

STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021
FOR
ECOMMERCE TECHNOLOGIES LTD

CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

	Page
Company Information	1
Strategic Report	2
Report of the Director	6
Report of the Independent Auditors	8
Statement of Comprehensive Income	11
Balance Sheet	12
Statement of Changes in Equity	13
Cash Flow Statement	14
Notes to the Financial Statements	15

ECOMMERCE TECHNOLOGIES LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2021

DIRECTOR: S Zakharov

SECRETARY: Tayler Bradshaw Limited

REGISTERED OFFICE: Cambridge House
16 High Street
Saffron Walden
Essex
CB10 1AX

REGISTERED NUMBER: 10844998 (England and Wales)

AUDITORS: Azets Audit Services
2nd Floor
Regis House
45 King William Street
London
ED4R 9AN

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

The director presents his strategic report for the year ended 30 June 2021.

STRATEGY, MISSION AND APPROACH

Our mission is 1) to help our business clients to quickly enter new markets by accepting payments safely in most countries of the world, and 2) to make online payments in a simple, fast and intuitive way for them by their end-users/shoppers.

Business model: B2B2C commission for transaction, meaning our business clients will promote our services among their end-users without marketing costs from our side.

We aim to achieve Total Payment Volume (TPV) of £2.2B in 2023 mainly by seizing the market of the top old-style eWallets who have no virtual banking.

The same targets in sales turnover (recalculated for reporting periods deadlines):

- 2020: £242K
- 2021: £668K
- 2022: £1,551K
- 2023: £3,097K

Our key focus is the SME segment providing the clients with cross-border opportunities of doing business.

The competition occurs in the area of business processes for end-clients (the quality of communications, SLA, response time), clarity of information (ex. statuses integration), ease of use (incl. usability) and integration with merchant's site. We also consider it very important to provide a wide number of payments methods (ex. IBAN, SEPA and Target2) in order to reach the same positions as competitors.

Our competitive strategy:

- Deeper understanding of the target segments
- Better business processes for SME-clients, easier connection & better UX/UI.

Sales & Marketing

- SMM, Blogs, PPC for SME & mass market
- Events, direct sales for large accounts
- Affiliates & industry consultants

Key Success Factors

Dynamics:

- Our quick registration, fast integration and decision making allow the clients to have quick processes
- Geography rollout/coverage (local APMs and acquirers)

Clever

- Our clients are always aware of the situation and transaction status in details (we give more statuses, clarifications).
- We give flexibility to our clients.

Reliability, Wealth and Success

- We earn together with our business clients and are interested in their results.

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

REVIEW OF BUSINESS

The Board is pleased that the Company has been profitable but earned less revenue of £291 thousand in its second year. This is due to Brexit and Covid-19. Many efforts have been made by the company in its marketing, its partnerships and in its systems and processes.

Covid-19 did not affect the number of transactions but did affect the growth of the organizational structure and sales channels limitation (personal visits to the clients, visiting industry events, etc.)

Unfortunately we underestimated the influence of Brexit and did not prepare well in advance. This imposed prohibition on advertising in EEA countries and made it impossible to sign contracts with many financial institutions. We already work hard on establishing a separate entity in EEA with an EMI license to mitigate this risk.

During the fiscal year we got 478 clients (146 business + 332 personal accounts) meaning x13 multiplication compared with the previous fiscal year. The main growth was in personal accounts because of the faster and less complicated verification process compared with business clients. This originated sales turnover growth of 4,7 times upto £729 thousand which is 9% higher than planned. The origin of success was due to commission increase and better targeting on the high turnover clients. Also we focused more on SEO in promotion. The main cost increase of 130% was due to payroll. The cost of sales also increased (to £307 thousand) because of the number of clients increasing.

This year the company has formed significant partnerships with its financial institution partners: Trustly, ideal, LPB bank, Fidor bank, Incore bank, Neosurf and Dlocal. This has enabled some significant improvements to be made to the way in which the company offers its service to its clients. It is also driven a good number of operational efficiencies especially in sales.

Investment in tech remains a priority for the company. A number of significant enhancements around cyber security, data, and process efficiencies were delivered during the year. Current projects include a wholesale upgrade of the company's trading platform which will prove highly effective in enabling all clients to feel part of what it is we are trying to achieve.

In its first year, the Company has achieved 100% marketing partner retention and a steady flow of new marketing partners. Every effort is being and will be made to maintain this trend in the coming years while we develop our digital and direct marketing initiatives and consumer awareness of what we are and what we do.

Among other important achievements:

- Product functionality extension and technical improvements.
- Sales expansion.
- Verification with Trulioo, Jumioo,
- PCI DSS L1, OWASP audit passed.
- First successful external AML audit.

The Board is currently re-evaluating its strategic plan through FY2021 to work out the what and the how to best expand revenue and its geographical outreach. The central objective is to achieve sales turnover of £3m. in 2023.

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties that Ecommerce Technologies Ltd (PayDo) faces include those associated with system interruptions of its own or of its partners, for example if the payment processing banking partner fails. The Company has taken steps to ensure that effective measures are in place to mitigate such risks and uncertainties from impacting the operations of the business.

As a financial services provider, PayDo is subject to heightened risks of criminal activity and money laundering. In order to mitigate these types of risks, PayDo has robust know-your-customer (KYC) and anti-money laundering ('AML') procedures in place, including ongoing transactions monitoring, and has invested heavily to address these risks from its inception.

SECTION 172(1) STATEMENT

As set out in section 172 of the UK Companies Act 2006 (the 'Act'), the Directors must act in good faith to promote the success of the Company for the benefit of its stakeholders as a whole. In performing their duty, under the Act, the Board is required to have full regard to, amongst other things: the interests of our colleagues; the impact of our operations on the community and environment; the need to foster the Company's business relations with suppliers, clients and others; and the need to nurture our relationship with key stakeholders in order to maintain a reputation for high standards of business conduct and enhance the sustainable long-term success of the business.

The Directors give careful consideration to the factors set out above in discharging their duties. The Directors are supported in the discharge of their duties by:

- An induction programme and ongoing training to provide an understanding of our business, financial performance and prospects;
- Management, who present proposals to the Board for decision, include relevant information to enable them to determine the action that would most likely promote the success of the Company.

FINANCIAL KEY PERFORMANCE INDICATORS

The company monitors and benchmarks performance against the following KPIs:

- Website traffic
- Digital-marketing analytics
- Client transaction volumes
- Revenue and profit per client transaction
- Company profitability
- Sufficient cash generation to enable the company to invest in its future, reward its people appropriately and, by doing so, achieve its set objectives.

The directors are pleased with progress made on each KPI.

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2021

FUTURE DEVELOPMENTS

The management team will continue to consider how best to refine and hone the new strategic plan and, in so doing, assess other value adding business opportunities both domestically and internationally. All of which are and will always be focused on enhancing client experience, more than we ever thought possible.

We continue to seek new banking partners of scale as well as new clients as the primary growth strategy.

We plan to bite off a significant market share from eminent competitors: from Stripe, Skrill, Transferwise, Revolut, Paysera in the key segments with which the company works.

We plan:

- To make the brand recognizable in Europe, Latam, Asia especially by participating in global well-known events: Money 2020, Sigma, ice
- To get:
 - Principal membership Visa / Mastercard PayDo
 - EU licenses
 - SWIFT and SEPA membership
 - Fasterpay membership
- To hire at least 2 more sales managers
- To optimize the segmentation approach and to exclude non-priority segments to optimize the market focus.

GOING CONCERN

The directors have reviewed financial projections and cash forecasts under various scenarios over a one-year period to the end of Q1 2022, which illustrate adequate levels of liquidity and capital for this period. In summary, the directors are satisfied that the actions being taken to manage the capital and liquidity position of the Company are aligned to the strategic objectives of the Company and that the Company will be able to meet its debts as they fall due for a period of not less than 12 months from the date of approval of the financial statements.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty relating to going concern and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

ON BEHALF OF THE BOARD:

S Zakharov - Director

20 December 2021

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 JUNE 2021**

The director presents his report with the financial statements of the Company for the year ended 30 June 2021.

The director presents his report and the financial statements of Ecommerce Technologies Ltd ("the Company")

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of online payment merchants.

DIVIDENDS

No dividends were declared or paid for the year ended 30 June 2021 (2020: £nil).

DIRECTOR

S Zakharov held office during the whole of the period from 1 July 2020 to the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The Company has chosen in accordance with s.414C(11) Companies Act 2006 to set out in the company's Strategic Report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' report. It has done so in respect of risk exposure, future developments, research & development and financial instruments.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors, the Strategic 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 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is 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 he 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.

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 30 JUNE 2021

AUDITORS

The auditors, Azets Audit Services, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S Zakharov - Director

20 December 2021

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ECOMMERCE TECHNOLOGIES LTD

Opinion

We have audited the financial statements of Ecommerce Technologies Ltd (the 'Company') for the year ended 30 June 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ECOMMERCE TECHNOLOGIES LTD

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 Director 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 Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page six, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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
ECOMMERCE TECHNOLOGIES LTD

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.

Robin Haslam (Senior Statutory Auditor)
for and on behalf of Azets Audit Services
2nd Floor
Regis House
45 King William Street
London
ED4R 9AN

23 December 2021

**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Notes	30/6/21 £	30/6/20 £
REVENUE		1,029,324	153,633
Cost of sales		<u>349,275</u>	<u>200,490</u>
GROSS PROFIT/(LOSS)		680,049	(46,857)
Administrative expenses		<u>138,410</u>	<u>100,196</u>
		541,639	(147,053)
Other operating income		<u>-</u>	<u>1,169</u>
OPERATING PROFIT/(LOSS)	4	541,639	(145,884)
Interest receivable and similar income		<u>-</u>	<u>256</u>
PROFIT/(LOSS) BEFORE TAXATION		541,639	(145,628)
Tax on profit/(loss)	5	<u>74,558</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		467,081	(145,628)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		467,081	(145,628)

The notes form part of these financial statements

BALANCE SHEET
30 JUNE 2021

	Notes	30/6/21 £	30/6/20 £
CURRENT ASSETS			
Debtors	6	384,455	12,892
Cash at bank		<u>1,025,994</u>	<u>373,702</u>
		1,410,449	386,594
CREDITORS			
Amounts falling due within one year	7	<u>292,597</u>	<u>185,823</u>
NET CURRENT ASSETS		<u>1,117,852</u>	<u>200,771</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,117,852</u>	<u>200,771</u>
CAPITAL AND RESERVES			
Called up share capital	8	800,000	350,000
Retained earnings	9	<u>317,852</u>	<u>(149,229)</u>
SHAREHOLDERS' FUNDS		<u>1,117,852</u>	<u>200,771</u>

The financial statements were approved by the director and authorised for issue on 20 December 2021 and were signed by:

S Zakharov - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 July 2019	350,000	(3,601)	346,399
Changes in equity			
Total comprehensive income	-	(145,628)	(145,628)
Balance at 30 June 2020	<u>350,000</u>	<u>(149,229)</u>	<u>200,771</u>
Changes in equity			
Issue of share capital	450,000	-	450,000
Total comprehensive income	-	467,081	467,081
Balance at 30 June 2021	<u>800,000</u>	<u>317,852</u>	<u>1,117,852</u>

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Notes	30/6/21 £	30/6/20 £
Cash flows from operating activities			
Cash generated from operations	12	<u>376,792</u>	<u>(214,522)</u>
Net cash from operating activities		<u>376,792</u>	<u>(214,522)</u>
Cash flows from investing activities			
Interest received		<u>-</u>	<u>256</u>
Net cash from investing activities		<u>-</u>	<u>256</u>
Cash flows from financing activities			
Amount introduced by directors		<u>456,632</u>	<u>68,044</u>
Amount withdrawn by directors		<u>(631,132)</u>	<u>-</u>
Share issue		<u>450,000</u>	<u>-</u>
Net cash from financing activities		<u>275,500</u>	<u>68,044</u>
Increase/(decrease) in cash and cash equivalents		<u>652,292</u>	<u>(146,222)</u>
Cash and cash equivalents at beginning of year	13	<u>373,702</u>	<u>519,924</u>
Cash and cash equivalents at end of year	13	<u>1,025,994</u>	<u>373,702</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

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.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

There were no matters during the financial year or at the reporting date where judgement and assumptions that are most important to the portrayal of the Company's financial condition were used.

Revenue

Revenue includes commission for client transactions on its banking partner platform. Commissions crystallise on the transaction date and are generally calculated as a percentage of the notional value of the accepted client transaction on the banking partners platform, subject to minimum transaction fee.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021**2. ACCOUNTING POLICIES - continued****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.

Leasing commitments

Property, plant and equipment acquired under finance leases or hire purchase contracts are capitalised and depreciated in the same manner as other tangible fixed assets. The related obligations, net of future finance charges, are included in creditors.

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

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.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. 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.

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. EMPLOYEES AND DIRECTORS

	30/6/21	30/6/20
	£	£
Wages and salaries	92,225	46,348
Social security costs	3,966	77
Other pension costs	1,050	963
	<u>97,241</u>	<u>47,388</u>

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

	30/6/21	30/6/20
Administration staff	<u>2</u>	<u>2</u>
	30/6/21	30/6/20
	£	£
Director's remuneration	<u>32,083</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

4. OPERATING PROFIT/(LOSS)

The operating profit (2020 - operating loss) is stated after charging:

	30/6/21	30/6/20
	£	£
Other operating leases	10,954	-
Auditors' remuneration	<u>7,000</u>	<u>7,000</u>

5. TAXATION

Analysis of the tax charge

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

	30/6/21	30/6/20
	£	£
Current tax:		
UK corporation tax	<u>74,558</u>	-
Tax on profit/(loss)	<u>74,558</u>	<u>-</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/21	30/6/20
	£	£
Other debtors	253,859	12,859
VAT	2,971	33
Prepayments and accrued income	<u>127,625</u>	<u>-</u>
	<u>384,455</u>	<u>12,892</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/21	30/6/20
	£	£
Trade creditors	201,030	-
Tax	74,558	-
Social security and other taxes	233	1,197
Directors' current accounts	276	174,776
Accrued expenses	<u>16,500</u>	<u>9,850</u>
	<u>292,597</u>	<u>185,823</u>

8. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	30/6/21	30/6/20
			£	£
800,000	Share capital 1	£1	<u>800,000</u>	<u>350,000</u>

450,000 Ordinary shares of £1 were issued during the year for cash of £ 450,000 .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

9. RESERVES

	Retained earnings £
At 1 July 2020	(149,229)
Profit for the year	<u>467,081</u>
At 30 June 2021	<u>317,852</u>

10. RELATED PARTY DISCLOSURES

As at 30 June 2020, The company owed £14,344 (2020 - £14,344) from Paydo Financial Limited , a U.K company of which is a related party due to S Zakharov being a mutual director until 5th August 2019.

At the same date, the company owed £27,204 (2020 - £11,227) to Paydo Financial USA Inc. This company is related due to common directors. From 2020, Paydo Financial USA Inc is not a related party due to change of ownership and structure.

11. ULTIMATE CONTROLLING PARTY

The controlling party is S Zakharov.

12. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	30/6/21 £	30/6/20 £
Profit/(loss) before taxation	541,639	(145,628)
Finance income	-	(256)
	<u>541,639</u>	<u>(145,884)</u>
Increase in trade and other debtors	(371,563)	(12,892)
Increase/(decrease) in trade and other creditors	<u>206,716</u>	<u>(55,746)</u>
Cash generated from operations	<u>376,792</u>	<u>(214,522)</u>

13. 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 30 June 2021

	30/6/21 £	1/7/20 £
Cash and cash equivalents	<u>1,025,994</u>	<u>373,702</u>

Year ended 30 June 2020

	30/6/20 £	1/7/19 £
Cash and cash equivalents	<u>373,702</u>	<u>519,924</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 JUNE 2021

14. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/7/20 £	Cash flow £	At 30/6/21 £
Net cash			
Cash at bank	<u>373,702</u>	<u>652,292</u>	<u>1,025,994</u>
	<u>373,702</u>	<u>652,292</u>	<u>1,025,994</u>
Total	<u>373,702</u>	<u>652,292</u>	<u>1,025,994</u>

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.