

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

FOR

FINANCIAL HOUSE LIMITED

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	5
Income Statement	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15

FINANCIAL HOUSE LIMITED

COMPANY INFORMATION
for the year ended 31 December 2020

DIRECTORS:

Mr A Abdukadyrov
Mr S Mckellar
Mr S J Leifer
Mr S R Reeves

REGISTERED OFFICE:

6 Bevis Marks Building, 1st Floor
Bury Court
London
EC3A 7HL

REGISTERED NUMBER:

10459236 (England and Wales)

AUDITORS:

Raffingers LLP
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

STRATEGIC REPORT
for the year ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

The result for the year is shown on page 9.

Gross profit has increased by £850,002 from £4,549,941 to £5,399,943, an increase of 19%. The company's activities resulted in an increased sales figure for the year of £16,795,595 compared to £12,081,924 in the previous year.

As shown in the profit and loss account, the operating profit for continuing operations for the year was £1,324,842 (2019 - £1,067,536).

The balance sheet on page 11 shows net assets of £3,889,030 (2019 - £2,810,184) at the end of the year, with a positive cash position of £12,095,653 (2019 - £2,766,022).

PRINCIPAL RISKS AND UNCERTAINTIES

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk and liquidity risk.

The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the finance department.

Price risk

The company is exposed to price risk due to normal inflationary increases in the purchase price of services purchase in the UK and abroad. The company has no exposure to equity securities price risk as it holds no listed or other equity investments.

Liquidity risk

Financial House Ltd's liquidity policy is to maintain sufficient liquid resources to cover cash flow imbalances and fluctuations. The company maintains sufficient cash balances with its banking partners to cover liquidity risk. Furthermore, the company continuously monitors income and expenditure levels and adjusts plans accordingly.

CORPORATE SOCIAL RESPONSIBILITY

- Health and Safety policy and performance is monitored and updated on an annual basis.

- Other examples of policies implemented by the company in order to comply with the spirit of the law and maintain the ethical standards are: equal opportunities, harassment, training and career development.

GOING CONCERN REVIEW

We have considered the consequences of COVID 19, Brexit and other events and conditions. The impact of COVID 19 and Brexit on the company's performance and therefore on the measurement of some assets and liabilities or on liquidity is not expected to be significant. Hence, we are confident that the company has adequate resources to remain in operation for the foreseeable future and has therefore continued to adopt the going concern basis in preparing the financial statements.

STRATEGIC REPORT
for the year ended 31 December 2020

KEY PERFORMANCE INDICATORS

- Customer satisfaction and retention - There are established relationships with customer firms with some turnover.
- Employee Satisfaction - Significantly higher numbers of staff have been employed with the majority retained from the previous year.
- Gross Profit margin - Margin has been improving in the last few years due to constant monitoring and introduction of efficiencies. However there has been a slight decrease in the period under audit due to the extra costs incurred to safeguard the health and wellbeing of the employees and to comply with Covid 19 related Government guidelines.

	2020	2019	Measure
Gross Profit Margin	0.32%	0.37%	Gross Profit/Turnover

- Creditor days - The policy is to pay creditors as amounts fall due.

	2020	2019	Measure
Creditors days	0.30 days	0.01 days	Trade Creditors/Cost of Sales

EMPLOYEES

The company operates an equal opportunities policy. The aim of this policy is to ensure that there should be equal opportunity for all and this applies to external recruitment, internal appointments, terms of employment, conditions of service and opportunity for training and promotion regardless of gender, ethnic origin or disability.

Disabled persons are given full and fair consideration for all types of vacancy in as much as the opportunities available are constrained by the practical limitations of the disability. Should, for whatever reason, an employee of the company become disabled whilst in our employment, every step, where appropriate, will be taken to assist with rehabilitation and suitable re-training.

The company maintains its own health, safety and environmental policies covering all aspect of its operations. Regular meetings and inspections take place to ensure all legal requirements are adhered to and that the company is responsive to the needs of the employees and the environment.

FUTURE DEVELOPMENTS

The company is planning to expand its products and services to different jurisdictions that deliver higher margins. New products and services will be launched at the beginning of 2022 and new licence applications are in process to facilitate those developments.

The directors are confident of delivering sustainable future growth for the company.

ON BEHALF OF THE BOARD:

Mr A Abdukadyrov - Director

10 September 2021

REPORT OF THE DIRECTORS
for the year ended 31 December 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of enabling digital and mobile payments on behalf of consumers and merchants worldwide.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

DIRECTORS

Mr A Abdukadyrov has held office during the whole of the period from 1 January 2020 to the date of this report.

Other changes in directors holding office are as follows:

Mr S Mckellar - appointed 10 August 2020

Mr S J Leifer - appointed 10 December 2020

Mr S R Reeves - appointed 10 December 2020

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). 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.

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.

ON BEHALF OF THE BOARD:

Mr A Abdukadyrov - Director

10 September 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINANCIAL HOUSE LIMITED

Opinion

We have audited the financial statements of Financial House Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 2020 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FINANCIAL HOUSE LIMITED**

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 four, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FINANCIAL HOUSE LIMITED

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:

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- 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 company's 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 Companies Act 2006, taxation legislation and data protection, employment, health and safety legislation and FCA regulations;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence where necessary.

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; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected transactions;
- tested the appropriateness of journal entries;
- tested authorisation of expenditure;
- assessed whether judgements and assumptions made in determining the accounting estimates 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, and the company's legal advisors.

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 collusion.

We did not identify any irregularities, including fraud.

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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FINANCIAL HOUSE LIMITED

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.

Mr Adam Moody (Senior Statutory Auditor)
for and on behalf of Raffingers LLP
19-20 Bourne Court
Southend Road
Woodford Green
Essex
IG8 8HD

10 September 2021

INCOME STATEMENT
for the year ended 31 December 2020

	Notes	2020 £	2019 £
TURNOVER		16,795,595	12,081,924
Cost of sales		<u>(11,395,652)</u>	<u>(7,531,983)</u>
GROSS PROFIT		5,399,943	4,549,941
Administrative expenses		<u>(4,185,252)</u>	<u>(3,482,405)</u>
		1,214,691	1,067,536
Other operating income		<u>110,151</u>	<u>-</u>
OPERATING PROFIT	4	1,324,842	1,067,536
Interest payable and similar expenses	5	<u>(55)</u>	<u>(18)</u>
PROFIT BEFORE TAXATION		1,324,787	1,067,518
Tax on profit	6	<u>(270,270)</u>	<u>700,273</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,054,517</u>	<u>1,767,791</u>

The notes form part of these financial statements

OTHER COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	2020 £	2019 £
PROFIT FOR THE YEAR		1,054,517	1,767,791
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME			
FOR THE YEAR		<u>1,054,517</u>	<u>1,767,791</u>

FINANCIAL HOUSE LIMITED (REGISTERED NUMBER: 10459236)**BALANCE SHEET**
31 December 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	7		180,951		170,899
Investments	8		<u>-</u>		<u>-</u>
			180,951		170,899
CURRENT ASSETS					
Debtors	9	8,416,576		3,702,414	
Cash at bank		<u>12,095,653</u>		<u>2,766,022</u>	
		20,512,229		6,468,436	
CREDITORS					
Amounts falling due within one year	10	<u>16,623,199</u>		<u>3,658,252</u>	
NET CURRENT ASSETS			<u>3,889,030</u>		<u>2,810,184</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,069,981		2,981,083
PROVISIONS FOR LIABILITIES	12		<u>34,381</u>		<u>-</u>
NET ASSETS			<u>4,035,600</u>		<u>2,981,083</u>
CAPITAL AND RESERVES					
Called up share capital	13		350,100		350,100
Retained earnings	14		<u>3,685,500</u>		<u>2,630,983</u>
SHAREHOLDERS' FUNDS			<u>4,035,600</u>		<u>2,981,083</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 September 2021 and were signed on its behalf by:

Mr A Abdukadyrov - Director

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	350,100	863,192	1,213,292
Changes in equity			
Total comprehensive income	-	1,767,791	1,767,791
Balance at 31 December 2019	<u>350,100</u>	<u>2,630,983</u>	<u>2,981,083</u>
Changes in equity			
Total comprehensive income	-	1,054,517	1,054,517
Balance at 31 December 2020	<u>350,100</u>	<u>3,685,500</u>	<u>4,035,600</u>

The notes form part of these financial statements

CASH FLOW STATEMENT
for the year ended 31 December 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	9,320,297	3,146,473
Interest paid		(55)	(18)
Tax paid		-	(687,744)
Net cash from operating activities		<u>9,320,242</u>	<u>2,458,711</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(177,762)	(79,981)
Purchase of fixed asset investments		(158,849)	-
Sale of tangible fixed assets		77,000	-
Sale of fixed asset investments		269,000	-
Net cash from investing activities		<u>9,389</u>	<u>(79,981)</u>
Increase in cash and cash equivalents		<u>9,329,631</u>	<u>2,378,730</u>
Cash and cash equivalents at beginning of year	2	2,766,022	387,292
Cash and cash equivalents at end of year	2	<u><u>12,095,653</u></u>	<u><u>2,766,022</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
for the year ended 31 December 2020

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	1,324,787	1,067,518
Depreciation charges	96,510	75,591
Profit on disposal of fixed assets	(115,951)	-
Finance costs	55	18
	<u>1,305,401</u>	<u>1,143,127</u>
(Increase)/decrease in trade and other debtors	(4,950,051)	4,743,281
Increase/(decrease) in trade and other creditors	<u>12,964,947</u>	<u>(2,739,935)</u>
Cash generated from operations	<u><u>9,320,297</u></u>	<u><u>3,146,473</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>12,095,653</u>	<u>2,766,022</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>2,766,022</u>	<u>387,292</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	<u>2,766,022</u>	<u>9,329,631</u>	<u>12,095,653</u>
	<u>2,766,022</u>	<u>9,329,631</u>	<u>12,095,653</u>
Total	<u>2,766,022</u>	<u>9,329,631</u>	<u>12,095,653</u>

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2020

1. STATUTORY INFORMATION

Financial House 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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.

Assessment of going concern

The directors have assessed whether the use of the going concern assumption is appropriate in preparing these accounts. The directors have made this assessment in respect to a period of one year from the date of approval of these accounts.

The directors have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors are of the opinion that the company will have sufficient resources to meet its liabilities as they fall due.

In arriving at the conclusion, the directors have considered the potential implications of Brexit and the effects of Covid 19 on the company. The directors have discussed the effects of Brexit on the business and have concluded that there will not be any detrimental effects in the near future.

Significant judgements and estimates

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The items in the financial statements where these judgements and estimates have been made include:

- assessing the useful economic lives attributed to tangible fixed assets used to determine the annual depreciation charge, and
- the provision required for any bad or doubtful debts.

Revenue

Revenue is the commission charged to merchants and consumers on a transaction basis primarily based on the volume of activity.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Motor vehicle - straight line over 3 years

Computer equipment - straight line over 3 years

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

2. ACCOUNTING POLICIES - continued

Financial instruments

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

Basic financial liabilities, including trade and other payables, 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.

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

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

3. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	490,180	299,366
Social security costs	49,995	29,320
Other pension costs	5,492	1,572
	<u>545,667</u>	<u>330,258</u>

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

	2020	2019
Administration	2	2
Compliance	11	1
Finance	1	2
Sales and marketing	3	2
Support and product management	3	2
	<u>20</u>	<u>9</u>

	2020	2019
	£	£
Directors' remuneration	<u>100,000</u>	<u>100,000</u>

4. OPERATING PROFIT

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

	2020	2019
	£	£
Hire of plant and machinery	18,893	14,406
Depreciation - owned assets	96,510	75,591
Profit on disposal of fixed assets	(115,951)	-
Auditors' remuneration	40,500	18,000
Foreign exchange differences	<u>102,119</u>	<u>119,107</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	<u>55</u>	<u>18</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2020	2019
	£	£
Current tax:		
UK corporation tax	-	(168,285)
Deferred tax:		
timing difference	270,270	(531,988)
Tax on profit	<u>270,270</u>	<u>(700,273)</u>

UK corporation tax has been charged at 19% .

Reconciliation of total tax charge/(credit) included in profit and loss

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

	2020	2019
	£	£
Profit before tax	<u>1,324,787</u>	<u>1,067,518</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	251,710	202,828
Effects of:		
Expenses not deductible for tax purposes	7,552	4,341
Income not taxable for tax purposes	(22,031)	-
Capital allowances in excess of depreciation	(808)	(878)
Utilisation of tax losses	(236,423)	(206,291)
Research and development enhanced expenditure	-	(168,285)
Deferred tax: timing difference	270,270	(531,988)
Total tax charge/(credit)	<u>270,270</u>	<u>(700,273)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 January 2020	-	142,400	123,857	266,257
Additions	8,215	80,000	89,547	177,762
Disposals	-	(142,400)	-	(142,400)
At 31 December 2020	<u>8,215</u>	<u>80,000</u>	<u>213,404</u>	<u>301,619</u>
DEPRECIATION				
At 1 January 2020	-	47,467	47,891	95,358
Charge for year	913	39,289	56,308	96,510
Eliminated on disposal	-	(71,200)	-	(71,200)
At 31 December 2020	<u>913</u>	<u>15,556</u>	<u>104,199</u>	<u>120,668</u>
NET BOOK VALUE				
At 31 December 2020	<u>7,302</u>	<u>64,444</u>	<u>109,205</u>	<u>180,951</u>
At 31 December 2019	<u>-</u>	<u>94,933</u>	<u>75,966</u>	<u>170,899</u>

8. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
Additions	158,849
Disposals	(158,849)
At 31 December 2020	<u>-</u>
NET BOOK VALUE	
At 31 December 2020	<u>-</u>

The investment held related entirely to Speedyteller Brasil Ltda, a wholly owned subsidiary registered in Brazil. During the year, the subsidiary company was disposed of.

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	-	41,385
Other debtors	7,223,472	2,659,605
Tax	451,860	687,744
VAT	619,081	240,545
Prepayments	122,163	73,135
	<u>8,416,576</u>	<u>3,702,414</u>

FINANCIAL HOUSE LIMITED (REGISTERED NUMBER: 10459236)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	3,438,509	89,278
Social security and other taxes	17,556	15,265
Other creditors	13,091,971	3,457,076
Accrued expenses	75,163	96,633
	<u>16,623,199</u>	<u>3,658,252</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	45,223	53,280
Between one and five years	<u>10,722</u>	<u>-</u>
	<u>55,945</u>	<u>53,280</u>

12. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax		
Accelerated capital allowances	<u>34,381</u>	<u>-</u>

	Deferred tax
	£
Provided during year	<u>34,381</u>
Balance at 31 December 2020	<u>34,381</u>

13. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
350,100	Ordinary	£1	<u>350,100</u>	<u>350,100</u>

14. RESERVES

	Retained earnings
	£
At 1 January 2020	2,630,983
Profit for the year	<u>1,054,517</u>
At 31 December 2020	<u>3,685,500</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2020

15. PENSION COMMITMENTS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company, being invested with an insurance company. During the year contributions payable by the company to the fund amounted to £5,492 (2019 - £1,572).

16. CONTINGENT LIABILITIES

There were no contingent liabilities at either the beginning or end of the financial year.

17. CAPITAL COMMITMENTS

At 31 December 2020 and 31 December 2019 the company had no capital commitments which had been contracted for but not provided in the financial statements.

18. AUDITOR LIABILITY LIMITATION AGREEMENT

The company has entered into a liability limitation agreement with Raffingers, the statutory auditors, in respect of the statutory audit for the year ended 31 December 2020. The proportionate liability agreement follows the standard terms in Appendix B to the Financial Reporting Council's June 2008 Guidance on Auditor Liability Agreements, and was approved by the director on 22 March 2021.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.