounting period, on 6 September 2016 the Finance Act 2016 was substantively enacted, reducing the rate of corporation tax that will apply for financial year 2020 onwards to 17%. The potential impact of this change in tax rates on the company's accounting for deferred tax would be to reduce the asset recognised in these financial statements by £2,640.

8. Debtors

	2016 £	2015 £
Trade debtors	1,342,667	-
Prepayments	3,765	-
Deferred taxation	18,500	-
	1,364,932	-

9. Cash at bank and in hand

The company is an authorised firm under the Electronic Money Regulations 2011 and as such is required to safeguard customer funds. The company has chosen to do this through segregation of customer funds, by establishing segregated bank accounts. The balance of segregated bank accounts as at 30 April 2016 is £1,664,758 (2015: £Nil).

Payoma Limited

**Notes to the financial statements
For the year ended 30 April 2016**

10. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other loans	4,902	4,741
Trade creditors	2,590,701	-
Other taxation and social security	4,184	-
Other creditors	960	1,037
Accruals	8,400	-
	<u>2,609,147</u>	<u>5,778</u>

11. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets measured at amortised cost	<u>1,342,667</u>	<u>-</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(2,604,963)</u>	<u>(5,778)</u>

The balance sheet values of financial assets and financial liabilities are not materially different to their fair values.

12. Deferred taxation

	2016 £
At beginning of year	-
Credited to profit or loss	18,500
At end of year	<u>18,500</u>

The deferred tax asset is made up as follows:

	2016 £
Tax losses carried forward	<u>18,500</u>

Payoma Limited

Notes to the financial statements For the year ended 30 April 2016

13. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
5,001 Ordinary shares of £1 each	<u>5,001</u>	<u>5,001</u>

Share capital represents the nominal value of shares in issue.

14. Reserves

Share premium

This represents the amount above the nominal value of shares that have been issued by the company.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

15. Related party transactions

During the year, Sorex Group Inc. and Itamar Enterprise Ltd, both related companies through A Zhuravlev and immediate family, transferred business with a value of £80,340 to the company, of which £Nil was outstanding at the year end.

The shareholder has provided a loan of €6,000 (£4,689) to the company, on which interest at 3%p.a. is accruing. Interest charged during the period totalled £213 (2015: £Nil). This loan is repayable on 1 January 2017.

Expenses of £20,273 (2015: £NIL) were incurred in relation to employee services from SIA Itteco (LV), a company owned by the director, of which £Nil (2015: £Nil) was due at the year end.

During the year gross payments of £893,980 (2015: £NIL) and £11,870 (2015: £NIL) were received from Itamar Enterprise Ltd and Sorex Group Inc. respectively, of which £893,980 (2015: £NIL) and £11,870 (2015: £NIL) was due to the company at the year end.

16. Controlling party

The company is controlled by A Zhuravlev, by virtue of his majority holding in the share capital of the company.