Registered number: 09403742

DiPocket Limited

Annual report and financial statements

For the year ended 31 December 2017

DiPocket Limited

Company Information

Directors	Fedele Di Maggio Pavel Pokhylchenko Stuart Carson (resigned 31 December 2017) Jean de Skowronski Andrew Robertson (appointed 1 January 2018)
Registered number	09403742
Registered office	Suite 532 Metal Box Factory Great Guildford Street London SE1 0HS
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditors Third Floor 24 Chiswell Street London EC1Y 4YX

DiPocket Limited

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DiPocket Limited

Strategic report
For the year ended 31 December 2017

Introduction

DiPocket Limited is a provider of convenient retail payment solutions, including Mastercard prepaid cards. Its offer is designed primarily as business to business to consumer (B2B2C), whereby DiPocket supports its business partners in broadening and strengthening the relationship with their customer base.

Business review and key financial performance indicators

2017 has seen the start of DiPocket revenue generation activities, with significant and high-profile client contracts secured since Q1, and starting to yield significant revenues from Q2.

DiPocket 2017 revenue were £ 435,615, up from £ 85,858 in 2016, total losses were £ 736,325 (£ 655,184 in 2016).

Focused on the B2B2C market, DiPocket has rapidly established itself as a leading non-bank issuer in CEE thanks to the combination of its e-money license, Mastercard principal license, strong IT platform and high cost efficiency.

Our B2B2C strategy enables us to onboard a substantial customer base that is simply unattainable by even the best funded attacker, leveraging the primary relationship between our client companies and their customers. This means we are increasingly able to operate with low cost (marginal costs decrease substantially with scale) and to gather substantial amounts of behavioural data without material marketing investment – something that will place us in a unique and sustainable competitive position in the mid-terms.

Recognizing that innovation is about learning by doing, and understanding that break-even and profitability are key to retain the freedom to pursue our vision, our go to market approach is multi-pronged:

- We have a proprietary mobile payments application which we use mostly as a lab;
- We are selectively working with programme managers and other B2B clients (e.g. consumer lenders) to build scale and revenues, while learning about consumer behaviour;
- We are pursuing substantial strategic B2B2C opportunities to realize our vision.

With the above, we expect to achieve current break-even in H2, 2018, with a minor additional cash burn till then.

Principal risks and uncertainties

DiPocket has been strengthening its position both financially and on the human resources front. As it fulfils its obligations towards PSD2 and GDPR, DiPocket has also entered a more mature stage of its development as a regulated entity.

Several risks however remain:

• DiPocket's talent pool is substantially stronger than it was in 2016 but the challenges faced by the Company are also much bigger hence dependency on a handful of key people is still the single most important risk;
• Growth is bringing revenues, reducing and soon eliminating cash burn. Capital and liquidity requirements associated with growth become the main source of financial pressure;
• Regulatory risk is particularly high in 2018, with the pending re-licensing deadline and the demands of GDPR and AML4.

Finally, with growth, DiPocket is increasingly exposed to financial fraud and cyber security threats, which require an increased deployment of resources.

BREXIT remains a minor risk, in particular in light of what appears to have been agreed as a comfortable transition period through end 2020.

Regulatory compliance

DiPocket started preparing for PSD2 in Q4 2017, establishing a multifunctional taskforce to prepare the AEMI license re-application while taking this opportunity to review, update and complement its processes and regulation with particular focus on AML, data protection and security.

Development plans

DiPocket remains focused on CEE to build its credentials before spreading broader across Europe. The strategy is to develop systems and products addressing the Company's key strategic use cases while working on concrete, revenue generating client engagements.

Contrary to initial plans, DiPocket has kept developing with the support of its founding shareholders, without resorting to external capital.

Notwithstanding the above, DiPocket has been canvassing potential investors in the course of 2017, positioning itself for a concrete fund-raising effort aimed at attracting growth capital when the Company reaches or approaches break-even.

This report was approved by the board on 25 April 2018 and signed on its behalf.

Fedele Di Maggio
Director

Directors' report
For the year ended 31 December 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 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 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £736,325 (2016 - loss £655,184).

Directors

The directors who served during the year were:

Fedele Di Maggio
Pavel Pokhylchenko
Stuart Carson (resigned 31 December 2017)
Jean de Skowronski

Matters covered in the strategic report

Items required under Schedule 7 to be disclosed in the directors' report are set out in strategic report in accordance with s.414C(11) CA 2006.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

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

Directors' report (continued)
For the year ended 31 December 2017

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 25 April 2018 and signed on its behalf.

Fedele Di Maggio
Director

Independent auditors' report to the shareholders of DiPocket Limited

Opinion

We have audited the financial statements of DiPocket Limited (the 'Company') for the year ended 31 December 2017, 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 31 December 2017 and of its 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.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have 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 directors are 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.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept, 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.

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the shareholders of DiPocket 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 directors.
- Conclude on the appropriateness of the directors' 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.

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.

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

Kreston Reeves LLP

Michael Cook BA(Hons) FCA (Senior statutory auditor)
for and on behalf of
Kreston Reeves LLP
Chartered Accountants & Statutory Auditors
Third Floor
24 Chiswell Street
London
EC1Y 4YX

25 April 2018

DiPocket Limited

Profit and loss account
For the year ended 31 December 2017

	Note	2017 £	2016 £
Turnover	4	**435,615**	85,858
Cost of sales		**(353,097)**	(80,872)
Gross profit		**82,518**	4,986
Administrative expenses		**(932,010)**	(660,238)
Operating loss	5	**(849,492)**	(655,252)
Interest receivable and similar income		**196**	68
Tax on loss	8	**112,971**	-
Loss for the financial year		**(736,325)**	(655,184)

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 13 to 22 form part of these financial statements.

DiPocket Limited
Registered number: 09403742

Balance sheet
As at 31 December 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	9		**363,418**		333,714
Tangible assets	10		**9,896**		3,778
			373,314		337,492
Current assets					
Stocks	11	**40,789**		14,625	
Debtors: amounts falling due within one year	12	**588,584**		185,339	
Cash at bank and in hand	13	**411,123**		305,640	
		1,040,496		505,604	
Creditors: amounts falling due within one year	14	**(584,135)**		(117,381)	
Net current assets			**456,361**		388,223
Net assets			**829,675**		725,715
Capital and reserves					
Called up share capital	16		**66,030**		40,825
Share premium account	17		**2,462,447**		1,647,367
Profit and loss account	17		**(1,698,802)**		(962,477)
			829,675		725,715

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 April 2018.

Fedele Di Maggio
Director
The notes on pages 13 to 22 form part of these financial statements.

DiPocket Limited

Statement of changes in equity
For the year ended 31 December 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	21,004	720,675	(307,293)	434,386
Loss for the year	-	-	(655,184)	(655,184)
Shares issued during the year	19,821	926,692	-	946,513
At 1 January 2017	40,825	1,647,367	(962,477)	725,715
Loss for the year	-	-	(736,325)	(736,325)
Shares issued during the year	25,205	815,080	-	840,285
At 31 December 2017	66,030	2,462,447	(1,698,802)	829,675

The notes on pages 13 to 22 form part of these financial statements.

DiPocket Limited

Statement of cash flows
For the year ended 31 December 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	**(736,325)**	(655,184)
Adjustments for:		
Amortisation of intangible assets	**116,384**	71,774
Depreciation of tangible assets	**4,757**	2,042
Interest received	**(196)**	(136)
Taxation charge	**(112,971)**	-
(Increase) in stocks	**(26,164)**	(10,725)
(Increase) in debtors	**(185,690)**	(179,775)
Increase in creditors	**466,754**	103,736
Corporation tax received	**112,971**	-
Net cash generated from operating activities	**(360,480)**	(668,268)
Cash flows from investing activities		
Purchase of intangible fixed assets	**(146,088)**	(337,891)
Purchase of tangible fixed assets	**(10,875)**	(1,483)
Interest received	**196**	136
Net cash from investing activities	**(156,767)**	(339,238)
Cash flows from financing activities		
Issue of ordinary shares	**622,730**	1,130,813
Net cash used in financing activities	**622,730**	1,130,813
Net increase in cash and cash equivalents	**105,483**	123,307
Cash and cash equivalents at beginning of year	**305,640**	182,333
Cash and cash equivalents at the end of year	**411,123**	305,640
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**411,123**	305,640
	411,123	305,640

The notes on pages 13 to 22 form part of these financial statements.

1. General information

DiPocket Limited (the Company) is a private limited company incorporated and domiciled in England & Wales. The address of its registered office and principal place of business are Suite 532, Metal Box Factory, Great Guildford Street, London, SE1 0HS. The company's principal activity can be found on page 3.

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 recognised to the extent that it is probably that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

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.

The estimated useful lives range as follows:

Software	-	5	years
Development expenditure	-	3	years

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Office equipment	- Three Years Straight Line
Computer equipment	- Three Years Straight Line

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

2. Accounting policies (continued)

2.7 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.

2.8 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income 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.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.10 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.

2. Accounting policies (continued)

2.11 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 5 years.

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

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

Capitalisation of development costs

Development costs mainly consist of the implementation and set up costs required for DiPocket Limited to deliver its core services (for example card transactions and converting between currencies). These are likely to be in place for some time, and have been capitalised accordingly.

Amortisation policy for software

Software is DiPocket Limited's core application and as such will likely remain in use indefinitely, potentially being updated with additional code. In preparing the financial statements, the directors have prudently assumed that the software's usable life will be limited to 5 years.

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Implementation, card and account usage fees	**96,716**	1,598
Project management services	**274,465**	-
Marketing and advertising	**64,434**	84,260
	435,615	85,858

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	**138,761**	85,299
Rest of Europe	**296,854**	559
	435,615	85,858

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	**4,757**	2,042
Amortisation of intangible assets	**116,384**	71,774
Exchange differences	**(1,863)**	(55,531)

6. Auditors' remuneration

Fees payable to the Company's auditor and its associates in respect of:

	2017 £	2016 £
Audit-related assurance services	**5,670**	5,500
All other services	**29,073**	20,522

7. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	**126,663**	114,611
Social security costs	**13,866**	9,488
Cost of defined contribution scheme	**60**	-
	140,589	124,099

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Administrative	**3**	4

DiPocket Limited

Notes to the financial statements
For the year ended 31 December 2017

8. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	(46,145)	-
Adjustments in respect of previous periods	(66,826)	-
	(112,971)	-
Total current tax	(112,971)	-
Deferred tax		
Total deferred tax	-	-
Taxation on (loss)/profit on ordinary activities	(112,971)	-

Factors affecting tax charge for the year

The standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017	2016
	£	£
Loss on ordinary activities before tax	(849,296)	(655,184)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(163,489)	(131,037)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	877	131,037
Capital allowances for year in excess of depreciation	793	-
Adjustments to tax charge in respect of prior periods	(66,826)	-
R&D tax credit	(46,145)	-
Unrelieved tax losses carried forward	161,819	-
Total tax charge for the year	(112,971)	-

Factors that may affect future tax charges

There are tax losses of £1,736,964 to be carried forward for set off against corresponding trading profits of subsequent accounting periods.

Notes to the financial statements
For the year ended 31 December 2017

9. Intangible assets

	Development £	Computer software £	Total £
Cost			
At 1 January 2017	213,555	212,377	425,932
Additions	-	117,214	117,214
Additions - internal	28,874	-	28,874
At 31 December 2017	242,429	329,591	572,020
Amortisation			
At 1 January 2017	77,287	14,931	92,218
Charge for the year	73,909	42,475	116,384
At 31 December 2017	151,196	57,406	208,602
Net book value			
At 31 December 2017	91,233	272,185	363,418
At 31 December 2016	136,268	197,446	333,714

10. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 January 2017	946	5,736	6,682
Additions	-	10,875	10,875
At 31 December 2017	946	16,611	17,557
Depreciation			
At 1 January 2017	525	2,379	2,904
Charge for the year on owned assets	315	4,442	4,757
At 31 December 2017	840	6,821	7,661
Net book value			
At 31 December 2017	106	9,790	9,896
At 31 December 2016	421	3,357	3,778

11. Stocks

	2017	2016
	£	£
Payment Cards	**40,789**	14,625

12. Debtors

	2017	2016
	£	£
Trade debtors	**127,378**	857
Other debtors	**193,808**	182,914
Called up share capital not paid	**217,555**	-
Prepayments and accrued income	**3,698**	1,568
Tax recoverable	**46,145**	-
	588,584	185,339

13. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	**411,123**	305,640
	411,123	305,640

14. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Trade creditors	**27,650**	2,557
Other taxation and social security	**1,346**	2,380
Other creditors	**464,885**	87,955
Accruals	**90,254**	24,489
	584,135	117,381

15. Financial instruments

	2017	2016
	£	£
Financial assets		
Financial assets that are debt instruments measured at amortised cost	**321,186**	183,771
Financial liabilities		
Financial liabilities measured at amortised cost	**(584,135)**	(117,381)

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

Financial liabilities measured at amortised cost comprise trade and other creditors and accruals.

16. Share capital

	2017	2016
	£	£
Allotted, called up and fully paid		
263,701 (2016 - 100,000) Ordinary Class A shares of €0.10 each	**21,396**	7,487
103,099 Ordinary Class B shares of €0.10 each	**8,202**	8,202
450,630 (2016 - 322,265) Ordinary Class C shares of €0.10 each	**36,432**	25,136
	66,030	40,825

During the year, 163,701 Ordinary Class A shares were issued at par and 126,158 Ordinary Class C shares were issued for a consideration of €5.85 and 2,207 Ordinary Class C shares were issued for a consideration of €10.15.

17. Reserves

Profit and loss account

This reserve comprises all current and prior period retained profits and losses after deducting any distributions.

Share Capital

This represents the nominal value of shares that have been issued by the Company.

Share Premium

This represents the premium that was paid on the shares that have been issued by the Company.

18. Related party transactions

During the year, Pavel Pohkylchenko, a director of the Company, invoiced the Company for consultancy services of £17,869 (2016: £16,286). The consultancy services were charged at a commercial rate and were fully paid during the year.

During the year, Pavel Pohkylchenko incurred expenses of £5,048 (2016: £1,824) on behalf of the Company. At the year end, £335 (2016: £221) was owed to Pavel Pohkylchenko for incurred expenses. At the year end, the company held e-money amounts of £111 (2016: £631) in respect of Pavel Pohkylchenko and is included in 'Creditors: amounts falling due within one year' in Note 14 to the accounts.

During the year, Strategic Business Compliance, a company where Stuart Carson is also a director, invoiced the company for consultancy services of £15,281 (2016: £19,585). At the year end £1,200 (2016: £1,439) was owed to Strategic Business Compliance and is included in 'Creditors: amounts falling due within one year' in Note 14 to the accounts.

During the year Jean de Skowronski, a director of the company, incurred expenses of £1,547 (2016: £832) on behalf of the company. All amounts were reimbursed during the year. At the year end, the company held e-money amounts of £394 (2016: £4,069) in respect of Jean de Skowronski and is included in 'Creditors: amounts falling due within one year' in Note 14 to the accounts.

During the year, Fedele Di Maggio, a director of the Company, incurred expenses of £64,032 (2016: £63,609) on behalf of the Company. At the year end, £NIL (2016: £8,973) was owed to Fedele Di Maggio. At the year end, the company held e-money amounts of £1,041 (2016: £5,909) in respect of Fedele Di Maggio. Both amounts are included in 'Creditors: amounts falling due within one year' in Note 13 to the accounts.

No directors received any remuneration during the year (2016 - £NIL).

19. Controlling party

The Company is under control of Fedele Di Maggio, a director and majority shareholder of the Ordinary Class A shares of the Company.