

Company Registration No. 10630670 (England and Wales)

**MYPOS EUROPE LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 MARCH 2018**

# MYPOS EUROPE LTD

## COMPANY INFORMATION

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|                          |   |                             |
|--------------------------|---|-----------------------------|
| <b>Directors</b>         | A Byrne   | {Appointed 10 August 2017}  |
|                          | M R Destraz   | {Appointed 22 January 2018} |
|                          | W Mustafa   | {Appointed 1 June 2018}     |
|                          | O Sigtryggsson  | {Appointed 10 August 2017}  |
| <b>Company number</b>    | 10630670  |                             |
| <b>Registered office</b> | Level 33 25 Canada Square<br>Canary Wharf<br>London<br>E14 5LB        |                             |
| <b>Auditor</b>           | Fisher, Sassoon & Marks<br>43 - 45 Dorset Street<br>London<br>W1U 7NA |                             |

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# MYPOS EUROPE LTD

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# MYPOS EUROPE LTD

## STRATEGIC REPORT

**FOR THE PERIOD ENDED 31 MARCH 2018**

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The directors present the strategic report for the period ended 31 March 2018.

### **Fair review of the business**

MyPOS Europe Ltd was incorporated on 21 February 2017. The Company is an electronic money institution authorised and regulated by the FCA UK to provide e-money and payment services from 7 December 2017, under the Electronic Money Regulations 2011 (EMRs).

The company's objective is to provide integrated and affordable payment solutions, changing the way businesses accept card payments across all channels - at the counter, online and mobile.

Combining the latest payment technologies with imagination and expertise, myPOS is creating a new payment world, built on innovation, freedom, flexibility and opportunities for growth.

MyPOS Europe Ltd is fully compliant with and continuously observes all applicable regulations and industry leading standards relevant to card acquiring and card issuing. The firm was re-authorised on 23 May 2018 and satisfies the new authorisation requirements introduced by the PSRs 2017 (including by amendment to the EMRs 2011) in implementation of PSD2.

The Company's continued investment in products development and focus on innovation has 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.

### **Principal Risks and Uncertainties**

MyPOS Europe Ltd seeks to minimise 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 significant part of financial services is being provided in foreign currencies. Another major risk of adverse AML deficiencies in myPOS operations is adequately mitigated by comprehensive policies, measures and staff training.

Concentration risk is minimised 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, myPOS has combination of various controls in place, both internal and external, aimed at elimination of possible threats to myPOS's operations. As a core element in its risk policy, myPOS applies weighted assessment of calculated risk factors in continuously systematic manner.

Company directors manage these risks and have a reasonable expectation that MyPOS Europe Ltd maintains adequate resources to minimise the negative impact on its financials.

### **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 performance indicators are turnover EUR 4,353,591 and gross profit for the period EUR 578,609. At the period end the company had net assets of EUR 1,093,108.

The Directors of the Company are satisfied with the Company performance for the period. MyPOS Europe Ltd has achieved most of its strategic objectives and is continuing to operate accordingly.

On behalf of the board

A Byrne

**Director**

15 August 2018

# MYPOS EUROPE LTD

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 31 MARCH 2018**

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The directors present their annual report and financial statements for the period ended 31 March 2018.

### Principal activities

The principal activity of the company continued to be that of issuing electronic money (e-money) and providing payment services.

### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

|                    |  |
|--------------------|--|
| A Byrne            | (Appointed 10 August 2017)                               |
| M R Destraz        | (Appointed 22 January 2018)                              |
| W Mustafa          | (Appointed 1 June 2018)                                  |
| O Sigtryggsson     | (Appointed 10 August 2017)                               |
| R Jenkin           | (Appointed 21 February 2017 and resigned 10 August 2017) |
| A Khasru           | (Appointed 10 August 2017 and resigned 31 May 2018)      |
| M Spenser-Campbell | (Appointed 10 August 2017 and resigned 23 February 2018) |
| R Valtchanov       | (Appointed 10 August 2017 and resigned 10 August 2017)   |

### Results and dividends

The results for the period are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### Financial instruments

#### Liquidity risk

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business. The company does not consider it has a high level of liquidity risk in view of the level of capitalisation required by the Financial Conduct Authority and the policy of the Directors which is to 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 be hedged in order to fix the cost in Euro.

#### Credit risk

At present the company's primary credit risk is with its trade debtors 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.

#### Cash flow risk

Cash flow risks are that the company does not have sufficient financial resources to meet its obligations as they fall due. The company has implemented systems and controls to mitigate such risks.

#### Post reporting date events

On 23 July 2018, the company issued 1,000,000 ordinary shares of £1 each, fully paid at par for cash consideration to provide additional working capital.

#### Future developments

There are no matters to report.

# MYPOS EUROPE LTD

## DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 MARCH 2018**

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### **Auditor**

Fisher, Sassoon & Marks were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the annual 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 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;
- 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 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 of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

A Byrne

**Director**

15 August 2018

# MYPOS EUROPE LTD

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF MYPOS EUROPE LTD

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#### Opinion

We have audited the financial statements of Mypos Europe Ltd (the 'company') for the period ended 31 March 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 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 March 2018 and of its loss for the period 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

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial period 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.

# MYPOS EUROPE LTD

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF MYPOS EUROPE LTD

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#### 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 and the directors' report.

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 directors' responsibilities statement, 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.

#### Auditor's 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.

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

#### 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.

**Jonathan Marks (Senior Statutory Auditor)**  
for and on behalf of Fisher, Sassoon & Marks

15 August 2018

**Chartered Accountants**  
**Statutory Auditor**

43 - 45 Dorset Street  
London  
W1U 7NA



## MYPOS EUROPE LTD

### STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2018

|                                      | Notes | Period<br>ended<br>31 March<br>2018<br>EUR |
|--------------------------------------|-------|--|
| Revenue                              | 3     | 4,353,591                                  |
| Cost of sales                        |       | (3,774,982)                                |
| <b>Gross profit</b>                  |       | <b>578,609</b>                             |
| Administrative expenses              |       | (619,995)                                  |
| <b>Loss before taxation</b>          |       | <b>(41,386)</b>                            |
| Tax on loss                          | 7     | -  |
| <b>Loss for the financial period</b> |       | <b>(41,386)</b>                            |

The Income Statement has been prepared on the basis that all operations are continuing operations.

# MYPOS EUROPE LTD

## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

|  | Notes | 2018<br>EUR      | EUR              |
|--|-------|------------------|------------------|
| <b>Non-current assets</b>                    |       |                  |                  |
| Property, plant and equipment                | 8     |                  | 52,546           |
| <b>Current assets</b>                        |       |                  |                  |
| Trade and other receivables                  | 10    | 298,450          |                  |
| Cash and cash equivalents                    |       | 886,316          |                  |
|  |       | <u>1,184,766</u> |                  |
| <b>Current liabilities</b>                   | 11    | (144,204)        |                  |
|  |       | <u></u>          |                  |
| <b>Net current assets</b>                    |       |                  | 1,040,562        |
|  |       |                  | <u></u>          |
| <b>Total assets less current liabilities</b> |       |                  | <u>1,093,108</u> |
|  |       |                  | <u></u>          |
| <b>Equity</b>                                |       |                  |                  |
| Called up share capital                      | 13    |                  | 1,134,494        |
| Retained earnings                            |       |                  | (41,386)         |
|  |       |                  | <u></u>          |
| <b>Total equity</b>                          |       |                  | <u>1,093,108</u> |
|  |       |                  | <u></u>          |

The financial statements were approved by the board of directors and authorised for issue on 15 August 2018 and are signed on its behalf by:

A Byrne  
Director

Company Registration No. 10630670

## MYPOS EUROPE LTD

### STATEMENT OF CHANGES IN EQUITY

*FOR THE PERIOD ENDED 31 MARCH 2018*

|  | Notes | Share capital<br>EUR | Retained<br>earnings<br>EUR | Total<br>EUR     |
|--|-------|----------------------|-----------------------------|------------------|
| <b>Period ended 31 March 2018:</b>                 |       |                      |                             |                  |
| Loss and total comprehensive income for the period |       | -                    | (41,386)                    | (41,386)         |
| Issue of share capital                             | 13    | 1,134,494            | -                           | 1,134,494        |
| <b>Balance at 31 March 2018</b>                    |       | <u>1,134,494</u>     | <u>(41,386)</u>             | <u>1,093,108</u> |

## MYPOS EUROPE LTD

### STATEMENT OF CASH FLOWS

*FOR THE PERIOD ENDED 31 MARCH 2018*

|   | Notes | 2018<br>EUR | EUR       |
|---|-------|-------------|-----------|
| <b>Cash flows from operating activities</b>                   |       |             |           |
| Cash absorbed by operations                                   | 17    |             | (190,403) |
| <b>Investing activities</b>                                   |       |             |           |
| Purchase of property, plant and equipment                     |       | (57,775)    |           |
| <b>Net cash used in investing activities</b>                  |       |             | (57,775)  |
| <b>Financing activities</b>                                   |       |             |           |
| Proceeds from issue of shares                                 |       | 1,134,494   |           |
| <b>Net cash generated from/(used in) financing activities</b> |       |             | 1,134,494 |
| <b>Net increase in cash and cash equivalents</b>              |       |             | 886,316   |
| Cash and cash equivalents at beginning of period              |       |             | -         |
| <b>Cash and cash equivalents at end of period</b>             |       |             | 886,316   |

# MYPOS EUROPE LTD

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 MARCH 2018**

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### **1 Accounting policies**

#### **Company information**

Mypos Europe Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Level 33 25 Canada Square, Canary Wharf, London, E14 5LB.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in Euro, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest EUR.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### **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.

#### **1.3 Reporting period**

Reporting period represents the first period of accounts since incorporation.

#### **1.4 Revenue**

Turnover represents commission income from issue of electronic money (e-money) and the provision of payment services.

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and recognised on the transactions are fulfilled.

#### **1.5 Property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

|           |                       |
|-----------|-----------------------|
| Computers | 2 years straight line |
|-----------|-----------------------|

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **1.6 Impairment of non-current assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

# MYPOS EUROPE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

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.

#### 1.7 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.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables 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.

# MYPOS EUROPE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### **Impairment of financial 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.

#### **Basic financial liabilities**

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 payments 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 payables 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 payables 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 through 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.

# MYPOS EUROPE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### *Derecognition of financial liabilities*

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

#### 1.9 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.

#### 1.10 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 non-current 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.

#### 1.11 Retirement benefits

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

#### 1.12 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.

#### 1.13 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 income statement for the period.

### 2 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.



## MYPOS EUROPE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

#### 3 Revenue

**2018**  
**EUR**

**Revenue analysed by class of business**

Commission receivable 4,353,591

**2018**  
**EUR**

**Revenue analysed by geographical market**

Europe 3,702,562

Rest of the world 651,029

4,353,591

#### 4 Operating loss

**2018**  
**EUR**

Operating loss for the period is stated after charging/(crediting):

Exchange gains (4,445)

Fees payable to the company's auditor for the audit of the company's financial statements 13,692

Depreciation of owned property, plant and equipment 5,229

Operating lease charges 111,241

Exchange differences recognised in profit or loss during the period, except for those arising on financial instruments measured at fair value through profit or loss, amounted to EUR4,445.

#### 5 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

**2018**  
**Number**

Management 2

Administration 1

3

## MYPOS EUROPE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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#### 5 Employees (Continued)

Their aggregate remuneration comprised:

|                       | 2018<br>EUR |
|-----------------------|-------------|
| Wages and salaries    | 200,459     |
| Social security costs | 19,219      |
| Pension costs         | 387         |
|                       | <hr/>       |
|                       | 220,065     |
|                       | <hr/>       |

#### 6 Directors' remuneration

|                                      | 2018<br>EUR |
|--------------------------------------|-------------|
| Remuneration for qualifying services | 148,319     |
|                                      | <hr/>       |

#### 7 Taxation

The company has estimated losses of EUR 77,956 available for carry forward against future trading profits.

The actual charge for the period can be reconciled to the expected credit for the period based on the profit or loss and the standard rate of tax as follows:

|   | 2018<br>EUR |
|---|-------------|
| Loss before taxation  | (41,386)    |
|   | <hr/>       |
| Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% | (7,863)     |
| Tax effect of expenses that are not deductible in determining taxable profit          | 3,035       |
| Unutilised tax losses carried forward   | 14,811      |
| Permanent capital allowances in excess of depreciation                                | (9,983)     |
|   | <hr/>       |
| Taxation charge for the period  | -           |
|   | <hr/>       |

# MYPOS EUROPE LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

|           |   |                  |
|-----------|---|------------------|
| <b>8</b>  | <b>Property, plant and equipment</b>            | <b>Computers</b> |
|           |   | <b>EUR</b>       |
|           | <b>Cost</b>                                     |                  |
|           | At 21 February 2017                             | -                |
|           | Additions                                       | 57,775           |
|           |   | <u>57,775</u>    |
|           | At 31 March 2018                                | <u>57,775</u>    |
|           | <b>Depreciation and impairment</b>              |                  |
|           | At 21 February 2017                             | -                |
|           | Depreciation charged in the period              | 5,229            |
|           |   | <u>5,229</u>     |
|           | At 31 March 2018                                | <u>5,229</u>     |
|           | <b>Carrying amount</b>                          |                  |
|           | At 31 March 2018                                | <u>52,546</u>    |
| <b>9</b>  | <b>Financial instruments</b>                    | <b>2018</b>      |
|           |   | <b>EUR</b>       |
|           | <b>Carrying amount of financial assets</b>      |                  |
|           | Debt instruments measured at amortised cost     | 242,560          |
|           |   | <u>242,560</u>   |
|           | <b>Carrying amount of financial liabilities</b> |                  |
|           | Measured at amortised cost                      | 141,537          |
|           |   | <u>141,537</u>   |
| <b>10</b> | <b>Trade and other receivables</b>              | <b>2018</b>      |
|           |   | <b>EUR</b>       |
|           | <b>Amounts falling due within one year:</b>     |                  |
|           | Amounts owed by group undertakings              | 218,246          |
|           | Other receivables                               | 24,314           |
|           | Prepayments and accrued income                  | 55,890           |
|           |   | <u>298,450</u>   |
| <b>11</b> | <b>Current liabilities</b>                      | <b>2018</b>      |
|           |   | <b>EUR</b>       |
|           | Trade payables                                  | 92,527           |
|           | Other taxation and social security              | 2,667            |
|           | Other payables                                  | 19,186           |
|           | Accruals and deferred income                    | 29,824           |
|           |   | <u>144,204</u>   |

## MYPOS EUROPE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

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#### 12 Retirement benefit schemes

##### Defined contribution schemes

2018  
EUR

Charge to profit or loss in respect of defined contribution schemes

387

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

#### 13 Share capital

2018  
EUR

##### Ordinary share capital

##### Issued and fully paid

1,000,000 Ordinary share of £1 each

1,134,494

1,134,494

During the period 1,000,000 ordinary shares of £1 each were allotted and fully paid at par for cash consideration to provide working capital.

#### 14 Events after the reporting date

On 23 July 2018, the company issued 1,000,000 ordinary shares of £1 each, fully paid at par for cash consideration to provide additional working capital.

#### 15 Controlling party

The parent company is MyPOS World Ltd, a company registered in England and Wales. The ultimate parent company is Newport Partners Establishment and also is the ultimate controlling party.

MyPOS World Ltd prepares group financial statements and copies can be obtained from Level 33 25 Canada Square, London. England, E14 5LB.

## MYPOS EUROPE LTD

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2018

#### 16 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

|                        | 2018<br>EUR |
|------------------------|-------------|
| Aggregate compensation | 148,318     |

The company has taken advantage of the exemption available in FRS 102-33.9 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company.

Service fees of EUR 1,583,889 under formal commission agreement were paid to iCARD AD, a limited company registered in Bulgaria, of which Mr Christo Georgiev is an ultimate controlling party. As at the period end EUR 155,319 was owed by iCARD AD.

As at the period end EUR 14,122 was owed to iCARD Services AD, in relation to administrative expenses relating to MyPOS Europe Ltd. iCARD Services AD is a limited company register in Bulgaria, of which Mr Christo Georgiev is an ultimate controlling party.

As at the period end EUR 1,403 was owed to InterCapital Holding AD, in relation to administrative expenses relating to MyPOS Europe Ltd. InterCapital Holding AD is a limited company register in Bulgaria, of which Mr Christo Georgiev is an ultimate controlling party.

Client distribution fees of EUR 794,942 under a formal commission agreement, were paid to iPAY International Limited, a limited company registered in England and Wales, of which Mr Christo Georgiev is an ultimate controlling party. As at the period end EUR 51,179 was owed by iPAY International Ltd.

No guarantees have been given or received.

#### 17 Cash generated from operations

|  | 2018<br>EUR      |
|--|------------------|
| Loss for the period after tax                                | (41,386)         |
| <b>Adjustments for:</b>                                      |                  |
| Depreciation and impairment of property, plant and equipment | 5,229            |
| <b>Movements in working capital:</b>                         |                  |
| (Increase) in trade and other receivables                    | (298,450)        |
| Increase in trade and other payables                         | 144,204          |
| <b>Cash absorbed by operations</b>                           | <b>(190,403)</b> |

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.