

**REGISTERED NUMBER: 07805564 (England and Wales)**

**Strategic Report, Report of the Director and  
Financial Statements for the Year Ended 31 December 2018  
for  
Cospay Limited**

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for the Year Ended 31 December 2018**

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**Cospay Limited**  
**Company Information**  
**for the Year Ended 31 December 2018**

<b>DIRECTOR:</b>	V Remi
<b>REGISTERED OFFICE:</b>	40 Bank Street Level 18 Canary Wharf London E14 5NR
<b>REGISTERED NUMBER:</b>	07805564 (England and Wales)
<b>AUDITORS:</b>	Botham Accounting Limited Chartered Accountants Statutory Auditors 14 Clarendon Street Nottingham Nottinghamshire NG1 5HQ

**Strategic Report  
for the Year Ended 31 December 2018**

The director presents his strategic report for the year ended 31 December 2018.

**REVIEW OF BUSINESS**

After the balance sheet date, the company's parent company Cospay Holdings Limited (formerly Payco Holdings Limited) was acquired by Mr Vladimirs Remi through the purchase of 100% of its share capital. In the pursuit of newly established mission and vision, the company changed its name from Payco Financial Services Ltd to Cospay Limited.

Cospay Limited is operating in the finance industry with a focus on acquiring solutions for e-commerce and banking solutions for customers, who are both corporate and individual clients.

Additionally, aside from all that, the company is currently working on two major projects that most likely will become the company's main principal activity in the near future. The company work directly with national regulators, card schemes and banks.

The company has initiated the process of becoming a significant trading partner with the major global payment schemes. Cospay Limited has been approved as principal member with China Union Pay. Approval from MasterCard and Visa is expected to be received in the near future.

Cospay Limited promotes quality, efficiency and innovation. The company's mission is to provide competitive solutions for Business to Business (B2B) customers and offer the full range of banking products so that customers do not need to have another business account.

**PRINCIPAL RISKS AND UNCERTAINTIES**

Like any other business, the company's operations are exposed to risks which could potentially have an adverse impact on the company. The directors have carried out a robust assessment of the principal risks facing the company, including those that would threaten its business model, future performance, solvency or liquidity. The main risks and uncertainties that could affect the company are set out in the following paragraphs.

**BUSINESS RISK**

The directors consider that the company's principal business risk is that of failing to generate the required funds to finalise and fully launch the product.

**REGULATORY RISK**

Cospay Limited operates in an industry subject to extensive and comprehensive regulation. Consequently, the company is exposed to many forms of risk in connection with compliance with a wide range of laws and regulations. Some examples would include breaching general organisational requirements, such as the requirement to have robust governance arrangements or failure to observe money laundering guidelines.

**OPERATIONAL RISK**

Cospay Limited relies heavily on its operational processes and IT and related communication systems. These processes and systems may not operate as expected, may not fulfil their intended purpose or may be damaged by disruptive events such as cyber crime or human error. The company is investing in robust operational systems and controls to be able to respond to unexpected events in an organised and timely manner and undertakes rigorous planning and testing.

**LIQUIDITY RISK**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any surplus cash assets of the company safely and profitably. The company is financed through debt funding from its related companies.

**Strategic Report  
for the Year Ended 31 December 2018**

**BREXIT RISK**

Following the result of the UK referendum on membership of the EU, the UK is likely to leave the EU in 2019. The company relies on the ability to passport its FCA licence through Europe and the UK leaving the EU might impact those passporting rights. The company has evaluated a number of European jurisdictions in which to obtain an additional e-money licence so that the company's services can continue to be offered throughout Europe after the UK leaves the EU and the company plans to have appropriate additional licensing in place well in advance of any potential change to passporting rights. If the change to passporting rights is implemented, the company's customers using its services in the EU, other than in the UK, may need to be transferred to the newly licensed company's entity. The director continues to monitor developments and will respond accordingly.

**ON BEHALF OF THE BOARD::**

V Remi - Director

30 September 2019

**Report of the Director  
for the Year Ended 31 December 2018**

The director presents his report with the financial statements of the company for the year ended 31 December 2018.

**CHANGE OF NAME**

The company passed a special resolution on 19 February 2019 changing its name from Payco Financial Services Ltd to Cospay Limited.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of financial intermediation.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2018 (2017: £Nil).

**DIRECTORS**

T R Briggs - resigned 30 September 2018

M S Carroll - appointed 5 January 2018

E Dollinger - resigned 9 February 2018

V Remi was appointed as a director after 31 December 2018 but prior to the date of this report.

M S Carroll ceased to be a director after 31 December 2018 but prior to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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 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 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.

**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 31 December 2018**

**AUDITORS**

After the year end Botham Accounting Limited were appointed auditors.

**ON BEHALF OF THE BOARD::**

V Remi - Director

30 September 2019

## **Report of the Independent Auditors to the Members of Cospay Limited**

### **Opinion**

We have audited the financial statements of Cospay Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 31 December 2018 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 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 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.



## **Report of the Independent Auditors to the Members of Cospay Limited**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the 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 four, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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.

Andrew Botham ACA (Senior Statutory Auditor)  
for and on behalf of Botham Accounting Limited  
Chartered Accountants  
Statutory Auditors  
14 Clarendon Street  
Nottingham  
Nottinghamshire  
NG1 5HQ

30 September 2019

**Cospay Limited (Registered number: 07805564)**

**Statement of Income and Retained Earnings  
for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	176,832	-
Cost of sales		-	4,935
<b>GROSS PROFIT/(LOSS)</b>		176,832	(4,935)
Administrative expenses		(144,435)	10,948
<b>OPERATING PROFIT/(LOSS)</b>	5	321,267	(15,883)
Interest payable and similar expenses	7	-	5
<b>PROFIT/(LOSS) BEFORE TAXATION</b>		321,267	(15,888)
Tax on profit/(loss)	8	-	-
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>		321,267	(15,888)
Retained earnings at beginning of year		(274,362)	(258,474)
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>46,905</u>	<u>(274,362)</u>

The notes form part of these financial statements

**Cospay Limited (Registered number: 07805564)**

**Balance Sheet  
31 December 2018**

	Notes	2018 £	2017 £
<b>CURRENT ASSETS</b>			
Debtors	10	283,134	7,269
Cash at bank		<u>261,072</u>	<u>215,533</u>
		544,206	222,802
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>6,696</u>	<u>6,559</u>
<b>NET CURRENT ASSETS</b>		<u>537,510</u>	<u>216,243</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>537,510</u>	<u>216,243</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	490,605	490,605
Retained earnings	13	<u>46,905</u>	<u>(274,362)</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>537,510</u>	<u>216,243</u>

The financial statements were approved by the director on 30 September 2019 and were signed by:

V Remi - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 31 December 2018**

**1. STATUTORY INFORMATION**

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

The principal activity of the company is included in the Directors report.

**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.

The functional and presentational currency of Payco Financial Services Limited is considered to be pounds sterling. The financial statements are rounded to the nearest pound.

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

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

- the requirements of Section 7 Statement of Cash Flows.

**Significant judgements and estimates**

The directors make estimates and assumptions concerning the future and are also required to exercise judgement in applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

**- Depreciation, amortisation and residual value**

The directors have reviewed the asset lives and associated residual values of all fixed asset classes and have concluded them appropriate. The actual lives of the asset are assessed periodically and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

**Turnover**

Turnover comprises revenue recognised by the company in respect of services provided during the year, exclusive of Value Added Tax and trade discounts.

**Tangible fixed assets**

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

Computer equipment - 25% on cost

**Financial instruments**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, 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.

**Foreign currencies**

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

**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.

**3. TURNOVER**

The turnover is attributable to the principal activity of the company.

An analysis of turnover by geographical market is given below:

	2018 £	2017 £
Asia	176,832	-
	<u>176,832</u>	<u>-</u>

**4. EMPLOYEES AND DIRECTORS**

	2018 £	2017 £
Wages and salaries	60,595	75,000
Social security costs	9,651	6,244
Other pension costs	501	196
	<u>70,747</u>	<u>81,440</u>

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018**

**4. EMPLOYEES AND DIRECTORS - continued**

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

	2018	2017
Management	<u>1</u>	<u>1</u>
	2018	2017
	£	£
Directors' remuneration	60,595	75,000
Directors' pension contributions to money purchase schemes	<u>501</u>	<u>196</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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**5. OPERATING PROFIT/(LOSS)**

The operating profit (2017 - operating loss) is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	-	22
Foreign exchange differences	<u>(3,055)</u>	<u>(15,124)</u>

**6. AUDITORS' REMUNERATION**

	2018	2017
	£	£
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	<u>3,500</u>	<u>4,000</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018	2017
	£	£
Late payment interest	<u>-</u>	<u>5</u>

**8. TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 31 December 2018 nor for the year ended 31 December 2017.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018**

**8. TAXATION - continued**

**Reconciliation of total tax charge included in profit and loss**

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

	2018 £	2017 £
Profit/(loss) before tax	<u>321,267</u>	<u>(15,888)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	61,041	(3,019)
Effects of:		
Expenses not deductible for tax purposes	1,671	24
Income not taxable for tax purposes	-	(15,082)
Utilisation of tax losses in the period	(86,759)	-
Deferred tax asset not recognised	<u>24,047</u>	<u>18,077</u>
Total tax charge	<u>-</u>	<u>-</u>

The company has unused tax losses brought forward. The recoverability of the losses is dependent on the company's ability to generate future taxable profits sufficient to utilise the tax losses.

Due to the inherent uncertainty in forecasting the amount and the timing of future taxable profits the company has not recognised a deferred tax asset in respect of the tax losses.

The losses brought forward at 1 January 2018 were £353,576 and the losses carried forward at 31 December 2018 were £30,638. There is also an unrecognised deferred tax asset of £5,209 (2017: £67,179).

**9. TANGIBLE FIXED ASSETS**

	Computer equipment £
<b>COST</b>	
At 1 January 2018	
and 31 December 2018	<u>155</u>
<b>DEPRECIATION</b>	
At 1 January 2018	
and 31 December 2018	<u>155</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>-</u>
At 31 December 2017	<u>-</u>

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Amounts owed by group undertakings	275,869	-
Other debtors	7,265	6,180
Prepayments	-	1,089
	<u>283,134</u>	<u>7,269</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2018

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade creditors	848	-
Other creditors	148	59
Accruals and deferred income	5,700	6,500
	<u>6,696</u>	<u>6,559</u>

12. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2018	2017
Number:	Class:	value:	£	£
570,000	Ordinary	€1	490,604	490,604
1	Ordinary	£1	1	1
			<u>490,605</u>	<u>490,605</u>

All shares have full rights with regards to voting, participation and dividends.

13. **RESERVES**

Retained earnings records retained earnings and accumulated losses.

14. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £501 (2017: £196). Contributions totalling £148 (2016: £59) were payable to the fund at the balance sheet date and are included in creditors.

15. **RELATED PARTY DISCLOSURES**

During the year, an amount of £275,869 owed to a director of the company was written off.

The company has taken advantage of the exemption conferred by FRS 102 S33.1A, removing the requirement to disclose transactions between group members.

During the year total remuneration of £61,096 (2016: £75,196) was paid to key management.

16. **ULTIMATE CONTROLLING PARTY**

At the balance sheet date, the company was controlled by Cospay Holdings Limited, a company controlled by M Carroll. Control of Cospay Holdings Limited has changed to V Remi since the year-end date.



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.