

Registered number: 09016606

Payoma Limited

Annual report and financial statements

for the year ended 30 April 2019



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 2019

The director presents his report and the financial statements for the year ended 30 April 2019.

Principal activity

The principal activity of the company continued to be that of a digital payment provider (electronic money institution).

Results and dividends

The profit for the year, after taxation, amounted to £349,881 (2018: £288,344).

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 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 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 to 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 2019

2018/19 overview

During the past year Payoma Limited has fulfilled its previously established business strategy and reasonably successfully developed in the field of its principal activity. The company implements innovative, client-focused and risk-mindful approach. By this the company ensures that its clients' needs are met, and the same time operations of the company are compliant, the company is financially stable, and the profile of its clients is good.

During 2018-2019 Payoma Limited, based on Mastercard Principal Membership acquired in the previous reporting year, continued its further integration with Mastercard expanding cooperation with the payment system. This facilitates development of the company and boosts its business reputation and reliability for the existing and prospective clients of the company.

Furthermore, during 2018-2019 Payoma Limited has joined Single European Payment Area (SEPA) and Trans-European Automated Real-time Gross Settlement Express Transfer System (TARGET2) schemes. This is another significant achievement of the company and a further big step in its development. Joining these schemes allowed the company to widen its services to include, inter alia, opening and servicing International Bank Account Number (IBAN) payment accounts. Since participation in SEPA and TARGET2 required proving compliance of the company, Payoma Limited for another time demonstrated its reliability and competence not only to meet increasing challenges of the payment industry but to reach new challenging goals.

During the reporting period the company underwent a thorough external audit of compliance and performance of its anti-money laundering, counter-terrorism financing and know your customer policies. The audit was carried out by a Deloitte-family entity that is a highly reputable independent audit service provider. Payoma Limited has successfully passed the audit and the comments the auditor made were promptly and efficiently addressed. The audit gave another boost to the good status of compliance of the company and is a reliable manifestation of said achievements for all partners and customers of Payoma Limited.

Future developments

Payoma Limited do not intend to instigate any significant changes, with the company planning to further its development of positioning the company as an innovative, professional, competent, client-oriented electronic money institution with conservative approach to risk management.

The company will continue to work on implementation of its MasterCard Principal Membership and the relevant requirements.

The company will also continue work on connection to SEPA Schemes. The company puts its primary focus on participation in SEPA Credit Transfer Scheme and SEPA Instant Credit Transfer Scheme. Becoming a fully operational participant in these schemes is expected to give another notable push in the development of the company allowing it to provide new services to its clients and thus ensure extra growth potential.

In its development Payoma Limited plans to continue to apply an organic growth approach. The company will continue expanding its resources and at the same time investing resources in rising competences of the existing personnel. The company will further develop and improve its hardware and software solutions, taking care of new regulatory challenges, risks of illegal activities and needs of its clients.

At the same time Payoma Limited will remain open minded and watchful to market changes, thus remaining open to new moves in the market.

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.

Payoma Limited

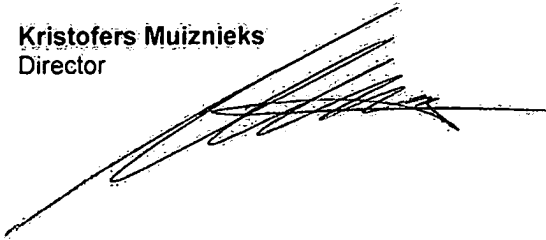
Director's report (continued)
For the year ended 30 April 2019

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on *19/11/2019* and signed on its behalf.

Kristofers Muiznieks
Director

A handwritten signature in black ink, consisting of several overlapping, stylized strokes, positioned to the right of the printed name and title.

Payoma Limited

Strategic report For the year ended 30 April 2019

Introduction

The director has the pleasure in presenting his strategic report for the year ended 30 April 2019. 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 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. In April 2018 the company was reauthorized by the Financial Conduct Authority as an Electronic Money Institution.

The company has successfully operated in the e-commerce market and provided solutions for its customers during the year. The company has successfully joined SEPA and TARGET2 schemes that allowed to offer new range of service to its customers. The company continued integration with Mastercard via the Principal Member status of the company.

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 low inflation and economic turbulence.

Liquidity risk:

The company manages its liquidity risk by maintaining sufficient amounts of cash and cash equivalents.

Capital risk management:

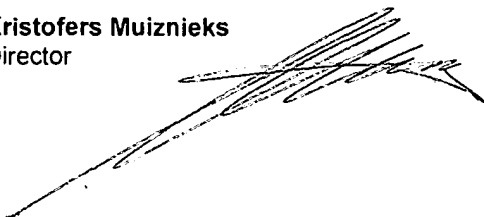
The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern, so that it can provide adequate returns for shareholders and benefits to other stakeholders, as well as to ensure optimal capital structure to reduce the cost of capital.

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 KPI of the company to be turnover, which was £2,832,978 (2018: £2,151,450) and gross profit £1,226,716 (2018: £992,715). The company relies on different KPIs at an operational level which are specific to the business. Such KPIs are used by the shareholders to monitor performance on a regular basis.

This report was approved by the board on 19 - 11 - 2019 and signed on its behalf.

Kristofers Muiznieks
Director



Payoma Limited

Independent auditors' report to the shareholders of Payoma Limited

Opinion

We have audited the financial statements of Payoma Limited (the 'company') for the year ended 30 April 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 company's affairs as at 30 April 2019 and of its 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Director's 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, 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.

Responsibilities of directors

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, and for such internal control as the director determines 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 director is responsible for 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 the director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' 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 Auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Use of our report

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

Kreston Reeves LLP

Michael Cook BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants and Statutory Auditors

London

Date: *19 NOVEMBER 2019*

Payoma Limited

**Profit and loss account
For the year ended 30 April 2019**

| | Note | 2019 £ | 2018 £ |
|--|-------------|--------------------|-------------------|
| Turnover | 4 | 2,832,978 | 2,151,450 |
| Cost of sales | | (1,606,262) | (1,158,735) |
| Gross profit | | 1,226,716 | 992,715 |
| Administrative expenses | | (799,719) | (639,402) |
| Operating profit | 5 | 426,997 | 353,313 |
| Interest receivable and similar income | | 4,995 | 2,667 |
| Profit before tax | | 431,992 | 355,980 |
| Tax on profit | 8 | (82,111) | (67,636) |
| Profit for the financial year | | 349,881 | 288,344 |

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 13 to 20 form part of these financial statements.

Payoma Limited
Registered number: 09016606

Balance sheet
As at 30 April 2019

| | Note | 2019 £ | 2018 £ |
|--|------|-------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 10 | 3,848 | 678 |
| Current assets | | | |
| Debtors: amounts falling due within one year | 11 | 3,418,676 | 1,546,732 |
| Cash at bank and in hand | | 8,724,345 | 7,926,165 |
| | | <u>12,143,021</u> | <u>9,472,897</u> |
| Creditors: amounts falling due within one year | 13 | (10,946,326) | (8,572,913) |
| Net current assets | | <u>1,196,695</u> | <u>899,984</u> |
| Total assets less current liabilities | | <u>1,200,543</u> | <u>900,662</u> |
| Net assets | | <u>1,200,543</u> | <u>900,662</u> |
| Capital and reserves | | | |
| Called up share capital | 15 | 5,001 | 5,001 |
| Share premium account | 16 | 495,000 | 495,000 |
| Profit and loss account | 16 | 700,542 | 400,661 |
| | | <u>1,200,543</u> | <u>900,662</u> |

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


Kristofers Muiznieks
 Director

The notes on pages 13 to 20 form part of these financial statements.

Payoma Limited

**Statement of changes in equity
For the year ended 30 April 2019**

| | Called up share capital | Share premium account | Profit and loss account | Total |
|---------------------------|------------------------------------|----------------------------------|------------------------------------|------------------|
| | £ | £ | £ | £ |
| At 1 May 2017 | 5,001 | 495,000 | 112,317 | 612,318 |
| Profit for the year | - | - | 288,344 | 288,344 |
| At 30 April 2018 | 5,001 | 495,000 | 400,661 | 900,662 |
| Profit for the year | - | - | 349,881 | 349,881 |
| Dividends: Equity capital | - | - | (50,000) | (50,000) |
| At 30 April 2019 | 5,001 | 495,000 | 700,542 | 1,200,543 |

The notes on pages 13 to 20 form part of these financial statements.

Payoma Limited

**Statement of cash flows
For the year ended 30 April 2019**

| | 2019 £ | 2018 £ |
|---|-------------------------|-------------------------|
| Cash flows from operating activities | | |
| Profit for the financial year | 349,881 | 288,344 |
| Adjustments for: | | |
| Amortisation of intangible assets | 837 | 167 |
| Interest receivable | (4,995) | (2,667) |
| Taxation charge | 82,111 | 67,636 |
| (Increase) in debtors | (1,871,944) | (476,180) |
| Increase in creditors | 2,358,938 | 2,723,063 |
| Corporation tax (paid) | (67,636) | (27,935) |
| Net cash generated from operating activities | <u>847,192</u> | <u>2,572,428</u> |
| Cash flows from investing activities | | |
| Purchase of intangible fixed assets | (4,007) | (117) |
| Interest received | 4,995 | 2,667 |
| Net cash from investing activities | <u>988</u> | <u>2,550</u> |
| Cash flows from financing activities | | |
| Dividends paid | (50,000) | - |
| Net cash used in financing activities | <u>(50,000)</u> | <u>-</u> |
| Net increase in cash and cash equivalents | 798,180 | 2,574,978 |
| Cash and cash equivalents at beginning of year | 7,926,165 | 5,351,187 |
| Cash and cash equivalents at the end of year | <u><u>8,724,345</u></u> | <u><u>7,926,165</u></u> |
| Cash and cash equivalents at the end of year comprise: | | |
| Cash at bank and in hand | <u><u>8,724,345</u></u> | <u><u>7,926,165</u></u> |

The notes on pages 13 to 20 form part of these financial statements.

**Notes to the financial statements
For the year ended 30 April 2019**

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 and principal place of business 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 unless otherwise specified within these accounting policies 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.

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 (see note 3).

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 transaction, excluding value added tax.

2.3 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 ten years.

Amortisation is provided on the following bases:

| | | |
|-------------------|---|------|
| Patents | - | 20 % |
| Computer software | - | 20 % |

2.4 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other debtors and creditors and loans from related parties.

**Notes to the financial statements
For the year ended 30 April 2019**

2. Accounting policies (continued)

2.5 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 Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

2.6 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.

2.7 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 and receivable 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.

**Notes to the financial statements
For the year ended 30 April 2019**

2. Accounting policies (continued)

2.8 Taxation

Tax is recognised in the Statement of comprehensive income, 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 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. Judgments in applying accounting policies and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

4. Turnover

Analysis of turnover by country of destination:

| | 2019 £ | 2018 £ |
|-------------------|------------------|------------------|
| United Kingdom | 596,751 | 820,349 |
| Rest of Europe | 1,160,467 | 1,180,497 |
| Rest of the world | 1,075,760 | 150,604 |
| | <u>2,832,978</u> | <u>2,151,450</u> |

5. Operating profit

The operating profit is stated after charging:

| | 2019 £ | 2018 £ |
|---|---------------|---------------|
| Amortisation of intangible assets, including goodwill | 837 | 167 |
| Exchange differences | 69,317 | 27,037 |
| Operating lease rentals | 7,292 | 6,403 |
| | <u>77,446</u> | <u>33,607</u> |

Payoma Limited

**Notes to the financial statements
For the year ended 30 April 2019**

6. Auditors' remuneration

| | 2019 £ | 2018 £ |
|--|-------------------|-------------------|
| Fees payable to the company's auditor for the audit of the company's annual financial statements | 8,150 | 7,950 |
| Fees payable to the company's auditor and its associates in respect of: | | |
| Tax compliance services | 1,110 | 1,050 |

7. Employees

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £NIL).

Payoma Limited

Notes to the financial statements For the year ended 30 April 2019

8. Taxation

| | 2019 £ | 2018 £ |
|-------------------------------------|-----------|-----------|
| Corporation tax | | |
| Current tax on profits for the year | 82,111 | 67,636 |

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2018 - the same as) the standard rate of corporation tax in the UK of 19% (2018 - 19%) as set out below:

| | 2019 £ | 2018 £ |
|--|----------------------|----------------------|
| Profit on ordinary activities before tax | <u>431,992</u> | <u>355,980</u> |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%) | 82,111 | 67,636 |
| Effects of: | | |
| Total tax charge for the year | <u><u>82,111</u></u> | <u><u>67,636</u></u> |

Factors that may affect future tax charges

On 6 September 2016 the Finance Act 2016 was substantively enacted, reducing the rate of corporation tax that companies will apply for the financial year 2018 to 19% and financial year 2020 and onwards to 17%.

9. Dividends

| | 2019 £ | 2018 £ |
|----------------|----------------------|-----------------|
| Dividends paid | <u>50,000</u> | - |
| | <u><u>50,000</u></u> | <u><u>-</u></u> |

**Notes to the financial statements
For the year ended 30 April 2019**

10. Intangible assets

| | Patents £ | Computer software £ | Total £ |
|-----------------------|----------------------|------------------------------------|--------------------|
| Cost | | | |
| At 1 May 2018 | 845 | - | 845 |
| Additions | - | 4,007 | 4,007 |
| At 30 April 2019 | 845 | 4,007 | 4,852 |
| Amortisation | | | |
| At 1 May 2018 | 167 | - | 167 |
| Charge for the year | 169 | 668 | 837 |
| At 30 April 2019 | 336 | 668 | 1,004 |
| Net book value | | | |
| At 30 April 2019 | 509 | 3,339 | 3,848 |
| At 30 April 2018 | 678 | - | 678 |

11. Debtors

| | 2019 £ | 2018 £ |
|---------------|-------------------|-------------------|
| Trade debtors | 3,408,040 | 1,152,820 |
| Other debtors | 484 | 365,352 |
| Prepayments | 10,152 | 28,560 |
| | 3,418,676 | 1,546,732 |

12. 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 2019 is £8,695,321 (2018: £7,908,645).

**Notes to the financial statements
For the year ended 30 April 2019**

13. Creditors: Amounts falling due within one year

| | 2019 £ | 2018 £ |
|------------------------------------|-------------------|------------------|
| Trade creditors | 10,812,572 | 8,464,020 |
| Corporation tax | 82,111 | 67,636 |
| Other taxation and social security | 20,212 | 12,869 |
| Dividends payable | 9 | - |
| Accruals | 31,422 | 28,388 |
| | <u>10,946,326</u> | <u>8,572,913</u> |

14. Financial instruments

| | 2019 £ | 2018 £ |
|---|---------------------|--------------------|
| Financial assets | | |
| Financial assets that are debt instruments measured at amortised cost | <u>3,408,524</u> | <u>1,518,172</u> |
| Financial liabilities | | |
| Financial liabilities measured at amortised cost | <u>(10,844,003)</u> | <u>(8,492,408)</u> |

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and deposits.

Financial liabilities measured at amortised cost comprise trade creditors, accrued expenses and dividends payable.

15. Share capital

| | 2019 £ | 2018 £ |
|--|--------------|--------------|
| Allotted, called up and fully paid | | |
| 5,001 (2018 - 5,001) Ordinary shares of £1.00 each | <u>5,001</u> | <u>5,001</u> |

Share capital represents the nominal value of shares in issue.

16. Reserves

Share premium account

This represents the amount paid in excess of the nominal value of ordinary 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.

**Notes to the financial statements
For the year ended 30 April 2019**

17. Related party transactions

Expenses of £280,466 (2018: £206,884) were incurred in relation to employee services from SIA Itteco (LV), a company owned by the director, of which £23,227 (2018: £Nil) was due at the year end.

During the year gross payments of £Nil (2018: £5,783) and £Nil (2018: £494) were received from Itamar Enterprise Ltd and Sorex Group Inc. respectively and gross receipts of £Nil (2018: £217,749) were paid to Sorex Group Inc. At the balance sheet date £Nil (2018: £520,723) and £Nil (2018: £Nil) was due to the company.

18. Controlling party

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