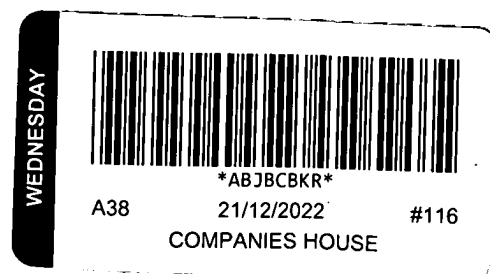


**Registered number: 10416468**

**TAPTAP SEND UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



**TAPTAP SEND UK LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	Michael Darren Faye Thomas Frederick Arnold Stenhouse
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<b>Registered number</b>	10416468
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<b>Registered office</b>	Epworth House 25 City Road London EC1Y 1AA
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<b>Independent auditors</b>	PKF Littlejohn LLP 15 Westferry Circus Canary Wharf London E14 4HD
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## **TAPTAP SEND UK LIMITED**

### **CONTENTS**

	Page
<b>Strategic report</b>	<b>1 - 4</b>
<b>Directors' report</b>	<b>5</b>
<b>Directors' responsibilities statement</b>	<b>10</b>
<b>Independent auditors' report</b>	<b>6 - 9</b>
<b>Profit and loss account</b>	<b>11</b>
<b>Balance sheet</b>	<b>12</b>
<b>Statement of changes in equity</b>	<b>13</b>
<b>Statement of cash flows</b>	<b>14</b>
<b>Notes to the financial statements</b>	<b>15 - 25</b>

## **TAPTAP SEND UK LIMITED**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Introduction**

The directors present their strategic report for the year ended 31 December 2021.

#### **Business review**

The Company continued to expand the provision of digital international money services. During the reported period, this service was provided from the United Kingdom.

Mobile distribution networks have dramatically expanded the reach of digital finance. The Company has designed a mobile-based product to take advantage of this shift that is simple, convenient and a low-cost alternative to traditional methods of international money transfer.

Revenue of \$19.5m was generated by this service offering in the year. The Company has recorded a profit for the year despite investing in expansion into new markets.

The Company is authorised by the Financial Conduct Authority (the "FCA") under the Electronic Money Regulations 2011 with permission to provide payment services.

#### **Principal risks and uncertainties**

The Company faces operational and financial risks in the normal course of business, with the key risks, and the Company's approach to mitigating those risks, outlined below.

#### **Competitive risk**

There exists a significant competitive risk as the markets in which the Company operates are highly competitive, with large established businesses such as Western Union, Moneygram, and Transferwise. To compete successfully, the Company will continue to enhance its product and monitor competitors' offering and performance in its markets.

#### **Regulatory compliance risk**

The Company is regulated by the FCA, and is subject to extensive regulatory requirements such as the Payment Services Regulations 2017, the Electronic Money Regulations 2011 and the Money Laundering Regulations 2017. Failure to meet these requirements could restrict the ability of the Company to operate.

The Company is committed to a strong compliance culture throughout the business, with controls and systems in place to ensure that the Company remains compliant with all required legislation.

#### **Operational risk**

The Company's competitive service offering is providing instant global remittances. A significant operational risk exists when partner outages or delays occur, as the Company is unable to provide its service offering and risk reputational and financial damage.

The Company looks to diversify and hedge this risk through careful selection of partners and through working with multiple partners in regions in which we operate.

## **TAPTAP SEND UK LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Foreign currency risk**

The Company typically receives funds from senders in a different currency to that which it distributes to recipients. As the remittance occurs in a matter of seconds, this requires prefunding the majority of partners with the expected remittance volumes. The Company is sometimes exposed to exchange risk during this process due to the advanced funding of the remittances.

To mitigate the foreign currency exposure, the Company has developed efficient volume forecasting, and timely, regular funding of partners. The Company additionally monitors its exposure to foreign currencies to ensure it is managed appropriately.

#### **Liquidity risk**

The Company faces the risk of having insufficient cash to meet its obligations as they fall due. The Company addresses this risk through active cash management strategies, including raising additional shareholder funds and use of third-party debt facilities.

## **TAPTAP SEND UK LIMITED**

### **STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **Financial key performance indicators**

The Board monitors activities and performance on a regular basis through frequent review of KPIs and metrics including budget versus actual performance. Indicators used by the Board to assess performance during the period included remittance volume, revenue, and net operating profit.

#### **Section 172 statement**

The Directors have complied with their responsibilities under Section 172 of the Companies Act 2006 which requires them to act in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members.

The Board is committed to ensuring the Company's business remains sustainable, not only from the shareholder's perspective, but also for the environment, customers, suppliers and others affected by our activities. In so doing, the Board have regard to the following matters:

##### **(a) The likely consequences of any decision in the long term**

By complying with Section 172, the Directors have had regard to the interests of stakeholders affected by the company's activities and to the likely consequences of decisions in the long-term. The Board regularly review the Company's position and strategies at the Board meetings. The decisions of the Board reflect the need to consider the interests of our staff and the need to continue to develop a technological advantage versus incumbents, so the business is appropriately positioned to take best advantage of market conditions. The strategic priorities are cascaded down by the Executive Directors through direct communication with those responsible for putting measures in place and taking action to achieve them.

The company measures its performance based on KPI's which can be found in this Strategic Report on page five above.

##### **(b) Interests of the Company's employees**

Engaged, enabled, empowered employees who contribute to the best of their potential are fundamental to the long-term success of the business. In 2021 the Company had an average of 100 employees. Companies actively seek to hire employees who share and who live our values in the way that they operate, train them well and look after them so that they provide the best possible service for our customers and remain with us for the long term. In all instances, two-way communication is actively sought and encouraged.

There are "town hall" sessions with staff to discuss what's happening in the business, provide staff with information on new developments, show a spotlight on different departments and encourage employees to ask questions. There are also hold regular "demo sessions" whereby staff from different departments can showcase any new products or features from the departments.

Employees are actively urged to share their feedback, be it positive or negative, which is then reviewed by direct line management and the leadership team to ensure that staff are fully satisfied and engaged with the Company.

##### **(c) Fostering business relationships with customers, suppliers and others**

Throughout the period, the Company has continued to keep customers, suppliers and other stakeholders aware of progress, with the aim to maintain strong relationships in a difficult and challenging period.

All relationships with partners and others engaged to supply services to the Company are formally recorded in written contracts, engagement letters, service level agreements and terms of business. The Executive Directors monitor performance under these arrangements and pay our suppliers in accordance with the Company's agreed payment policy. Again, transparent two-way communication with our suppliers and is actively sought and encouraged. The Company feels very strongly about our customers and providing them with the best service available.

##### **(d) The impact of the Company's operations on the community and the environment**

The Board is committed to ensuring the Company's business remains sustainable for the community, environment and others affected by the Company's activities. It considers collaboration with quality partners

## TAPTAP SEND UK LIMITED

### STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

important in ensuring the Company's long-term success and sustainability. Our performance in this respect is periodically reported to and reviewed by the Company's Executive Directors.

#### (e) Maintaining a reputation for high standards of business conduct

The Board recognises the importance of the Company building a reputation for high standards of business conduct to ensure the business remains sustainable, maximises its competitive advantage over the longer term and builds value for the shareholder.

Our employees must comply with Company's values as well as requirements of the Financial Conduct Authority ('FCA'), which sets a high bar for conduct and how relationships and business are managed. This includes a comprehensive suite of Policies and Procedures.

The main risks the business faces are detailed further in this Strategic report on pages 4 and 5.

As a Group, the companies provide our staff with relevant training as appropriate. As the company are regulated by the Financial Conduct Authority these include the full range of anti-bribery and corruption and anti-money laundering requirements.

#### (f) Acting fairly with the shareholder of the Company

The support and engagement of the shareholder is imperative to the future success of the Company and the Board is committed to communicating effectively with the shareholder and understanding their needs and expectations. To achieve this, the Board encourages two-way communication with the shareholder and responds appropriately to ensure all questions or issues received from them are addressed in a timely manner.

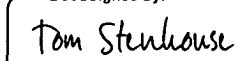
The directors have regular, direct contact with the shareholder and make sure that their opinions are communicated to the Board as needed. There have been regular dialogues with the shareholder during the year.

There is also an on-going dialogue with the shareholder through formal communication of financial results and providing periodic updates in this respect.

This report was approved by the board on

15 December 2022 | 10:53 AM GMT  
and signed on its behalf.

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**Thomas Stenhouse**

Director

## TAPTAP SEND UK LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the financial statements for the year ended 31 December 2021.

#### Results and dividends

The profit for the year, after taxation, amounted to \$2,321,488 (2020 - loss \$954,607).

#### Directors

The directors who served during the year were:

Michael Darren Faye  
Mitchell James Riley (resigned 5 September 2022)

#### Disclosure of information to auditors

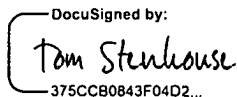
Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- 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.

#### Auditors

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

This report was approved by the board on 15 December 2022 | 10:53 AM GMT and signed on its behalf.

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**Thomas Stenhouse**  
Director

## **TAPTAP SEND UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAPTAP SEND UK LIMITED**

#### **Opinion**

We have audited the financial statements of TapTap Send UK Limited (the 'Company') for the year ended 31 December 2021 which comprise Profit and loss account, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and the related notes, including a summary of significant accounting policies and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 Auditor's 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 director's 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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.

## **TAPTAP SEND UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAPTAP SEND UK 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 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 10, 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.

**TAPTAP SEND UK LIMITED****INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAPTAP SEND UK 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 auditor's 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.

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:

- We obtained an understanding of the Company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the Company in this regard to be those arising from Electronic Money Regulations 2011, Money Laundering Regulations and the Companies Act 2006.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the Company with those laws and regulations. These procedures included, but were not limited to:
  - o Enquiries of management for any known, or suspected instances of non-compliance by the Company of those laws and Regulations.
  - o Review of legal and regulatory correspondences and returns
  - o Review of minutes of the board of directors
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in relation to the impairment of cash advances to pay-out partners. We addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimates.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business, business that came to our attention and preliminary and final analytical review to identify any unusual or unexpected relationships or variances.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

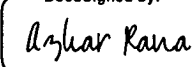
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

## TAPTAP SEND UK LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TAPTAP SEND UK 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone, other than the Company and 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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Azhar Rana (Senior statutory auditor)

for and on behalf of  
**PKF Littlejohn LLP**

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Date: 15 December 2022 | 3:39 AM PST

## **TAPTAP SEND UK LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021**

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

**TAPTAP SEND UK LIMITED****PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Note</b>	<b>2021 \$</b>	<b>2020 \$</b>
Turnover	4	<b>19,525,245</b>	14,785,536
Cost of sales		<b>(6,193,279)</b>	(7,239,567)
<b>Gross profit</b>		<b>13,331,966</b>	7,545,969
Administrative expenses		<b>(10,431,914)</b>	(6,372,867)
Other income	5	<b>171,389</b>	128,317
Impairment loss	15	-	(1,939,819)
<b>Operating profit/(loss)</b>	6	<b>3,071,441</b>	(638,400)
Interest payable and similar expenses	7	<b>(459,011)</b>	(316,207)
<b>Profit/(loss) before tax</b>		<b>2,612,430</b>	(954,607)
Tax on profit/(loss)	11	<b>(290,942)</b>	-
<b>Profit/(loss) for the financial year</b>		<b>2,321,488</b>	(954,607)

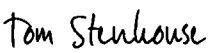
The notes on pages 15 to 25 form part of these financial statements.

**TAPTAP SEND UK LIMITED**  
**REGISTERED NUMBER: 10416468**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 \$	2020 \$
<b>Fixed assets</b>			
Investments	12	406	406
		<u>406</u>	<u>406</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	13	6,094,483	2,181,867
Cash advances to payout partners	14	20,670,342	9,691,758
Cash at bank and in hand	15	9,636,496	3,929,677
		<u>36,401,321</u>	<u>15,803,302</u>
Creditors: amounts falling due within one year	16	(22,741,689)	(15,021,328)
<b>Net current assets</b>		<u>13,659,632</u>	<u>781,974</u>
<b>Total assets less current liabilities</b>		<u>13,660,038</u>	<u>782,380</u>
<b>Net assets</b>		<u><u>13,660,038</u></u>	<u><u>782,380</u></u>
<b>Capital and reserves</b>			
Called up share capital	18	7	4
Share premium account	20	14,639,535	4,125,971
Other Reserves	20	92,180	49,577
Profit and loss account		(1,071,684)	(3,393,172)
		<u>13,660,038</u>	<u>782,380</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 DECEMBER 2022.

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**Thomas Stenhouse**  
 Director

The notes on pages 15 to 25 form part of these financial statements.

**TAPTAP SEND UK LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Paid-in share capital</b>	<b>Share option reserve</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>At 1 January 2020</b>	<b>2</b>	<b>1,548,824</b>	<b>-</b>	<b>(2,438,565)</b>	<b>(889,739)</b>
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(954,607)	(954,607)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(954,607)</b>	<b>(954,607)</b>
Shares issued during the year	2	2,577,147	49,577	-	2,626,726
<b>At 1 January 2021</b>	<b>4</b>	<b>4,125,971</b>	<b>49,577</b>	<b>(3,393,172)</b>	<b>782,380</b>
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	2,321,488	2,321,488
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,321,488</b>	<b>2,321,488</b>
Shares issued during the year	3	10,513,564	42,603	-	10,556,170
<b>Total transactions with owners</b>	<b>3</b>	<b>10,513,564</b>	<b>42,603</b>	<b>-</b>	<b>10,556,170</b>
<b>At 31 December 2021</b>	<b>7</b>	<b>14,639,535</b>	<b>92,180</b>	<b>(1,071,684)</b>	<b>13,660,038</b>

The notes on pages 15 to 25 form part of these financial statements.

**TAPTAP SEND UK LIMITED****STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 \$	2020 \$
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	2,321,488	(954,607)
<b>Adjustments for:</b>		
Interest paid	459,011	316,207
Taxation charge	290,942	-
(Increase)/decrease in debtors	(12,324,662)	58,531
Decrease/(increase) in cash advances to payout partners	-	(8,974,553)
(Increase) in amounts owed by group undertakings	(2,566,538)	(177,118)
Increase in creditors	4,289,152	2,147,049
Increase in amounts owed to group undertakings	3,140,267	8,811,022
Increase in provisions	-	49,577
Foreign exchange	-	1,939,819
<b>Net cash generated from operating activities</b>	<b>(4,390,340)</b>	<b>3,215,927</b>
<b>Cash flows from investing activities</b>		
Purchase of share in associates	42,603	-
<b>Net cash from investing activities</b>	<b>42,603</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	10,513,567	2,577,149
Interest paid	(459,011)	(316,207)
<b>Net cash used in financing activities</b>	<b>10,054,556</b>	<b>2,260,942</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,706,819</b>	<b>5,476,869</b>
Cash and cash equivalents at beginning of year	3,929,677	(1,547,192)
<b>Cash and cash equivalents at the end of year</b>	<b>9,636,496</b>	<b>3,929,677</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	9,636,496	3,929,677
	<b>9,636,496</b>	<b>3,929,677</b>

The notes on pages 15 to 25 form part of these financial statements.

## **TAPTAP SEND UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021**

#### **1. General information**

Taptap Send UK Limited ('the Company') incorporated on 7 October 2016. On 11 December 2017, the Company was authorised by the Financial Conduct Authority as an Electronic Money Institution to issue electronic money and provide payment services.

Taptap Send UK Limited is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office is Epworth House, 25 City Road, London, England, EC1Y 1AA.

#### **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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Going concern**

The Directors believe that adequate cash resources will be available to cover the Company's requirements for working capital for the next twelve months and for the foreseeable future and to meet its obligations as they fall due. Accordingly, the financial statements have been prepared on the going concern basis.

##### **2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable.

Income from foreign exchange comprises income from purchase and sale of foreign currencies.

Commission, foreign exchange margin and other incidental income to the remittance transaction are recognised on the completion of each respective transaction. Company charges fixed fee as commission income and earn foreign exchange margin on remittance transactions which is difference between the exchange rate at which company deal with banks and rate offered to customers.

When the Company provides a service to its customers, consideration is invoiced and generally due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

Intercompany revenue relates to management recharges for costs incurred by the company on behalf of its related party companies within the group. These costs are recharged at cost plus mark up.

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.4 Valuation of investments**

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Profit and loss account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management

**2.7 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.7 Financial instruments (continued)**

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**2.8 Creditors**

Creditors consist of short term creditors which are measured at the transaction price.

**2.9 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is USD.

**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 profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.10 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****2. Accounting policies (continued)****2.11 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Company keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

**2.12 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

**2.13 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.14 Taxation**

Tax is recognised in profit or loss 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.

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****3. Judgements in applying accounting policies and key sources of estimation uncertainty**

Judgements made by the directors, in the application of these accounting policies, do not have a significant effect on the financial statements and there are no estimates with a significant risk of material adjustment in the next year.

**4. Turnover**

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

	2021 \$	2020 \$
E-money remittance services	11,219,949	14,608,120
Intercompany revenue	8,305,296	177,416
	<u>19,525,245</u>	<u>14,785,536</u>

Analysis of turnover by country of destination:

	2021 \$	2020 \$
Europe	7,403,879	177,416
Africa	11,219,949	14,606,682
North America	901,417	-
Asia	-	1,438
	<u>19,525,245</u>	<u>14,785,536</u>

**5. Other operating income**

	2021 \$	2020 \$
Other operating income	171,389	128,317
	<u>171,389</u>	<u>128,317</u>

Other operating income relates to transactions arising from the spin-off of the Company and consists of the write-off of inter-company balances and deal costs.

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****6. Operating profit**

The operating profit is stated after charging:

	2021	2020
	\$	\$
Exchange differences	48,519	1,278,493
Other operating lease rentals	47,984	242,700
	<u>48,519</u>	<u>1,521,193</u>

**7. Interest payable and similar expenses**

	2021	2020
	\$	\$
Bank interest payable	459,011	316,207
	<u>459,011</u>	<u>316,207</u>

**8. Auditors' remuneration**

	2021	2020
	\$	\$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	40,000	37,575
	<u>40,000</u>	<u>37,575</u>

**9. Employees**

Staff costs, including directors' remuneration, were as follows:

	2021	2020
	\$	\$
Wages and salaries	3,490,926	1,888,044
Social security costs	479,611	319,344
	<u>3,970,537</u>	<u>2,207,388</u>

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

	2021	2020
	No.	No.
Number of employees	<u>50</u>	<u>26</u>

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****10. Directors' remuneration**

	2021 \$	2020 \$
Directors' emoluments	302,015	212,141
	<u>302,015</u>	<u>212,141</u>

**11. Taxation**

	2021 \$	2020 \$
<b>Corporation tax</b>		
Current tax on profits for the year	290,942	-
	<u>290,942</u>	<u>-</u>
<b>Total current tax</b>	<u>290,942</u>	<u>-</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	<u>-</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>290,942</u>	<u>-</u>

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****11. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - *higher than*) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
Profit/(loss) on ordinary activities before tax	<b>2,612,430</b>	<b>(954,607)</b>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>488,671</b>	<b>(181,375)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>25,720</b>	<b>399,202</b>
Fixed asset differences	<b>(4,161)</b>	<b>-</b>
Non-taxable income	<b>(52,257)</b>	<b>-</b>
Other permanent differences	<b>(3,730)</b>	<b>-</b>
Dividends from UK companies	<b>-</b>	<b>(36,921)</b>
Current tax exchange difference	<b>(5,998)</b>	<b>-</b>
Deferred tax not recognised	<b>(157,303)</b>	<b>(180,906)</b>
<b>Total tax charge for the year</b>	<b>290,942</b>	<b>-</b>

**Factors that may affect future tax charges**

On 3 March 2021, the UK government announced that it intended to increase the main rate of corporation tax to 25% for financial years beginning on or after 1 April 2023. This rate was enacted on 10 June 2021.

**12. Fixed asset investments**

	<b>Investments in associates \$</b>
<b>Cost or valuation</b>	
At 1 January 2021	<b>406</b>
At 31 December 2021	<b>406</b>

This investment reflects the 1% investment held at cost by Taptap Send UK Ltd in Taptap Send France S.A, purchased for €370 on 16 September 2019.

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****13. Debtors**

	2021 \$	2020 \$
Amounts due from third party acquirers	3,013,548	1,824,260
Amounts owed by group undertakings	2,748,746	182,208
Other debtors	-	90,311
Prepayments	332,189	85,088
	<u>6,094,483</u>	<u>2,181,867</u>

**14. Cash advances to payout partners**

	2021 \$	2020 \$
Cash advances to payout partners	20,670,342	9,691,758
	<u>20,670,342</u>	<u>9,691,758</u>

To enable instantaneous settlement to beneficiaries of remittance transactions the Company prefunds overseas institutions which are referred to as pay-out partners.

During the year no impairment charge was recognised against cash advances to payout partners:

	2021 \$	2020 \$
Cash advances to payout partners, gross	20,670,342	11,631,577
Less impairment loss	<u>-</u>	<u>(1,939,819)</u>
	<u>20,670,342</u>	<u>9,691,758</u>

**15. Cash and cash equivalents**

	2021 \$	2020 \$
Cash at bank and in hand	9,636,496	3,929,677
	<u>9,636,496</u>	<u>3,929,677</u>

Of this balance, client money held is \$38,083 (2020: \$16,890).

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****16. Creditors: Amounts falling due within one year**

	2021 \$	2020 \$
Amounts owed to group undertakings	15,613,944	12,473,677
Amounts due to payout partners	5,525,220	1,864,172
Trade creditors	240,739	263,927
Corporation tax	290,942	-
Accruals and deferred income	1,070,844	419,552
	<u>22,741,689</u>	<u>15,021,328</u>

Amounts owed to group undertakings are repayable on demand and do not accrue interest.

**17. Financial instruments**

	2021 \$	2020 \$
<b>Financial assets</b>		
Cash at bank and in hand	9,636,496	3,929,677
Financial assets that are debt instruments measured at amortised cost	26,432,636	11,788,537
	<u>36,069,132</u>	<u>15,718,214</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(16,925,527)	(13,157,156)

**18. Share capital**

	2021 \$	2020 \$
<b>Allotted, called up and fully paid</b>		
7 (2020 - 4) Ordinary shares of £1.0 each	7	4

**TAPTAP SEND UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021****19. Share premium account**

	2021	2020
	\$	\$
Share premium	<u>14,639,534</u>	<u>4,125,971</u>

On 24 May 2021, the Company issued 1 Ordinary share of £1 each for a total consideration of £2,000,000 resulting in share premium of \$2,831,179.

On 4 August 2021, the Company issued 1 Ordinary share of £1 each for a total consideration of £2,000,000 resulting in share premium of \$2,777,479.

On 14 December 2021, the Company issued 1 Ordinary share of £1 each for a total consideration of £3,700,000 resulting in share premium of \$5,004,970.

The share premium has had a revaluation resulting in a decrease of \$100,064.

**20. Stock option reserve**

During 2021, the company granted 858,692 shares to 19 employees, under a share option scheme. The options were exercisable at a price of between \$0.13 and \$2.10 per share and had a vesting period of 4 years. As at year end, 1,289,753 had vested but not been exercised.

Charges have been made to the profit and loss account during the year in respect of the share options totalling \$42,603 (2020: \$49,577).

**21. Related party transactions**

Dr. Michael Faye, a director of the Company, is also a director of Cab Tech Holdco Ltd, whose subsidiary provides banking services to Taptap Send UK Limited.

**22. Contingent liability**

A charge is registered against the company's assets in relation to borrowing facilities provided by a financial institution.

**23. Controlling party**

The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Taptap Send Inc, a Company incorporated in the United States of America. Copies of the Taptap Send Inc. financial statements can be obtained at 228 Park Ave S, Suite 87488, New York, 10003-1502 US.

In the opinion of the Directors there is no one ultimate controlling party.