

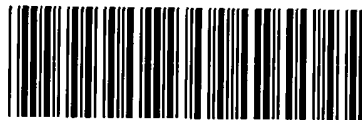
Registered number: 07123394

**ACTIVE MERCHANT SERVICES LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**ACTIVE MERCHANT SERVICES LIMITED**

**COMPANY INFORMATION**

<b>Director</b>	John David Carr (appointed 20 January 2021)
<b>Registered number</b>	07123394
<b>Registered office</b>	Suite 3 40 Churchill Square Business Centre Kings Hill West Malling ME19 4YU

**ACTIVE MERCHANT SERVICES LIMITED**

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**ACTIVE MERCHANT SERVICES LIMITED**

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**DIRECTOR'S REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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The director presents his report and the financial statements for the period from 20 January 2021 to 31 December 2021.

**Director's responsibilities statement**

The director is responsible for preparing the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

**Director**

The director who served during the period was:

John David Carr (appointed 20 January 2021)

**Disclosure of information to auditors**

The director at the time when this Director's report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

In accordance with section 485 of the Companies Act 2006, Grant Thornton UK LLP were appointed as auditors of these financial statements on 20 January 2021.

**Small companies note**

In preparing this report, the director has taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

**ACTIVE MERCHANT SERVICES LIMITED**

**DIRECTOR'S REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

This report was approved by the board on 28 September 2022 and signed on its behalf.

*John Carr*

John David Carr  
Director

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**ACTIVE MERCHANT SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTIVE MERCHANT SERVICES LIMITED**

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**Opinion**

We have audited the financial statements of ACTIVE MERCHANT SERVICES LIMITED (the 'Company') for the period from 20 January 2021 to 31 December 2021, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the 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. The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report 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 United Kingdom, including the Financial Reporting Council'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.

**Other matter – prior year financial statements unaudited**

The company was not required to have a statutory audit for the year ended 19 January 2021 as it was entitled to exemption from the provision of the Companies Act 2006 relating to the audit of the financial statements for the period by virtue of Section 477 and no member or members requested an audit pursuant to Section 476 of the Act. Accordingly the corresponding figures for the year ended 19 January 2021 are unaudited.

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**ACTIVE MERCHANT SERVICES LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTIVE MERCHANT SERVICES LIMITED  
(CONTINUED)**

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**Conclusions relating to going concern**

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Brexit, Covid-19 and the Russia Ukraine conflict we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The director is responsible for the other information contained within the Annual Report. The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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.

The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report. We have nothing to report in this regard.

**ACTIVE MERCHANT SERVICES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTIVE MERCHANT SERVICES LIMITED  
(CONTINUED)**

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Director's report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Director's report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report under the Companies Act 2006**

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 Director's report.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Director's report and from the requirement to prepare a Strategic report.

**Responsibilities of directors**

As explained more fully in the Director's responsibilities statement set out on page 1, 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 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 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 have no realistic alternative but to do so.



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<b>ACTIVE MERCHANT SERVICES LIMITED</b>
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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTIVE MERCHANT SERVICES LIMITED  
(CONTINUED)**

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**Auditors' responsibilities for the audit of the financial statements**

The responsibilities of the director with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report 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 Auditors' 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' report.

**ACTIVE MERCHANT SERVICES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTIVE MERCHANT SERVICES LIMITED  
(CONTINUED)**

**Explanation as to what extent the audit was considered capable of detecting irregularities,  
including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We understood how the Company is complying with legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries throughout our audit work.
- We assessed the susceptibility of the Company's Financial Statements to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was a susceptibility to fraud. We also considered performance targets and their influence on efforts made by management to manage earnings or influence the perceptions of analysts.
- Audit procedures performed by the engagement team included:
  - evaluation of the programmes established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
  - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
  - knowledge of the industry in which the client operates; and
  - understanding of the legal and regulatory requirements specific to the entity/regulator entity including:
    - the provisions of the applicable legislation;
    - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules; and
    - the applicable statutory provisions.
- We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.

**ACTIVE MERCHANT SERVICES LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACTIVE MERCHANT SERVICES LIMITED  
(CONTINUED)**

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

*Grant Thornton UK LLP*

Anthony Thomas FCA (Senior statutory auditor)

for and on behalf of

**Grant Thornton UK LLP**

Statutory Auditor

Chartered Accountants

29 September 2022

**ACTIVE MERCHANT SERVICES LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

		Period to 31 December 2021 £	<i>Unaudited</i> Period to 19 January 2021 £
	Note		
Turnover	5	1,456,584	769,671
Cost of sales		(318,869)	(192,202)
<b>Gross profit</b>		<b>1,137,715</b>	<b>577,469</b>
Administrative expenses		(608,654)	(461,207)
Exceptional other operating charges		(93,692)	-
<b>Operating profit</b>	6	<b>435,369</b>	<b>116,262</b>
Tax on profit	9	(26,370)	(24,260)
<b>Profit for the financial period</b>		<b>408,999</b>	<b>92,002</b>

There was no other comprehensive income for the period ended 31 December 2021 (19 January 2021: £NIL).

The notes on pages 12 to 22 form part of these financial statements.

**ACTIVE MERCHANT SERVICES LIMITED**  
**REGISTERED NUMBER: 07123394**

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

	Note	31 December 2021 £	Unaudited 19 January 2021 (restated) £
<b>Fixed assets</b>			
Tangible assets	11	307,427	256,274
		<u>307,427</u>	<u>256,274</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	740,596	137,233
Cash at bank and in hand	13	109,882	493,997
		<u>850,478</u>	<u>631,230</u>
Creditors: amounts falling due within one year	14	(177,323)	(342,291)
<b>Net current assets</b>		<u>673,155</u>	<u>288,939</u>
<b>Total assets less current liabilities</b>		<u>980,582</u>	<u>545,213</u>
<b>Provisions for liabilities</b>			
Deferred tax	15	(55,448)	(29,078)
		<u>(55,448)</u>	<u>(29,078)</u>
<b>Net assets</b>		<u><u>925,134</u></u>	<u><u>516,135</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	20	20
Profit and loss account	17	925,114	516,115
		<u>925,134</u>	<u>516,135</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 September 2022.

*John Carr*

**John David Carr**  
Director

The notes on pages 12 to 22 form part of these financial statements.

<b>ACTIVE MERCHANT SERVICES LIMITED</b>
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**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 20 January 2021	20	516,115	516,135
<b>Comprehensive income for the period</b>			
Profit for the period	-	408,999	408,999
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	-	408,999	408,999
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2021</b>	<b>20</b>	<b>925,114</b>	<b>925,134</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 19 JANUARY 2021**

	Unaudited Called up share capital	Unaudited Profit and loss account	Unaudited Total equity
	£	£	£
At 1 July 2020	20	424,113	424,133
<b>Comprehensive income for the period</b>			
Profit for the period	-	92,002	92,002
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	-	92,002	92,002
	<hr/>	<hr/>	<hr/>
<b>At 19 January 2021</b>	<b>20</b>	<b>516,115</b>	<b>516,135</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 22 form part of these financial statements.

**ACTIVE MERCHANT SERVICES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**1. General information**

The principal activity of the company during the year was the leasing of payment terminals.

The company is a private limited company which is incorporated and registered in England and Wales (06583068).

The address of the registered office is Suite 3, 40 Churchill Square Business Centre, Kings Hill, West Malling, England, ME19 4YU.

**2. Prior period adjustment**

There was an adjustment posted to the prior period ending 19 January 2021 affecting tax on profit in the amount £24,260, tax liability in the amount £24,260.

**3. Accounting policies**

**3.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 4).

The following principal accounting policies have been applied:

**3.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of DNA Payments Limited as at 31 December 2021 and these financial statements may be obtained from 10 Lower Grosvenor Place, London, United Kingdom, SW1W 0EN.

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**ACTIVE MERCHANT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**3. Accounting policies (continued)**

**3.3 Going concern**

The financial statements have been prepared on the going concern basis on the assumption that the Company continues in operational existence for the foreseeable future. The Director has prepared detailed short terms and long term cash flow forecasts based on their current expectations of trading prospects. The Company has also obtained a letter of support from its parent and the Directors are satisfied over the ability and intent of such financial support. Accordingly the Director has concluded that it is appropriate to continue to adopt the going concern basis in preparing these financial statements.

The director is confident that the Company's forecasts are achievable, and is committed to taking any actions available to them to ensure that any shortfall in forecast revenues is mitigated by adjustments to the sales strategy and cost savings, recognising the restructuring work that has already occurred in the Company over the last 2 years which has already introduced a much greater resilience into the Company's business model. The director has looked at the continued impact of COVID-19 pandemic and recent economic and political developments, and has embedded current impacts and forecast future impacts into its integrated financial planning model. Accepting that the payments industry stands better prepared to benefit from any recovery as compared to other sectors, a conservative approach has been taken to future performance in 2022 and beyond, based on observable market parameters and those observable internally from the performance of the business and of the merchants executing payments across its platforms. Taking all these elements into consideration, they remain confident that the Company has sufficient resources for a period of at least one year from the signing of these financial statements.

Accordingly the going concern basis of accounting has been adopted in preparing these financial statements.

**3.4 Turnover**

Turnover comprises of leasing of payment terminals and is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.



<b>ACTIVE MERCHANT SERVICES LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**3. Accounting policies (continued)**

**3.5 Current and deferred taxation**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**3.6 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

**3.7 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	33% Over 3 years on a straight line basis
Payment terminals	-	25% Over 4 years on a straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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**ACTIVE MERCHANT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**3. Accounting policies (continued)****3.8 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.

**3.9 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.

**3.10 Creditors**

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

**3.11 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**3.12 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

<b>ACTIVE MERCHANT SERVICES LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**4. Judgments in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the director is required to make judgements, estimates and assumptions about the carrying amounts 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 on-going basis and revisions to accounting estimates are recognised in the period in which the estimate is revised. Significant judgement and estimates are necessary in relation to the following matters:

**(a) Judgements**

There were no significant accounting judgements made in the preparation of these accounts.

**(b) Estimates***Accounts receivable and allowances for doubtful accounts*

Using information available at the balance sheet date, the management make judgements based on experience regarding the level of provision required to account for potentially uncollectible receivables.

**5. Turnover**

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

	Period to 31 December 2021 £	Unaudited Period to 19 January 2021 £
Turnover relating to leasing of payment terminals	1,456,584	769,671
	<u>1,456,584</u>	<u>769,671</u>

All turnover arose within the United Kingdom.

**6. Operating (loss)/profit**

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

	Period to 31 December 2021 £	Unaudited Period to 19 January 2021 £
Management charge from other group companies	(128,716)	-
	<u>(128,716)</u>	<u>-</u>

<p><b>ACTIVE MERCHANT SERVICES LIMITED</b></p>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**7. Auditors' remuneration**

	Period to 31 December 2021 £	Unaudited Period to 19 January 2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<b>23,250</b>	-

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

**8. Employees**

The average monthly number of employees, including the director, during the period was as follows:

	Period to 31 December 2021 No.	Unaudited Period to 19 January 2021 No.
Director	1	1
Administration	11	17
	<b>12</b>	<b>18</b>

ACTIVE MERCHANT SERVICES LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**9. Taxation**

	Period to 31 December 2021 £	Unaudited Period to 19 January 2021 £
<b>Corporation tax</b>		
Current tax on profits for the year	26,370	24,260
	<u>26,370</u>	<u>24,260</u>
<b>Total current tax</b>	<u>26,370</u>	<u>24,260</u>
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	<u>26,370</u>	<u>24,260</u>

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	Period to 31 December 2021 £	Unaudited Period to 19 January 2021 £
Profit on ordinary activities before tax	435,369	116,262
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	82,720	22,090
<b>Effects of:</b>		
Remeasurement of deferred tax for changes in tax rates	13,308	-
Expenses not deductible for tax purposes	22,966	2,170
Group relief	(92,624)	-
<b>Total tax charge for the period</b>	<u>26,370</u>	<u>24,260</u>

<b>ACTIVE MERCHANT SERVICES LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**10. Exceptional items**

	Period to 31 December 2021 £	<i>Unaudited</i> Period to 19 January 2021 £
Exceptional items - restructure costs	93,692	-
	<u>93,692</u>	<u>-</u>

**11. Tangible fixed assets**

	Office equipment £	Payment terminals £	Total £
<b>Cost or valuation</b>			
At 20 January 2021	55,398	873,844	929,242
Additions	-	141,855	141,855
At 31 December 2021	<u>55,398</u>	<u>1,015,699</u>	<u>1,071,097</u>
<b>Depreciation</b>			
At 20 January 2021	51,929	621,039	672,968
Charge for the period on owned assets	2,272	88,430	90,702
At 31 December 2021	<u>54,201</u>	<u>709,469</u>	<u>763,670</u>
<b>Net book value</b>			
At 31 December 2021	<u>1,197</u>	<u>306,230</u>	<u>307,427</u>
At 19 January 2021 (unaudited)	<u>3,469</u>	<u>252,805</u>	<u>256,274</u>

<b>ACTIVE MERCHANT SERVICES LIMITED</b>
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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**12. Debtors**

	<b>31 December 2021 £</b>	<i>Unaudited 19 January 2021 £</i>
Trade debtors	97,874	101,142
Amounts owed by group undertakings	581,692	-
Other debtors	1,624	-
Prepayments and accrued income	59,406	36,091
	<u>740,596</u>	<u>137,233</u>

**13. Cash and cash equivalents**

	<b>31 December 2021 £</b>	<i>Unaudited 19 January 2021 £</i>
Cash at bank and in hand	109,882	493,997
	<u>109,882</u>	<u>493,997</u>

**14. Creditors: Amounts falling due within one year**

	<b>31 December 2021 £</b>	<i>Unaudited 19 January 2021 (restated) £</i>
Trade creditors	22,783	85,534
Amounts owed to group companies	28,974	-
Corporation tax	53,225	53,225
Other taxation and social security	22,915	158,126
Other creditors	-	2,290
Accruals and deferred income	49,426	43,116
	<u>177,323</u>	<u>342,291</u>

<b>ACTIVE MERCHANT SERVICES LIMITED</b>
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FOR THE PERIOD ENDED 31 DECEMBER 2021**

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**15. Deferred taxation**

	<b>31 December 2021 £</b>	<i>Unaudited 19 January 2021 (restated) £</i>
At beginning of year	(29,078)	(29,078)
Charged to profit or loss	(26,370)	-
<b>At end of year</b>	<b>(55,448)</b>	<b>(29,078)</b>

The provision for deferred taxation is made up as follows:

	<b>31 December 2021 £</b>	<i>Unaudited 19 January 2021 (restated) £</i>
Accelerated capital allowances	(55,448)	(29,078)
	<b>(55,448)</b>	<b>(29,078)</b>

**16. Share capital**

	<b>31 December 2021 £</b>	<i>Unaudited 19 January 2021 £</i>
<b>Allotted, called up and fully paid</b>		
2,000 (19 January 2021 - 2,000) Issued and fully paid shares of £0.01 each	<b>20</b>	<b>20</b>

**17. Reserves****Profit and loss account**

Represents accumulated profit and losses since date of incorporation less distributions to shareholders.



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**ACTIVE MERCHANT SERVICES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Controlling party**

The immediate parent undertaking and the smallest group to consolidate these financial statements is DNA Payments Limited, a company incorporate in the United Kingdom. Copies of the DNA Payments Limited financial statements can be obtained from 10 Lower Grosvenor Place, London, United Kingdom, SW1W 0EN.

As at 31 December 2021, the ultimate parent undertaking and the largest group to consolidate these financial statements was DNA Topco Limited, a company incorporated in the United Kingdom. Copies of the DNA Topco Limited financial statements can be obtained from 10 Lower Grosvenor Place, London, United Kingdom, SW1W 0EN.