REGISTERED NUMBER: 09926210 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

FOR

DECTA LIMITED

DECTA LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2021

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DECTA LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS:	M Andrejevs J Godunovs
REGISTERED OFFICE:	Suite 3 Third Floor 62 Bayswater Road London W2 3PH
REGISTERED NUMBER:	09926210 (England and Wales)
AUDITORS:	Fisher, Sassoon & Marks Chartered Accountants & Statutory Auditors 43-45 Dorset Street London W1U 7NA

The directors of Decta Limited ("the Company") present the strategic report for the year ended 31 December 2021.

Review of the Business

The principal activity of Decta Limited is that of providing acquiring services for merchants. Company has been authorised as an electronic money institution and regulated by the Financial Conduct Authority since year 2016. The Company is a principal member of Mastercard, Visa, SWIFT and SEPA. Regulatory status and further information are listed on the regulator's website: https://register.fca.org.uk/s/firm?id=001b000003JgscoAAB.

The Company's main goal is to provide flawless solutions for businesses to accept and remit electronic payments thus offering its end-clients a comfortable payment process and facilitating their business to grow and expand.

Within past years DECTA Limited successfully identified its main service offerings to consist of electronic commerce payment acquiring and white label card issuing services. Visa and Mastercard payment schemes were chosen as main partners for both company's offered services. Due to heavily growing demand for payment acquiring in Europe and businesses continually increasing its presence in Internet, it was decided to choose payment acquiring service as a main focus for the company in a short term However, one of the Decta Limited goals is to achieve better diversification both in client portfolio (number of clients and proportion of revenues against total company revenues) and in terms of number of products offered.

One of the main company's business-level strategies is to gain a competitive advantage in terms of pricing and offered service quality by applying vertical integration and strategic outsourcing.

During previous years Decta Limited was demonstrating positive growth in different business verticals. The core strategy principles are not changing, Company continues to diversify merchant portfolio by focusing on the new target verticals:

- Retail goods
- Delivery services
- Travel agencies
- Car rental
- Tickets and entertainment
- Online education
- Online games

Decta Limited is focused on medium to large size merchants and partnering with other Financial Institutions. Being Principal member of Visa Europe and Mastercard Worldwide with in-house processing platform Decta provides full range of payment card related services to FI's offering banking accounts.

The Company is aimed to build up strong and loyal relations with core clients and partners, clearly understand their business needs and be flexible to develop unique solutions to satisfy merchant needs and expectations in timely manner.

Another Decta's advantage is highly educated and experienced staff, able to advise clients best solutions to build safe fraud prevention rules, deal with disputes initiated by cardholders and still allow merchants to raise their acquiring volumes safely.

Entering into new markets and regions Decta Limited is making deep analysis in order to develop a specific product that would suite a specific niche of the business, helping merchants to optimize payment flow.

The focus of the business remains to achieve the right balance between the needs and expectations of our customers, expectations of shareholders as well as of other stakeholders, by controlling our costs and managing our cash efficiently while making sufficient profit to support growth plans. Shareholders continue to invest in the business, in line with our strategic objectives.

The Company's continuous and ongoing investments in service offering and focus on innovation in payments have ensured that it is well-placed to benefit from the underlying growth in the international online payments market and is able to meet the changing demands of both existing and prospective clientele. Thus, as an achievement of 2021, it's important to mention the implementation of new functions and services, like extension of the list of services provided by solution for land-based merchants to support card-present payments through POS terminals. Thus, Company offers a single payment gateway platform for merchants to manage both land-based POS acquiring and e-commerce payments, therefore covering another niche on the UK market, which presents new business opportunities for the Company.

Despite the impacts of Brexit and COVID-19, the Company delivered strong financial performance and the financial results of 2021. Consistent progressing in business activities (mainly acquiring services) and increase of customer portfolio, where COVID-19 restrictions and increase in e-commerce payment volumes also played a significant role, resulted in remarkable growth throughout the year of operations. Turnover of the Company in 2021 has increased by 30%: from £49,518k to £64,499k. Net assets also have been increased: by 135% reaching £16,842k by the end of 2021. Furthermore, during 2021 Decta Limited successfully launched several more Mastercard card issuing projects, based on the BIN sponsorship model approach, and acquired a couple of new cards issuing co-brand partners. Thus, during the next years, the Company expects growth in a number of cards issued under Decta Limited BINs and growth of revenues gained from the card issuing and BIN sponsorship service. Following the success of 2021, Company management decided to continue to expand the sales and account management team in the UK, supporting the provision of even better-quality services to the growing number of customers.

Key Performance Indicators

The board reviews and approves the annual budget. In addition to reviewing performance against budget on a monthly basis, the board has established KPIs indicated below. Such KPIs are used by management to monitor performance on a regular basis.

Key KPI's the Company uses are as follows:

	2021	**2020**
	£000	**£000**
Turnover	64,499	49,518
Profit	16,242	12,120

The Directors of the Company are highly satisfied with the Company performance in the year 2021. Decta Limited has achieved most of its strategic objectives and is continuing to operate accordingly.

Principal Risks and Uncertainties

The directors identified several risks which may affect the Company's ability to deliver its strategic goals. The list of such identified risks is given below.

Decta Limited seeks to minimize its exposure to external financial risks. The Company is exposed to various financial risks, including currency exchange rate fluctuations as the company operates internationally, and a significant part of financial services is being provided in foreign currencies: EUR, USD and others. Another major risk of adverse AML deficiencies in Decta operations is adequately mitigated by comprehensive measures including an external audit which the Company has undergone successfully. Concentration risk is minimized by strict controls of portfolio diversification in terms of industries and also major customers served by the Company. In order to properly mitigate operational risks, Decta has a combination of various controls in place, both internal and external, aimed at the elimination of possible threats to Decta's operations. As a core element in its risk policy, Decta applies a weighted assessment of calculated risk factors in a continuously systematic manner.

Company directors manage these risks and have a reasonable expectation that Decta Limited maintains adequate resources to minimize the negative impact on its financials.

Regulatory and Compliance Risk

The Company, being a regulated entity in the UK and accepting customers from different EU countries faces some uncertainty in regard to changing regulatory requirements in those countries. Some of the Company's accounts may be independently regulated by the appropriate regulating authorities in the jurisdictions they are based. Therefore, as part of its legal and regulatory compliance, the Company faces the challenge of reacting and quickly implementing different legal and regulatory changes. Besides that, Decta Limited along with its clients must comply with all applicable money-laundering rules and legislation.

The Company as a whole has a risk appetite set down, documented and agreed by the Board. To ensure that this appetite is adhered to in terms of customer risk, the MLRO is responsible for assessing each area of the business to ensure that the AML / CTF policies are appropriate to mitigate any risk posed by, but not limited to, the following: new customers, new jurisdictions, new products and services, existing customers, existing jurisdictions, existing products and services. All Company's clients undergo rigorous bank-grade KYC processes in line with regulatory requirements and are fully identified both from personal individuals and business models' perspectives.

The Company's incoming payments flow is from MasterCard and Visa (this is the money that should be paid to the customers) and subsequently, outward payments are Company's settlements with customers for the payments collected via their websites on their behalf. So, in terms of AML, it is rather low-risk settlement business: Company always pays the money to the one who owns it, and receivers are always EU bank account holders (duly identified and monitored in their home banks), on top of which Decta Limited applies own AML/CFT/KYC policies when on-boarding and operating with customers.

Decta Limited applies a risk-based approach to manage the risks presented by the business, in line with the current FCA regulations and JMLSG guidance. The Company uses the Three Lines of Defense model for handling compliance risks - management control is the first line of defense, risk control and compliance oversight functions established by management is the second line of defense, and independent assurance is the third. Each of these three "lines" plays a distinct role within the DECTA's wider governance framework.

In the day-to-day activity, the Company also relies on the use of technology (third-party) for compliance monitoring to mitigate even the possibility of any non-compliance occurring.

FINANCIAL INSTRUMENTS (LIQUID RISK, FOREIGN CURRENCY RISK AND CREDIT RISK)

Credit Risk

At present, the company's primary credit risk is with its customers in respect of deposits and bank balances and with its Banks. The Directors have assessed this risk and consider it to be at a low level in view of the financial strength of the counterparties.

Liquidity Risk

The company does not consider it has a high level of liquidity risk in view of the level of capitalization required by the Financial Conduct Authority and the policy of the Directors not to take on obligations unless there is a source of finance to satisfy those obligations.

Foreign Currency Risk

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures may be hedged in order to fix the cost in sterling. The company accrues its revenues in all major currencies thereby bypassing the necessity to apply foreign exchange rates when committing to any material payments in foreign currency. The company's liabilities towards its customers are predominantly in the same currency as the cash inflows, which again eliminates any currency risk when settling with Decta customers. With regards to everyday payments for smaller amounts, in view of the size of these deposits and the strength of these currencies, this is not presently considered to be an unacceptable risk.

Bank concentration risk

The Company has a policy of holding cash and cash equivalents splited between couple of credit institutions. Percentage of cash and cash equivalents held in a single credit institution shouldn't exceed 60%.

ON BEHALF OF THE BOARD:

....
Director

Date: 05/04/2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of e-money institution.

DIVIDENDS
Dividends paid during the year ended 31 December 2021 were as follows:

Ordinary A £1 shares	£6,510,094.
Ordinary B €1 shares	£NIL

The total distribution of dividends for the year ended 31 December 2021 will be £6,510,094.

FUTURE DEVELOPMENTS
There are no matters to report.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

M Andrejevs
J Godunovs

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Fisher, Sassoon & Marks, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....

M Andrejevs - Director

Date: ......05/04/2022......

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF DECTA LIMITED

Opinion

We have audited the financial statements of Decta Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, 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 2021 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 UK, including the FRC'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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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 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 Statement of Directors' Responsibilities set out on page five, 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 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.

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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was considered capable of detecting irregularities, including fraud
The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the financial services sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Financial Conduct Authority (FCA), Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates as set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the FCA and reviewing the company's compliance monitoring procedures and findings.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

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Jonathan Marks (Senior Statutory Auditor)
for and on behalf of Fisher, Sassoon & Marks
Chartered Accountants
43-45 Dorset Street
London
W1U 7NA

Date: 05/04/2022

DECTA LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
REVENUE	4	64,499,495	49,517,921
Cost of sales		38,460,397	33,251,976
GROSS PROFIT		26,039,098	16,265,945
Administrative expenses		5,946,913	1,281,737
		20,092,185	14,984,208
Other operating income		1,711	-
OPERATING PROFIT	6	20,093,896	14,984,208
Interest receivable and similar income		14,619	5,780
		20,108,515	14,989,988
Interest payable and similar expenses	8	55,181	26,498
PROFIT BEFORE TAXATION		20,053,334	14,963,490
Tax on profit	9	3,811,386	2,843,102
PROFIT FOR THE FINANCIAL YEAR		16,241,948	12,120,388
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		16,241,948	12,120,388

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021

	Notes	£	2021 £	£	2020 £
FIXED ASSETS					
Intangible assets	11		691,715		29,213
Property, plant and equipment	12		5,305		4,893
			697,020		34,106
CURRENT ASSETS					
Debtors	13	2,549,159		1,681,994	
Investments	14	890,116		583,916	
Cash at bank		16,679,768		8,600,547	
		20,119,043		10,866,457	
CREDITORS					
Amounts falling due within one year	15	3,277,050		3,704,648	
NET CURRENT ASSETS			16,841,993		7,161,809
TOTAL ASSETS LESS CURRENT LIABILITIES			17,539,013		7,195,915
PROVISIONS FOR LIABILITIES	16		1,008		-
NET ASSETS			17,538,005		7,195,915
CAPITAL AND RESERVES					
Called up share capital	17		1,296,057		685,821
Retained earnings	18		16,241,948		6,510,094
SHAREHOLDERS' FUNDS			17,538,005		7,195,915

The financial statements were approved by the Board of Directors and authorised for issue on April 5th, 2022 and were signed on its behalf by:

....

M Andrejevs - Director

The notes form part of these financial statements

DECTA LIMITED

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2020	277,520	4,426,760	4,704,280
Changes in equity			
Issue of share capital	408,301	-	408,301
Dividends	-	(10,037,054)	(10,037,054)
Total comprehensive income	-	12,120,388	12,120,388
Balance at 31 December 2020	685,821	6,510,094	7,195,915
Changes in equity			
Issue of share capital	610,236	-	610,236
Dividends	-	(6,510,094)	(6,510,094)
Total comprehensive income	-	16,241,948	16,241,948
Balance at 31 December 2021	1,296,057	16,241,948	17,538,005

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Decta Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

1.1 ACCOUNTING CONVENTION
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared in sterling (functional currency). Monetary amounts in these financial statements are rounded to the nearest £.

FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS
The company is a qualifying entity for the purpose of FRS 102, being a member of a group where the parent of that Group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit and loss of that group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

• Section 7 ''Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
• Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
• Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
• Section 33 'Related Party Disclosures'- Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of AS Rietumu holding. These consolidated financial statements are available from (https://www.lursoft.Iv).

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

2. **ACCOUNTING POLICIES - continued**

1.3 TURNOVER
Turnover represents the consideration received or receivable from the merchants for services provided. The key revenue streams the company reports are as follows:

A. Transaction service charges: These relate to services provided to process transactions between the customer and an acquiring bank, which is a bank that accepts card payments from the card-issuing banks. The revenue form this stream is recognised when the transactions are successfully processed and is recognised on a per transaction basis.

B. Processing fees: These relate to charges for each transaction for providing the gateway services.
Cost of sales consist primarily of fees from cardholder banks for the provision of services to accept card-based transactions (interchange fees) and fees charged by card schemes (e.g. Mastercard and VISA) to provide the functionality necessary to allow the processing of transactions (scheme fees). These fees arise and are recognised on each transaction processed and, as a consequence, in the same period as related revenue (being the transaction's service charge).

Items paid in advance or invoiced in arrears are shown as prepayments or accruals, as appropriate, on the balance sheet at the end of the period.

INTANGIBLE ASSETS
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of ten years.

1.4 TANGIBLE FIXED ASSETS
Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Fixtures and fittings	-	25% on reducing balance
Computer equipment	-	25% on reducing balance

2. **ACCOUNTING POLICIES - continued**

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

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

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. **ACCOUNTING POLICIES - continued**

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

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

Other financial assets
Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of fixed assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of Impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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

2. **ACCOUNTING POLICIES - continued**

Basic financial liabilities

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

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value though profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2. ACCOUNTING POLICIES - continued

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

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

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Leases
Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

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

1.12 Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

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

3. JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

4. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2021	2020
	£	£
United Kingdom	43,909,683	13,321,637
Europe	20,589,812	36,196,284
	64,499,495	49,517,921

5. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	385,596	94,575
Social security costs	41,431	5,217
Other pension costs	5,165	1,961
	432,192	101,753

The average number of employees during the year was as follows:

	2021	2020
Director	2	2
Employee	6	2
	8	4

5. EMPLOYEES AND DIRECTORS - continued

	2021	2020
	£	£
Directors' remuneration	58,000	58,000

6. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	1,769	1,632
Computer software amortisation	77,218	3,246
Exchange rate loss	2,771,123	290,790
Exceptional item	-	656,071

The exceptional item is VAT payable on certain services received in 2018 and 2019, that were not treated correctly under the VAT reverse charge regulations.

7. AUDITORS' REMUNERATION

	2021	2020
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	20,000	28,583
Total audit fees	20,000	28,583

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Bank loan interest	-	25,828
Interest on Corporation Tax	738	670
Interest on VAT	49,908	-
Other bank interest	4,535	-
	55,181	26,498

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	3,810,378	2,843,102
Deferred tax	1,008	-
Tax on profit	3,811,386	2,843,102

UK corporation tax was charged at 19% in 2021.

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before tax	20,053,334	14,963,490
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	3,810,133	2,843,063
Effects of:		
Expenses not deductible for tax purposes	245	39
Deferred tax	1,008	-
Total tax charge	3,811,386	2,843,102

10. DIVIDENDS

	2021 £	2020 £
Ordinary A shares of £1 each		
Final	6,510,094	10,037,054

11. INTANGIBLE FIXED ASSETS

	Computer software £
COST	
At 1 January 2021	32,459
Additions	739,720
At 31 December 2021	772,179
AMORTISATION	
At 1 January 2021	3,246
Amortisation for year	77,218
At 31 December 2021	80,464
NET BOOK VALUE	
At 31 December 2021	691,715
At 31 December 2020	29,213

12. PROPERTY, PLANT AND EQUIPMENT

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2021	9,607	4,733	14,340
Additions	-	2,181	2,181
At 31 December 2021	9,607	6,914	16,521
DEPRECIATION			
At 1 January 2021	6,568	2,879	9,447
Charge for year	760	1,009	1,769
At 31 December 2021	7,328	3,888	11,216
NET BOOK VALUE			
At 31 December 2021	2,279	3,026	5,305
At 31 December 2020	3,039	1,854	4,893

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	21,322	14,796
Credit card	12,107	7,430
Other debtors	2,429,268	1,495,673
Prepayments	86,462	164,095
	2,549,159	1,681,994

14. CURRENT ASSET INVESTMENTS

	2021	2020
	£	£
Investment in fin. instruments	890,116	583,916

Included within the current asset investment are Euro to British Pound Futures Contract to hedge currency risk. In the case of sale, the company receive only currency difference according to current market price. The term is 3 months until March 2022 and can be converted to cash.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	762,545	484,816
Amounts owed to group undertakings	553,009	370,862
Corporation Tax	1,327,251	1,379,810
Social security and other taxes	19,715	-
VAT	251,259	1,211,820
Other creditors	17,189	-
Deferred income	15,477	21,633
Accrued expenses	330,606	235,707
	3,277,051	3,704,648

16. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	1,008	-

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax
	£
Charge to Statement of Comprehensive Income during year	1,008
Balance at 31 December 2021	1,008

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021 £	2020 £
1,000	Ordinary A	£1	1,000	1,000
1,500,000	Ordinary B	€1	1,295,057	684,821
			1,296,057	685,821

A and B Shares rank pari passu.

350,000 Ordinary B shares have been converted at exchange rate of 1.26573 on 24 March 2016.
450,000 Ordinary B shares have been converted at exchange rate of 1.10213 on 16 October 2020.
500,000 Ordinary B shares have been converted at exchange rate of 1.13883 on 18 February 2021.
200,000 Ordinary B shares have been converted at exchange rate of 1.16830 on 23 July 2021.

18. RESERVES

	Retained earnings £
At 1 January 2021	6,510,094
Profit for the year	16,241,948
Dividends	(6,510,094)
At 31 December 2021	16,241,948

On 24 January 2022 the company paid a dividend to Class A shareholders in the sum of £15,233,103.

19. RELATED PARTY DISCLOSURES

The company uses the services of Decta LLC and Rietumu Banka AS, both of which are Companies registered in Latvia, for facilitating payments through the use of the electronic money. These entities have the same shareholders as the entity.

The company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33.1A "Related Party Disclosures" 'Not to disclose transactions with other members of The Group on the grounds that 100% of the voting rights are controlled by the other members of the group.

The company has lent £42,414 and £191,098 to two group companies on short term credit agreements. The entities have common shareholders to Decta Limited.

20. ULTIMATE CONTROLLING PARTY

The company is controlled throughout the period by " Rietumu Holdings AS" by virtue of fact that it owns entire issued share capital. Rietumu Holdings AS is a company registered in Latvia. The acccounts of Rietumu Holdings AS are publicly available at Lursoft, Matisa Street 8, Riga, LV-1001, Latvia (http://www.lursoft.Iv).

21. SAFEGUARDING CUSTOMER FUNDS

The company holds client money in respect of electronic money services. Such monies and corresponding amounts due to clients are not shown on the face of the balance sheet as the Company is not beneficially entitled thereto. In accordance with regulatory requirements, all client cash is segregated and reconciled on a daily basis.