

**RAPYD PAYMENTS LIMITED**

**Company registration number 08053178 (England and Wales)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

**RAPYD PAYMENTS LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Mr A Shtilman Ms M Naor Mr D F Allan	(Appointed 13 November 2023)
<b>Secretary</b>	BBA Fjeldco Limited	
<b>Company number</b>	08053178	
<b>Registered office</b>	Raypd Suite 26, Weston Business Centre Parsonage Road Takeley Bishop's Stortford Hertfordshire CM22 6PU	
<b>Auditor</b>	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA	

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# **RAPYD PAYMENTS LIMITED**

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# **RAPYD PAYMENTS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2023**

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The directors present the strategic report for the year ended 31 December 2023.

#### **Review of the business**

During the year, the company has continued to focus on simplification of its operations and intergration with the group products and business. Emphasis has been placed on building strong relationships with partners and customers. The European and British laws and regulations state that all UK home based merchants have to be acquired by an UK based acquiring entity. It required that Rapyd Payments was registered with Visa, Mastercard and AMEX and have all prerequisites approved by the FCA. At the end of the year all UK based merchants were migrated from Rapyd Europe to Rapyd Payments. This is expected to have a positive effect on its operations going forward.

#### **Business segments**

Rapyd Payments operates as an end-to-end payments solution provider, covering the key elements of the payments value chain from card issuing, merchant acquiring, and payment processing for merchants of all sizes. Rapyd Payments has experience in payments as an acquirer for Visa, MasterCard and AMEX and provides payments services directly to merchants in the UK and Ireland. Rapyd Payments operates as debt-free entity. Share capital will be further increased when and if needed.

#### **Risk Management**

The Company faces various risks associated with operating as a financial undertaking that stems from its daily operations. Therefore, risk management is a fundamental part of the Company's operations. The main pillars of active risk management are identifying risk, quantification of the risks identified, the actions taken to mitigate or eliminate those risks and active monitoring.

Trust and integrity are critical factors in the operation. Cyber security risks are ranked as a high priority, and the focus is to ensure the confidentiality, integrity and availability of information systems and data. Rapyd Payments has established security policies and processes which are integrated into operational processes and enforced by security awareness training. The Board of Directors and Management recognise the importance of information security and the threat that cyber risks pose, with a strong desire to face these challenges and a willingness to make changes where required.

#### **Rapyd Payments values and code of ethics**

The Company's mission is to "make buying and selling easy". Rapyd Payments honours the values, Trust, Collaboration and Excellence. It is of great importance to the Company and its operations to have employees that identify with and adhere to these values. A Company's most valuable assets are trust and credibility, which is dependent on the ethics of its employees.

#### **Corporate Governance**

The Board of Directors of Rapyd Payments operates under both regulatory requirements and industry-approved guidance on good Corporate Governance to ensure continued quality operation of the Groups Corporate Governance and values. Good corporate governance contributes to open and reliable relations between employees, the Board, Shareholders, customers, and other stakeholders. Corporate Governance at Rapyd Payments provides the foundation for responsible management and decision-making. The Corporate Governance of Rapyd Payments is based on relevant laws and regulations as well as accepted guidelines that are in effect at the time the Company's annual accounts are approved by the Board.

#### **Future Prospects**

Rapyd Payments has a clear vision and strategy for the future. The migration of all UK based merchants at the end of 2023 will create opportunities for the company to grow and synchronise product strategy with global strategy of Rapyd. The main themes for 2024-2025 are to continue to contain operating costs and increase turnover with product offering and building a strong partnership model both in acquiring and issuing.

The Board of Directors has assessed the going concern of the Company and is satisfied that the Company has the resources to continue in business for the foreseeable future. The Group's future operating return can be affected by operating requirements set by official authorities and the card associations. Significant changes to current operating conditions may affect the Group's financial return.

## **RAPYD PAYMENTS LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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#### **Key performance indicators**

In daily management, the use of KPIs support accurate decision making based on data and provide management with guidance on where to place focus. Rapyd Payments focuses on service availability, volume, gross margin and net revenue.

Board level KPIs focus on the shareholders' perspective and its return on the investment and are therefore mainly financial.

On behalf of the board

Mr A Shtilman  
**Director**

28 March 2024

# **RAPYD PAYMENTS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2023**

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The directors present their annual report and financial statements for the year ended 31 December 2023.

#### **Principal activities**

The principal activity of the company is that of the provision of online and e-commerce payments and acceptance solutions. The company operates as an authorised Electronic Money Institution by the UK's Financial Conduct Authority.

#### **Results and dividends**

The results for the year are set out on page 8.

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

#### **Directors**

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

Mr K M Carey	(Retired 13 November 2023)
Mr A Shtilman	
Ms M Naor	
Mr D F Allan	(Appointed 13 November 2023)

#### **Post reporting date events**

No event has arisen after the reporting period and up to the approval of these Financial Statements that require additional disclosures.

The Company's Board has made an assessment of the Company's ability to continue as a going concern and is satisfied that the Company has the resources to do so in the foreseeable future. Therefore, the Financial Statements continue to be prepared on a going concern basis.

#### **Auditor**

The auditor, Dyke Yaxley Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

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

#### **Medium-sized companies exemption**

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr A Shtilman

**Director**

28 March 2024

## **RAPYD PAYMENTS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

# RAPYD PAYMENTS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF RAPYD PAYMENTS LIMITED

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#### Opinion

We have audited the financial statements of Rapyd Payments Limited (the 'company') for the year ended 31 December 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2023 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

#### Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **RAPYD PAYMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RAPYD PAYMENTS LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

## **RAPYD PAYMENTS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF RAPYD PAYMENTS LIMITED**

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#### **Irregularities including fraud**

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006, UK tax legislation, Electronic Money Regulations and Payment Service Regulations. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and inspection of the safeguarding reports and policies. We also performed an analysis of the company's policies relating to cyber security and climate change - as relevant industry issues.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Stacey Lea FCA (Senior Statutory Auditor)**  
**For and on behalf of Dyke Yaxley Limited**

28 March 2024

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

1 Brassey Road  
Old Potts Way  
Shrewsbury  
Shropshire  
SY3 7FA

## RAPYD PAYMENTS LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023	2022
	Notes	£	as restated £
Turnover	2	13,667,802	12,614,823
Cost of sales		(11,148,642)	(9,210,541)
<b>Gross profit</b>		<b>2,519,160</b>	<b>3,404,282</b>
Distribution costs		(255,734)	-
Administrative expenses		(3,044,136)	(2,676,339)
<b>Operating (loss)/profit</b>	<b>3</b>	<b>(780,710)</b>	<b>727,943</b>
Interest receivable and similar income	5	239,092	7,423
Interest payable and similar expenses	6	(10,995)	(8,989)
<b>(Loss)/profit before taxation</b>		<b>(552,613)</b>	<b>726,377</b>
Tax on (loss)/profit	7	697,532	271,572
<b>Profit for the financial year</b>		<b>144,919</b>	<b>997,949</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

## **RAPYD PAYMENTS LIMITED**

### **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2023***

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>as restated £</b>
Profit for the year	144,919	997,949
Other comprehensive income	-	-
Total comprehensive income for the year	<u>144,919</u>	<u>997,949</u>

# RAPYD PAYMENTS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	as restated	£
<b>Fixed assets</b>					
Tangible assets	8		63,850		88,561
<b>Current assets</b>					
Stocks	9	187,458		393,496	
Debtors - deferred tax	12	969,104		271,572	
Debtors - other	10	4,918,803		1,043,315	
Cash at bank and in hand		60,793,539		74,981,883	
		66,868,904		76,690,266	
<b>Creditors: amounts falling due within one year</b>	11	(63,342,182)		(73,390,405)	
<b>Net current assets</b>			3,526,722		3,299,861
<b>Net assets</b>			3,590,572		3,388,422
<b>Capital and reserves</b>					
Called up share capital	15	5,000,000		5,000,000	
Equity reserve		57,231		-	
Profit and loss reserves		(1,466,659)		(1,611,578)	
<b>Total equity</b>			3,590,572		3,388,422

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 28 March 2024 and are signed on its behalf by:

Mr A. Shtilman  
Director

Company registration number 08053178 (England and Wales)

## RAPYD PAYMENTS LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

	Share capital	Equity reserve	Profit and loss reserves	Total
	£	£	£	£
As restated for the period ended 31 December 2022:				
Balance at 1 January 2022	5,000,000	-	(2,609,527)	2,390,473
Year ended 31 December 2022:				
Profit and total comprehensive income for the year	-	-	997,949	997,949
Balance at 31 December 2022	5,000,000	-	(1,611,578)	3,388,422
Year ended 31 December 2023:				
Profit and total comprehensive income for the year	-	-	144,919	144,919
Other movements	-	57,231	-	57,231
Balance at 31 December 2023	5,000,000	57,231	(1,466,659)	3,590,572

# RAPYD PAYMENTS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

		2023		2022	
	Notes	£	£	as restated	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	20		(14,351,152)		73,680,555
Interest paid			(10,995)		(8,989)
<b>Net cash (outflow)/inflow from operating activities</b>			(14,362,147)		73,671,566
<b>Investing activities</b>					
Purchase of tangible fixed assets		(65,289)		(21,470)	
Interest received		239,092		7,423	
<b>Net cash generated from/(used in) investing activities</b>			173,803		(14,047)
<b>Net (decrease)/increase in cash and cash equivalents</b>			(14,188,344)		73,657,519
Cash and cash equivalents at beginning of year			74,981,883		1,324,364
<b>Cash and cash equivalents at end of year</b>			60,793,539		74,981,883

# **RAPYD PAYMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **1 Accounting policies**

#### **Company information**

Rapyd Payments Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rapyd Suite 26, Weston Business Centre, Parsonage Road, Takeley, Bishop's Stortford, Hertfordshire, CM22 6PU.

#### **1.1 Accounting convention**

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents amounts receivable for goods and services supplied.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

#### **1.4 Tangible fixed assets**

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

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

Other assets	25% to 50% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Expenditure relating to office furniture and computer equipment is written off to the profit and loss account as it is incurred.

# **RAPYD PAYMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **1 Accounting policies**

**(Continued)**

#### **1.5 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

#### **1.6 Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Stock is calculated using the FIFO method.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **1.7 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **1.8 Financial instruments**

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### **1.9 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### **1.10 Taxation**

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# **RAPYD PAYMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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### **1 Accounting policies**

**(Continued)**

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

##### **Defined contribution pension plan**

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

#### **1.13 Share-based payments**

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted by the ultimate parent company, Rapyd Financial Network (2016) Limited. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

#### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

# RAPYD PAYMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 1 Accounting policies

(Continued)

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Turnover and other revenue

	2023	2022
	£	£
<b>Turnover analysed by class of business</b>		
Acquiring income	4,082,790	3,163,245
Issuing income	9,585,012	9,451,578
	<u>13,667,802</u>	<u>12,614,823</u>

	2023	2022
	£	£
<b>Other revenue</b>		
Interest income	239,092	7,423
	<u>239,092</u>	<u>7,423</u>

### 3 Operating (loss)/profit

	2023	2022
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	56,492	(69,560)
Fees payable to the company's auditor for the audit of the company's financial statements	20,500	12,600
Depreciation of owned tangible fixed assets	90,000	185,201
Share-based payments	57,231	-
Operating lease charges	153,926	94,592
	<u>378,149</u>	<u>222,853</u>

### 4 Employees

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

2023	2022
Number	Number
32	39
<u>32</u>	<u>39</u>

# RAPYD PAYMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

<b>4</b>	<b>Employees</b>	<b>(Continued)</b>	
	Their aggregate remuneration comprised:		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Wages and salaries	2,202,847	1,831,746
	Social security costs	226,409	215,064
	Pension costs	90,384	88,324
		<u>2,519,640</u>	<u>2,135,134</u>
<b>5</b>	<b>Interest receivable and similar income</b>		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Interest income</b>		
	Interest on bank deposits	239,092	-
	Other interest income	-	7,423
		<u>239,092</u>	<u>7,423</u>
	Total income	<u>239,092</u>	<u>7,423</u>
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	239,092	-
<b>6</b>	<b>Interest payable and similar expenses</b>		
		<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
	<b>Interest on financial liabilities measured at amortised cost:</b>		
	Interest payable to group undertakings	10,995	8,989

# RAPYD PAYMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 7 Taxation

	2023 £	2022 £
<b>Deferred tax</b>		
Origination and reversal of timing differences	(697,532)	(271,572)

From 1 April 2023, the main rate of corporation tax increased from 19% to 25%.

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

	2023 £	2022 £
(Loss)/profit before taxation	(552,613)	726,377
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 23.50% (2022: 19.00%)	(129,864)	138,012
Tax effect of expenses that are not deductible in determining taxable profit	10,037	10,800
Unutilised tax losses carried forward	(823,305)	(157,702)
Effect of change in corporation tax rate	262,328	-
Permanent capital allowances in excess of depreciation	(16,728)	(262,682)
Taxation credit for the year	(697,532)	(271,572)

### 8 Tangible fixed assets

	Other assets £
<b>Cost</b>	
At 1 January 2023	338,544
Additions	65,289
At 31 December 2023	403,833
<b>Depreciation and impairment</b>	
At 1 January 2023	249,983
Depreciation charged in the year	90,000
At 31 December 2023	339,983
<b>Carrying amount</b>	
At 31 December 2023	63,850
At 31 December 2022	88,561

# RAPYD PAYMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 9 Stocks

	2023 £	2022 £
Finished goods and goods for resale	187,458	393,496

### 10 Debtors

	2023 £	2022 £
<b>Amounts falling due within one year:</b>		
Trade debtors	982,709	380,504
Other debtors	3,789,900	380,987
Prepayments and accrued income	146,194	281,824
	4,918,803	1,043,315

	2023 £	2022 £
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 12)	969,104	271,572
<b>Total debtors</b>	5,887,907	1,314,887

### 11 Creditors: amounts falling due within one year

	Notes	2023 £	2022 £
Trade creditors		101,147	99,691
Amounts owed to group undertakings		3,136,548	141,697
Taxation and social security		118,776	118,826
Deferred income	13	38,167	41,533
Other creditors		59,682,544	72,988,658
Accruals and deferred income		265,000	-
		63,342,182	73,390,405

# RAPYD PAYMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 12 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets 2023 £	Assets 2022 £
<b>Balances:</b>		
Accelerated capital allowances	93,247	50,293
Tax losses	875,857	221,279
	<u>969,104</u>	<u>271,572</u>
		<b>2023 £</b>
<b>Movements in the year:</b>		
Asset at 1 January 2023		(271,572)
Credit to profit or loss		(697,532)
		<u>(969,104)</u>

The deferred tax asset set out above is expected to reverse within 15 months and relates to the utilisation of tax losses against future expected profits of the same period.

### 13 Deferred income

	2023 £	2022 £
Other deferred income	38,167	41,533
	<u>38,167</u>	<u>41,533</u>

### 14 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	90,384	88,324
	<u>90,384</u>	<u>88,324</u>

### 15 Share capital

	2023 £	2022 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
5,000,000 Ordinary Share of £1 each	5,000,000	5,000,000
	<u>5,000,000</u>	<u>5,000,000</u>

## **RAPYD PAYMENTS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

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#### **16 Operating lease commitments**

##### **Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	<b>2023</b>	<b>2022</b>
	<b>£</b>	<b>£</b>
Within one year	95,256	25,500

#### **17 Events after the reporting date**

No event has arisen after the reporting period and up to the approval of these Financial Statements that require additional disclosures.

#### **18 Related party transactions**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### **19 Ultimate controlling party**

The company's parent company is Rapyd Europe hf., incorporated in Iceland, whose registered office is Dalshraun 3, 220 Hafnafjörður.

The company's ultimate parent company is Rapyd Financial Network (2016) Ltd., incorporated in Israel, whose registered office is 132 Derech Menachem Begin St., Tel Aviv-Yafo, Israel.

The parent undertaking of the largest and smallest group for which group accounts are prepared for the year ended 31 December 2023 is Rapyd Financial Network (2016) Ltd. These accounts are available at its registered address listed above.

## RAPYD PAYMENTS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

#### 20 Cash (absorbed by)/generated from operations

	2023 £	2022 £
Profit for the year after tax	144,919	997,949
<b>Adjustments for:</b>		
Taxation credited	(697,532)	(271,572)
Finance costs	10,995	8,989
Investment income	(239,092)	(7,423)
Depreciation and impairment of tangible fixed assets	90,000	185,201
Equity settled share based payment expense	57,231	-
<b>Movements in working capital:</b>		
Decrease in stocks	206,038	84,367
Increase in debtors	(3,875,488)	(45,227)
(Decrease)/increase in creditors	(10,044,857)	72,726,736
(Decrease)/increase in deferred income	(3,366)	1,535
<b>Cash (absorbed by)/generated from operations</b>	<b>(14,351,152)</b>	<b>73,680,555</b>

#### 21 Analysis of changes in net funds

	1 January 2023 £	Cash flows £	31 December 2023 £
Cash at bank and in hand	74,981,883	(14,188,344)	60,793,539

# RAPYD PAYMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

### 22 Prior period adjustment

On evaluation of client monies held, it was identified that client accounts relating to foreign prepaid cards had not been included in the balance sheet in prior years. Per the Rapyd Group policy all client monies are to be held on the balance sheet as Cash and bank with a corresponding settlement liability included in Other creditors. Cash and bank as well as other creditors have been increased by £72,599,501, with a resulting net effect on the net assets of the company of £nil.

It was identified that the Deferred tax asset of £271,572 recognised in the prior year was incorrectly classified under Provision for liabilities on the Balance sheet. This has been reclassified to the Asset section on the Balance sheet.

#### Changes to the balance sheet

	As previously reported £	Adjustment £	As restated at 31 Dec 2022 £
<b>Current assets</b>			
Deferred tax asset	-	271,572	271,572
Bank and cash	2,382,382	72,599,501	74,981,883
<b>Creditors due within one year</b>			
Other creditors	(630,545)	(72,599,501)	(73,230,046)
<b>Provisions for liabilities</b>			
Deferred tax	271,572	(271,572)	-
Net assets	3,388,422	-	3,388,422
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>			
Total equity	3,388,422	-	3,388,422
	<u>          </u>	<u>          </u>	<u>          </u>

#### Changes to the profit and loss account

	As previously reported £	Adjustment £	As restated £
<b>Period ended 31 December 2022</b>			
Profit for the financial period	997,949	-	997,949
	<u>          </u>	<u>          </u>	<u>          </u>

#### Reconciliation of changes in equity

The prior period adjustments do not give rise to any effect upon equity.

#### Reconciliation of changes in profit for the previous financial period

	2022 £
Total adjustments	-
Profit as previously reported	997,949
Profit as adjusted	<u>997,949</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.