Registered number: 08580802

ECOMMPAY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

CONTENTS

COMPANY INFORMATION

Directors	P A Marcantonio A Sjarki W P Wellinghoff M Winegarten A Gocs
Registered number	08580802
Registered office	5th Floor, Churchill House 142-146 Old Street London EC1V 9BW
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023

Introduction

The directors present their strategic report for the year ended 30 June 2023.

ECOMMPAY`s principal activity is to act as a regulated financial institution responsible for the acquiring and settlement of e-commerce transactions for ECOMMPAY's merchants.

Review of the business

ECOMMPAY Limited's ("ECOMMPAY's") strategy for 2021-2025 is based on 4 main pillars: (1) Technology & Innovation, (2) People & Talent, (3) Market & Growth, and (4) Geography & Expansion.

During the year ended 30 June 2023, ECOMMPAY has reviewed its approach and appetite to support certain business verticals due to market volatility and increased competition in the regions in which it operates. As part of its four-year strategy, ECOMMPAY will be focusing on a targeted group of business verticals offering them specific and tailored solutions as follows:

• Gig Economy

• Digital Services

• Educational Services Platforms

• Ride-hailing and Delivery Services

• Travel and Accommodation

• Retail E-Commerce

• Financial Services.

Through constant, thorough evaluation and analysis of the markets in which ECOMMPAY operates, it has been identified that there is a lack of complete, robust payment solutions, which combine specific functions, capabilities and process automation in online payments, that offer flexibility of integration methods for merchants, and total flexibility for merchants' customers to choose how they pay. ECOMMPAY's core strategy is to deliver all of the key components and holistic solutions required to match business needs in the chosen e-commerce verticals to businesses of various sizes.

During the second phase of ECOMMPAY's four year plan, ECOMMPAY will continue to enhance and fine tune its FinTech ecosystem to provide a one stop-shop solution to its merchants combining internal and external features and capabilities required to satisfy all of the business needs of merchants within its chosen e-commerce verticals. ECOMMPAY focuses on identifying and understanding specific "pain" points, and gaps within existing market solutions and has the expertise to develop unique payment solutions that will boost and enhance merchants' performance in comparison to their existing payment environment.

Following the principles of focusing on low to medium-risk business verticals in ECOMMPAY's portfolio, the company changed its approach and commercial offering, becoming more creative and looking for innovative solutions to provide a particular function or enhancement that cannot be easily replicated by competitors. ECOMMPAY strives to carve a niche within a particular vertical, delivering significant added value to the basic payment acceptance services, building strong, solid and loyal relationships with merchants.

ECOMMPAY positions itself as a reliable partner and experienced payments consultant by advising merchants on project security, fraud prevention, decline rate, monetisation, visitor conversion and other relative issues to increase merchants' payment volumes whilst reducing risk. ECOMMPAY's payments platform also provides advanced analytics, business intelligence, and fraud prevention tools to merchants as well as intuitive payments interface features and alternative payment methods focusing on a frictionless checkout experience for merchants' customers.

ECOMMPAY is paying particular attention to providing efficient use and improvement of internal and external communication systems (including information exchange) in order to minimise merchants' acquisition time and servicing costs. At the same time, enhanced implementations should improve service quality and merchants' overall onboarding experience. Digitalisation and automation of processes together with client-facing interaction and a focus on realising a merchant's true growth potential in business is giving merchants a unique and personal experience in partnering with ECOMMPAY.

Principal risks and uncertainties

ECOMMPAY's principal activity is to act as a regulated financial institution responsible for the acquisition and settlement of e-commerce transactions for ECOMMPAY's merchants. ECOMMPAY places significant attention on minimising exposure due to external financial risks by ensuring all potential exposure is promptly identified and mitigated with a consistent approach to risk management across all company departments. In parallel, ECOMMPAY monitors the e-commerce industry closely, conducting thorough strategic analysis to identify and exploit lucrative growth opportunities whilst carefully evaluating the possible risks ECOMMPAY may face. The directors consider that the principal risks for ECOMMPAY are as follows:

(i) Liquidity and settlement risk

ECOMMPAY's main objective is to guarantee financial security and punctuality, while avoiding any delays, to merchant settlement. To mitigate liquidity risk, ECOMMPAY has introduced constant monitoring of current funds positions and their sustainable management. Since the business process includes relationships not only with merchants, but also with counterparties (service providers), ECOMMPAY performs detailed analysis on each and every financial partner. It is important to ensure that each service provider is reliable and will fulfil the terms of the agreement and applicable regulations, and allocate funds within required account types. Detailed analysis of financial flows, transactional uploads and the execution of reconciliation processes guarantee the relevance and accuracy of data during settlement. It is important to note that ECOMMPAY continues to increase its portfolio of client-segregated safeguarding accounts in line with the general requirements of the Financial Conduct Authority ("FCA") and ensures client money is separated from operational funds and blocks access to this money by third parties, thus safeguarding the funds. By increasing the number of available banking services, ECOMMPAY is able to improve client settlement efficiencies and profitability by reducing operational costs and spreading risk.

(ii) Market risk

ECOMMPAY has recently made several key strategic hires to significantly increase the business potential of ECOMMPAY and enable it to penetrate new markets and industries which have been previously overlooked, and to become less dependent on a few specific industries. A new strategy has been developed to explore market conditions, prepare for changes, develop specific technical solutions, as well as partner with key strategic platform providers to enable ECOMMPAY to go to market with the most relevant and cutting-edge products and services, ensuring ECOMMPAY has the best chance for success and year-on-year growth. ECOMMPAY's new Chief Product Owners are also focusing on the development of niche tools, technologies, products, and systems to regularly add new client verticals into ECOMMPAY's client portfolio and provide the business with the best chance of success to increase market share from new and existing markets. During the previous financial year, ECOMMPAY successfully divided business verticals with which the company is cooperating and produced positive results during the recovery period of the pandemic as well as realising a diversification of business. As such, the business development team continue to build a healthy portfolio of new merchants ready to flourish in the post-pandemic growth phase.

(iii) Business risk

Business risks include system failure, the impact of a market downturn, and the loss of key personnel. ECOMMPAY allocates extensive resources to the execution of particularly important tasks, distributing them among several employees to ensure accuracy adopting the four-eyes principle, business continuity and effective succession planning. ECOMMPAY regularly trains staff on an ongoing basis and, as per the requirements of a regulated money business, all staff take part in compliance and AML testing annually. This ensures that ECOMMPAY remains compliant and provides its staff with the best opportunity to receive the most up to-date information and pertinent knowledge, which significantly increases and promotes general competency. Each employee also receives clearly defined KPIs and SMART objectives which are in line with the corporate goals and are set by their manager. These factors, combined, contribute to lowering the business and compliance risk.

(iv) Business resilience and technology risk

Business Resilience and Technology risks include system failure, critical services having an adverse impact on clients' expectations of our service, the impact of a market downturn, delayed delivery exposure risk and the loss of key personnel. ECOMMPAY allocates extensive resources to the execution of particularly important obligations including quality assurance, business continuity and resilience, information security being a PCI DSS Level 1 certified business as well as effective succession planning. ECOMMPAY also regularly trains staff on an ongoing basis through its ECOMMPAY Academy Platform, to ensure employees maintain sufficient knowledge, competency and understanding to operate as a regulated financial institution. Each employee also receives clearly defined KPIs and SMART objectives which are in line with the corporate goals and set by their manager.

As part of the security monitoring process to minimise the number and impact of security incidents, ECOMMPAY:

- Has established and enforced security-related policies and procedures to prevent the potential for errorsor unauthorised activity caused by IT personnel who may either not have followed or understood change management procedures or have improperly configured security mechanisms, such as firewalls and authentication systems, as well as to ensure that security related policies and procedures are practical and clear;
- Routinely performs vulnerability assessments (Penetration Testing) provided by external consultants with the appropriate clearance, providing traceable administrator rights to the systems;
- Routinely performs checks of all computer systems and network devices to ensure they have the latest patches installed;
- Routinely monitors and analyses network traffic and system performance;
- Routinely performs checks of all logs and logging mechanisms, including operating system event logs, application-specific logs, and intrusion detection system logs; and
- Verifies backup and restore procedures.

(v) Legal, regulatory, compliance and taxation risks

As a regulated payment institution regulated by the Financial Conduct Authority, ECOMMPAY may face the risk of failure to fulfil and maintain its obligations as prescribed by law, regulations, guidance and standards. During the first part of 2023, ECOMMPAY appointed experienced members to their Compliance function, including a Chief Compliance Officer and an MLRO who maintain the responsibility of ensuring the internal controls, risk assessments, oversight and governance are maintained to the highest standards. ECOMMPAY continues to ensure that relevant employees are in regular communication with various regulators, authorities and trade associations to ensure our merchants can be confident that ECOMMPAY adopts the appropriate and required governance practices that align with industry best practices, as well as to promote the understanding of regulatory expectations and responsibilities. The company continues to monitor guidance on taxation matters and potential impact on entities within the financial services sector. In addition, ECOMMPAY maintains legal, risk management and internal audit divisions, and participates in external independent audits to maintain ongoing assurance of its overall controls.

(vi) Capital management risk

As ECOMMPAY is regulated by the FCA, it is required to maintain sufficient Prudential capital adequacy to operate within the regulatory perimeter. Potential capital management risks have been mitigated by ensuring the business is well capitalised, along with the ability to monitor capital resources on an ongoing and future basis. In addition, ECOMMPAY ensures diversification of the portfolio, cultivating a balanced split between client business verticals, reviewing the company's actual and future financial position regularly, and taking corrective actions accordingly.

(vii) Business & management growth risk

Following the effects of the COVID-19 pandemic and the subsequent stability of various aspects of the business, 2023 was very much a year for alignment and growth with headline targets to grow sustainably and minimise losses. In preparation, and to offer the best chance of success, ECOMMPAY relocated to a new office in London during the first part of 2023, significantly increasing workspace and improving the general working environment for its employees, whilst still maintaining a hybrid and flexible working environment. As part of the growth aspirations and strategy, it was also necessary to heavily invest in people by further bolstering its Sales, Operational, Marketing, Risk and Compliance resources more than doubling headcount in the UK compared to the previous year. During H2 2023, ECOMMPAY also increased its governance arrangements, resilience and oversight by further strengthening the Board of Directors appointing a Chief Compliance Officer, Chief Operating Officer, and Chief Revenue Officer as members of the Board and constituting sub-committees to the Board.

Business Overview 2023

Revenue for the year decreased to €37,609,279 (2022: €46,943,743). Principally ECOMMPAY has observed ongoing macro-economic shifts, mainly originating from the global geopolitical environment of 2022, which has led to rising inflation and reduced consumer spending and confidence in the market, as well ongoing impacts facing merchants as a result of Brexit. There have also been ongoing regulatory changes which have impacted new entrants to the market, as well as existing established industry participants, in particular enhancements to consumer protection which has required the adoption of widescale changes. In addition, whilst cooperation with new business verticals with low marginality remains a challenge, ECOMMPAY prides itself on its reputation and good standing in the industry and continues its focus on providing additional value to new and existing merchants through innovation, additional products, services and strong relationship management which will enhance revenue opportunities alongside a focus on larger volume-generating merchants to generate greater margins and sustainable growth. ECOMMPAY has continued to increase the number of technical retail and banking platforms that it works with, providing access to new business verticals and potential merchants showcasing its products and services. This strategy further reinforces ECOMMPAY's strategy to be a full end-to-end service provider by offering additional Alternative Payment Methods and functionality specifically for the UK market supporting geo expansion and scalability as well as flexibility around FX conversions and settlement efficiency, thereby increasing overall interaction with merchants by providing a holistic and streamlined solution for e-commerce business. With this in mind, significant focus has been applied to turnover and revenue targets, as well as driving operational efficiencies to increase the gross profit margin potential of its merchants.

The past few years have seen a general increase in merchants seeking additional payment methods to offer more choice to their customers. This new demand has been driven by a desire for consumers to seek alternatives to traditional cards, it could be considered that this was a direct consequence of consumers being driven to make more purchases online during the COVID-19 pandemic. As such, ECOMMPAY has continued to strengthen its portfolio of local and Alternative Payment Methods which empowers businesses to be able to attract more customers by offering choices or more ways to pay for their products or services as well as providing improved flexibility and more competitive pricing through a single provider rather than working with various technical platforms and providers.

Following the previous years' restructuring of the business development team in the UK, ECOMMPAY has further increased the headcount of the Operations, Compliance and Sales team as well as continued to develop the industry knowledge across the targeted strategic business verticals. ECOMMPAY's payment experts continue to bring more value to potential merchants, by taking a consultative approach to new relationships and obtaining a deeper knowledge and understanding of specific business requirements and inefficiencies. The strategy adopted by the outbound sales team is to not solely focus on price but to ensure that merchant proposals and solutions always demonstrate a clear benefit and tangible value to partnering with ECOMMPAY.

During 2023, ECOMMPAY invested in attending and exhibiting key industry conferences and expos within strategically important business verticals and thought-leadership platforms. Through improved brand awareness, the marketing strategy has empowered the outbound sales and development teams to attain greater access to markets and potential new business and attract new leads directly in favour of utilising external resources or agents. This new approach has reinforced improved profitability, brand awareness, and word of mouth as well as building strong relationship networks within various business communities.

Key performance indicators

Turnover

Turnover for the year decreased to €37,609,279 (2022: €46,943,743), due to the factors outlined in the Business Overview section above.

Gross profit

Gross profit for the year decreased to €12,153,853 (2022: €13,626,246) broadly in line with the reduction in turnover. The company is focused on growth in a financially sustainable way and partly as a result of repricing or terminating loss-making legacy contracts with merchants, the gross profit margin has increased from 29% to 32%.

Operating profit

The profit before tax from operations excluding exceptional income was €621,380 (2022: €2,027,678). The decrease is primarily a result of the reduction in gross profit noted above as well as the marginal increase in administrative expenses which largely reflects the company's focus on investment impacted by factors such as controlled operating expenses, strategic cost management initiatives, and resilient performance in the face of economic challenges during the reporting period. Operating profit has been significantly impacted by the exceptional income recognised in the reporting period. The exceptional income is detailed in note 7 of the financial statements.

Financial position

At the balance sheet date, the company had net current assets of €8,350,427 (2022: €7,327,271). The increase can be attributed to the rise in trade and other group receivables during the reporting period.

Overall net assets increased to €15,950,768 (2022: €14,489,788) as a result of the profit for the year.

Cash flows and liquidity

Net cash outflows were €3,454,288 (2022: €4,197,341 cash inflow). The negative net cash flow is primarily driven by the rise in group receivables.

Net cashflows from operating activities totalled €2,674,782 which were largely changed by increase of working capital tied up in trade and other receivables, which generated outflows of €566,443. At the balance sheet date, the company retained cash balances of €2,711,630 (2022: €6,165,918).

Sales and growth in merchants

The directors are monitoring the number of newly boarded merchants, signed contracts, meetings held and partnerships formed. As well as growth in sales, response time by the sales/manager/support team and number of onboarded merchants, the directors are also evaluating their financial results on a monthly basis, across new business and existing business.

During 2023, ECOMMPAY continued to derive effective strategies that will enable the business to attract new partners in the UK that will expand ECOMMPAY's growth within the UK market and within industries that are under - indexed within payments peers. Industries such as Retail, Gig economy, Travel and Financial Services still remain a focus and the directors are confident that they will show a boost in turnover during the coming years and allow ECOMMPAY to further develop unique payment solutions specifically tailored for these industries in the UK market.

Future developments and opportunities for growth

Market diversity

As part of ECOMMPAY's on-going strategy and commitment to becoming a market leader within several business verticals, the company invested in heavily in marketing activity within key events and exhibitions over the past three years. In 2022, ECOMMPAY continued to evolve and saw key business events and conferences return after a two year break, which enabled the business to directly target businesses such as Delivery, Retail, Travel and Educational/Training platforms with encouraging results. The return of physical conferences certainly benefitted ECOMMPAY enabling the Sales and Account Management executives the opportunity to meet with existing partners in order to network and share the latest information and updates from ECOMMPAY and support their plans and growth strategies as the market eased out of the COVID-19 pandemic. One of the Pillars and strategic focus areas for ECOMMPAY was to establish itself as a strong and reliable partner during the pandemic and when businesses needed support, it is considered that ECOMMPAY delivered in its strategy which helped to increase the credibility and awareness of the business as a trusted partner.

Business developments after the reporting date

- Further growth of the Travel and Hospitality merchant portfolio
- Established ECOMMPAY as a major provider of Open Banking solutions
- Integration with e-commerce shopping cart platforms to enhance ECOMMPAY's retail offering
- Signed new strategic partnerships within Retail e-commerce
- Launched new customisable payment page options for merchants
- Strategic key hires across business development, AML and operational support functions
- Soft launch of ECOMMPAY's new automated onboarding product to attract and board new merchants
- Testing of card present capability to complete ECOMMPAY's omnichannel solution
- Launch of a unique digital distribution and payments platform for the video gaming industry
- Launched ECOMMPAY Shop which provides intelligent search for merchants and prospects
- Enhanced merchant dashboard to include business intelligence and chargeback management
- Enhanced access to internal monitoring tools for key management personnel for oversight and fitness
- Terminating loss-making or inefficient legacy merchants

• Increasing fees in line with market trends, where appropriate, to improve margin potential

There are no significant post-balance sheet events that impact the financial statements.

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

A Sjarki
Director

Date: 22 March 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The directors present their report and the financial statements for the year ended 30 June 2023.

Principal activity

The principal activity of the company continued to be that of acting as a payment institution providing payment services.

The company is registered with the Financial Conduct Authority (FCA) as an "Authorised Payment Institution".

Results and dividends

The profit for the year, after taxation, amounted to €1,460,974 (2022 -€1,679,676).

There were no dividends paid or recommended by the directors.

Directors

The directors who served during the year were:

P A Marcantonio
A Sjarki

On 11 September 2023, A Gocs and W P Wellinghoff were appointed as directors. On 3 October 2023, M Winegarten was appointed as a director.

Financial risk management

Related disclosures can be found in the Note 26.

Matters covered in the strategic report

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director 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 auditor is aware of that information.

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

A Sjarki
Director

Date: 22 March 2024

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

The directors are responsible for preparing the strategic report, directors' report and the financial statements, in accordance with applicable law.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK.

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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECOMMPAY LIMITED

Opinion

We have audited the financial statements of Ecommpay Limited for the year ended 30 June 2023 which comprise the statement of profit or loss, the statement of financial position, the statement of cash flows, the statement of changes in equity and the notes to the financial statements, including significant accounting policies set out on pages 22 - 29. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the United Kingdom; 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 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.

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.

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 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.

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 10, 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.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our knowledge and experience of the FCA and payment services regulations;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, and regulations for payments services;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgments and assumptions made in determining the accounting estimates set out in note 4 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HM Revenue and Customs and relevant regulators including the FCA.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ECOMMPAY 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 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.

Jaykishan Shah (senior statutory auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 22 March 2024

STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 €	2022 €
Revenue	5	**37,609,279**	46,943,743
Cost of sales		**(25,455,426)**	(33,317,497)
Gross profit		**12,153,853**	13,626,246
Other operating income	6	**1,220,914**	910,872
Administrative expenses		**(12,753,387)**	(12,509,440)
Exceptional income	7	**1,147,347**	-
Profit from operations		**1,768,727**	2,027,678
Finance income		**166,026**	101,639
Finance expense		**(60,872)**	(27,121)
Profit before taxation		**1,873,881**	2,102,196
Tax expense	13	**(412,907)**	(422,520)
Profit and total comprehensive income for the year		**1,460,974**	1,679,676

The notes on pages 22 to 46 form part of these financial statements.

The statement of profit or loss has been prepared on the basis that all operations are continuing operations.

There are no items of other comprehensive income for either the year or the prior year other than the profit for the year. Accordingly, no statement of other comprehensive income has been presented.

ECOMMPAY LIMITED
REGISTERED NUMBER: 08580802

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023

	Note	2023 €	2022 €
Assets			
Non-current assets			
Intangible assets	14	**97,868**	43,022
Property, plant and equipment	15	**3,932,062**	3,509,120
Other receivables	16	**6,148,738**	5,985,793
		10,178,668	9,537,935
Current assets			
Trade and other receivables	16	**9,002,745**	4,804,062
Cash and cash equivalents		**2,711,630**	6,165,918
		11,714,375	10,969,980
Total assets		**21,893,043**	20,507,915
Liabilities			
Non-current liabilities			
Lease liabilities	19	**2,415,796**	2,287,031
Deferred tax liability		**162,531**	88,387
		2,578,327	2,375,418
Current liabilities			
Trade and other liabilities	18	**2,482,811**	2,855,715
Lease liabilities	19	**881,137**	786,994
		3,363,948	3,642,709
Total liabilities		**5,942,275**	6,018,127
Net assets		**15,950,768**	14,489,788

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2023

	Note	2023 €	2022 €
Issued capital and reserves			
Share capital	20	**9,493,837**	9,493,837
Retained earnings		**6,456,931**	4,995,951
Total equity		**15,950,768**	14,489,788

The financial statements on pages 16 to 46 were approved and authorised for issue by the board of directors and were signed on its behalf by:

A Sjarki
Director

Date: 22 March 2024

The notes on pages 22 to 46 form part of these financial statements.

FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Retained earnings	Total equity
	€	€	€
At 1 July 2021	9,493,837	3,316,275	12,810,112
Comprehensive income for the year			
Profit for the financial year	-	1,679,676	1,679,676
Total comprehensive income for the year	-	1,679,676	1,679,676
At 30 June 2022	**9,493,837**	**4,995,951**	**14,489,788**
At 1 July 2022	9,493,837	4,995,951	14,489,788
Comprehensive income for the year			
Profit for the financial year	-	1,460,974	1,460,974
Total comprehensive income for the year	-	1,460,974	1,460,974
At 30 June 2023	**9,493,837**	**6,456,925**	**15,950,762**

The notes on pages 22 to 46 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 €	2022 €
Cash flows from operating activities			
Profit for the year		**1,460,974**	1,679,676
Adjustments for			
Depreciation of property, plant and equipment	15	**1,045,620**	1,244,708
Amortisation of intangible fixed assets	14	**1,743**	-
Finance income		**(166,026)**	(101,639)
Finance expense		**60,872**	27,121
Loss on sale of property, plant and equipment		**13,336**	-
Income tax expense	13	**338,763**	422,520
		2,755,282	3,272,386
Movements in working capital:			
(Increase)/decrease in trade and other receivables		**(566,443)**	2,419,090
Increase in trade and other payables		**784,193**	884,709
Cash generated from operations		**2,973,032**	6,576,185
Income taxes paid		**(298,250)**	(221,336)
Net cash from operating activities		**2,674,782**	6,354,849
Cash flows from investing activities			
Purchases of property, plant and equipment		**(1,481,898)**	(213,467)
Sale of property, plant and equipment		**-**	22,536
Purchase of intangibles	14	**(56,589)**	-
Net cash from investing activities		**(1,538,487)**	(190,931)

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

	2023 €	2022 €
Cash flows from financing activities		
Increase in group receivables	**(3,795,185)**	(436,451)
Decrease in group payables	**-**	(469,818)
Interest received	**166,026**	101,639
Interest paid	**(60,872)**	(27,121)
Payment of lease liabilities	**(900,552)**	(1,134,826)
Net cash used in financing activities	**(4,590,583)**	(1,966,577)
Net (decrease)/increase in cash and cash equivalents	**(3,454,288)**	4,197,341
Cash and cash equivalents at the beginning of year	**6,165,918**	1,968,577
Cash and cash equivalents at the end of the year	**2,711,630**	6,165,918

The notes on pages 22 to 46 form part of these financial statements.

1. Company information

ECOMMPAY Limited (the 'company') is a private company limited by shares incorporated in the United Kingdom and registered in England and Wales. The address of its registered office is 5th Floor, Churchill House, 142-146 Old Street, London, EC1V 9BW.

The company's principal activity continued to be that of acting as a payment institution providing payment services.

The company is registered with the Financial Conduct Authority (FCA).

ECOMMPAY Limited is a wholly owned subsidiary of ECOMMPAY Holding Limited, a company incorporated in Cyprus. The results of ECOMMPAY Limited are included in the consolidated financial statements of ECOMMPAY Holding Limited which are available from the registered office, Pindarou, 27, Alpha Business Centre, Block A, 3rd floor, Flat/Office 301, 1060 Nicosia, Cyprus.

2. 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 International Financial Reporting Standards (IFRS) as adopted by the UK and the Companies Act 2006.

The preparation of financial statements in compliance with UK-adopted IFRS 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 financial statements are prepared in euros, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest €.

The principal accounting policies adopted are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3. Accounting policies

3.1 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

3. Accounting policies (continued)

3.2 Revenue

Revenue represents fees received or receivable from merchants for acting as a payment institution providing payment services.

Revenue consists of the following:

a) Transaction commission fees, which relate to services facilitating the process for merchants to receive cardholders' funds (acquiring services), are recognised upon the company obtaining the right to receive payment on behalf of the merchant. The right to receive payment is deemed to be upon the company confirming to the merchant that cardholders' transactions have been authorised with the card issuer.

b) Transaction commission fees, which relate to services facilitating the process for merchants to reimburse cardholders (pay-out services), are recognised upon amounts being physically paid out by the company.

c) Income from treasury management and foreign exchange services is generated from settling foreign currency transaction on behalf of the customers. Revenue is recognised when the company has fulfilled its obligation in relation to these transactions.

d) Interest income is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

3. Accounting policies (continued)

3.3 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The company as a lessee

The company assesses whether a contract is or contains a lease, at inception of a contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low-value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are included in the 'Property, Plant and Equipment' in the statement of financial position.

The company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 3.7.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has used this practical expedient.

3. Accounting policies (continued)

3.4 Employee benefits

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

3.5 Retirement benefits

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

3.6 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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.

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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 arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

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. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Accounting policies (continued)

3.7 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment. Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss. Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

Depreciation is provided on all other items of property, plant and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Right of use assets	10% straight line
Short-term leasehold property	10% straight line
Motor vehicles	20% straight line
Fixtures and fittings	10% straight line
Computer equipment	20-33% straight line
Right-of-use leased assets under IFRS 16	straight line over duration of the lease

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 recognised in the statement of profit or loss.

3.8 Intangible assets other than goodwill

Research and development costs relating to software costs have been capitalised. These intangible assets are reviewed annually for impairment.

3. Accounting policies (continued)

3.9 Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible 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). When 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. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease (see note 3.7).

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase (see note 3.7).

3.10 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

3.11 Financial instruments

Financial assets and financial liabilities are recognised when an entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

3. Accounting policies (continued)

3.12 Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

(i) Amortised cost and effective interest method

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortisedcost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

(ii) Impairment of financial assets

The company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised costs or at FVOCI, and amounts due from customers under contracts, as well as on loan commitments and financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company recognises lifetime ECL for trade receivables, amounts due from customers under contracts and lease receivables. The expected credit losses on these financial assets are estimated based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

(iii) Derecognition of financial assets

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

3. Accounting policies (continued)

3.13 Financial liabilities and equity instruments

(i) Classification as debt or equity

Debt and equity instruments issued by an entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by an entity are recognised at the proceeds received, net of direct issue costs.

(iii) Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions ofthe instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities', although the company only has the latter instruments.

Financial liabilities subsequently measured at amortised cost

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For thepurposes of each financial liability, interest expense includes initial transaction costs and any premium payableon redemption, as well as any interest or coupon payable while the liability is outstanding.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

3.14 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into euros at the rates of exchange ruling at the reporting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the statement of comprehensive income.

3.15 Client bank account balances

Bank balances held on behalf of the clients who are the merchants are not recognised in the statement of financial position.

4. Critical accounting estimates and judgments

In the application of the company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Impairment of trade receivables

The company reviews the trade receivables balance for impairment on a regular basis. In making this assessment, the company evaluates the potential risk of losses arising from unrecovered trade receivables. There is inherent judgement in the calculation and provision for expected credit losses. At the year end, the carrying amount of trade receivables is stated in note 16.

5. Revenue

The following is an analysis of the company's revenue for the year from continuing operations:

	2023 €	2022 €
Acquiring services	**34,748,558**	42,535,379
Payout services	**2,860,721**	4,386,723
Other	**-**	21,641
	37,609,279	46,943,743

Analysis of revenue by country of destination:

	2023 €	2022 €
United Kingdom	**11,753,601**	15,035,477
Rest of Europe	**25,855,678**	31,886,625
Rest of the world	**-**	21,641
	37,609,279	46,943,743

Timing of revenue recognition:

	2023 €	2022 €
Goods and services transferred at a point in time	**37,609,279**	46,943,743

6. Other operating income

	2023 €	2022 €
Other fees and similar income	**1,220,914**	910,872

7. Exceptional income

	2023	2022
	€	€
Exceptional income	1,147,347	-

Exceptional income represents funds received by the company in 2018, from a third-party payment services provider now in liquidation. These surplus funds have been released to the profit and loss account during 2023 following a period of investigation to discuss the issue with the third-party payment services provider and liquidator.

8. Operating profit

	2023	2022
	€	€
Operating profit for the year is stated after charging/(crediting):		
Depreciation	1,045,620	1,244,708
Foreign exchange gains	(4,670,527)	(4,687,528)
Provision for expected credit losses and bad debts	(254,223)	1,151,507

9. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor:

	2023	2022
	€	€
Fees payable to the company's auditor for the audit of the company's financial statements	139,861	110,135
Fees payable to the company's auditor and its associates in respect of: Non-audit services	43,759	50,310

10. Employee benefit expenses

	2023	2022
	€	€
Employee benefit expenses (including directors) comprise:		
Wages and salaries	**7,088,169**	6,385,009
National insurance	**1,408,253**	1,338,490
Defined contribution pension cost	**19,398**	16,794
	8,515,820	7,740,293

Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, including the directors of the company listed on page 1.

	2023	2022
	€	€
Salary	**1,309,833**	1,116,855
Defined contribution scheme costs	**2,532**	1,559
	1,312,365	1,118,414

10. Employee benefit expenses (continued)

The monthly average number of persons, including the directors, employed by the company during the year was as follows:

	2023 No.	2022 No.
Directors	**2**	2
C level	**3**	-
Managers	**12**	9
Acquiring and issuing department	**8**	8
Corporate finance division	**6**	6
IT division	**12**	12
Procurement and security team	**7**	8
Payment product development division	**5**	4
Sales department	**11**	5
Economics and finance department	**25**	21
Fraud AML transactions disuputes oversight department	**17**	14
Marketing department	**15**	14
MLRO	**1**	1
Compliance and MLRO department	**9**	11
Legal advisors	**3**	5
Internal audit division	**3**	3
Project implementation team	**6**	7
Onboarding and customer relations department	**52**	46
People and performance management department	**20**	22
	217	198

11. Directors' remuneration

	2023	2022
	€	€
Directors' emoluments	**216,059**	174,385
Company contributions to pension schemes	**1,520**	1,559
	217,579	175,944

Total remuneration in respect of the key management personnel relates solely to the directors' remuneration.

The highest paid director's emoluments were as follows:

	2023	2022
	€	€
Remuneration for qualifying services	**172,743**	141,885
Company contributions to pension schemes	**1,520**	1,559
	174,263	143,444

12. Finance income and expense

Recognised in profit or loss

	2023	2022
	€	€
Finance income		
Interest on:		
- Bank deposits	**1,808**	3,236
Total interest income arising from financial assets measured at amortised cost	**1,808**	3,236
Interest receivable from group companies	**163,416**	97,653
Other interest receivable	**802**	750
Total finance income	**166,026**	101,639
Finance expense		
Interest on lease liabilities	**60,872**	27,121
Total finance expense	**60,872**	27,121
Net finance income recognised in profit or loss	**105,154**	74,518

13. Tax expense

13.1 Income tax recognised in profit or loss

	2023 €	2022 €
Current tax		
UK corporation tax on profits for the current period	**326,036**	418,791
Adjustments in respect of prior years	**-**	(52,488)
Overseas tax	**12,727**	20,893
Total current tax	**338,763**	387,196
Deferred tax expense		
Origination and reversal of timing differences	**74,144**	35,324
Total deferred tax	**74,144**	35,324
Total tax charge	**412,907**	422,520

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2023 €	2022 €
Profit for the year	**1,460,974**	1,679,676
Income tax expense	**412,907**	422,520
Profit before income taxes	**1,873,881**	2,102,196
Tax using the company's domestic tax rate of 19% and 25% (2022: 19%)	**384,146**	399,417
Expenses not deductible for tax purposes	**81,601**	78,513
Capital allowances for the year in excess of depreciation	**(23,338)**	(19,449)
Adjustments to tax charge in respect of prior periods	**-**	(52,488)
Other differences	**(29,502)**	16,527
Total tax expense	**412,907**	422,520

13. Tax expense (continued)

13.1 Income tax recognised in profit or loss (continued)

Changes in tax rates and factors affecting the future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% for companies with profits of over £250,000. A small profits rate will also be introduced for companies with profits of £50,000 or less so that they will continue to pay corporation tax at 19%. From this date companies with profits between £50,000 and £250,000 will pay tax at the main rate reduced by a marginal relief providing a gradual increase in the effective corporation tax rate. This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

14. Intangible assets

	Development expenditure €
Cost	
At 1 July 2021	19,794
Additions	23,228
At 30 June 2022	43,022
Additions	56,589
At 30 June 2023	**99,611**

	Development expenditure €
Charge for the year	1,743
At 30 June 2023	**1,743**
Net book value	
At 1 July 2021	19,794
At 30 June 2022	43,022
At 30 June 2023	97,868

15. Property, plant and equipment

	Right of use assets	Short-term leasehold property	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	€	€	€	€	€	€
Cost						
At 1 July 2021	3,188,373	158,756	10,000	102,055	543,136	4,002,320
Additions	3,382,262	83,361	4,760	13,846	112,244	3,596,473
Disposals	(3,165,930)	-	-	(36,754)	-	(3,202,684)
Foreign exchange movements	744	-	-	-	-	744
At 30 June 2022	3,405,449	242,117	14,760	79,147	655,380	4,396,853
Additions	1,075,538	28,682	-	880	375,800	1,480,900
Disposals	(338,668)	-	-	-	-	(338,668)
Foreign exchange movements	998	-	-	-	-	998
At 30 June 2023	**4,143,317**	**270,799**	**14,760**	**80,027**	**1,031,180**	**5,540,083**

	Right of use assets	Short-term leasehold property	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	€	€	€	€	€	€
Accumulated depreciation						
At 1 July 2021	2,403,196	2,472	3,500	28,001	386,004	2,823,173
Charge owned for the year	1,102,015	25,548	2,079	26,879	88,187	1,244,708
Disposals	(3,165,930)	-	-	(14,218)	-	(3,180,148)
At 30 June 2022	339,281	28,020	5,579	40,662	474,191	887,733
Charge owned for the year	905,903	26,560	2,952	7,998	102,207	1,045,620
Disposals	(325,332)	-	-	-	-	(325,332)
At 30 June 2023	**919,852**	**54,580**	**8,531**	**48,660**	**576,398**	**1,608,021**
Net book value						
At 1 July 2021	785,177	156,284	6,500	74,054	157,132	1,179,147
At 30 June 2022	3,066,168	214,097	9,181	38,485	181,189	3,509,120
At 30 June 2023	3,223,465	216,219	6,229	31,367	454,782	3,932,062

16. Trade and other receivables

	2023	2022
	€	€
Non-current		
Amount owed by parent undertaking	**6,148,738**	5,985,793
Current		
Trade receivables	**3,571,019**	3,170,489
Amounts owed by parent undertaking and related entities	**4,488,006**	855,766
Prepayments and accrued income	**573,187**	349,928
Other receivables	**370,533**	427,879
Total current trade and other receivables	**9,002,745**	4,804,062

Trade receivables are stated net of a provision for expected credit losses amounting to €183,541 (2022: €nil). In the prior year, trade receivables were stated net of a specific irrecoverable merchant balance of €1,151,507. During the year, the company recovered a net amount of €437,764 in respect of balances which were previously deemed irrecoverable and provided for.

Amounts owed by group undertakings are interest free, have no fixed repayment date and are repayable on demand. Terms of the amounts owed by parent undertakings in greater than one year is included within note 23.

17. Trade receivables - credit risk

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

The directors consider that no other material receivable balances are impaired at the reporting end date.

18. Trade and other payables

	2023 €	2022 €
Current		
Trade payables	**621,460**	448,877
Other payables	**269,733**	318,823
Accruals	**939,590**	1,519,320
Social security and other taxation	**652,028**	568,695
Total current trade and other payables	**2,482,811**	2,855,715

Amounts owed to group undertakings are interest free, have no fixed repayment date and are repayable on demand.

19. Lease liabilities

	2023 €	2022 €
Non-current		
Lease liabilities	**2,415,796**	2,287,031
Current		
Lease liabilities	**881,137**	786,994
Total lease liabilities	**3,296,933**	3,074,025

20. Share capital

Authorised

	2023 Number	2023 €	2022 Number	2022 €
Shares treated as equity				
Ordinary shares of €1.00 each	**9,493,836**	**9,493,836**	9,493,836	9,493,836
Ordinary shares of €1.00 each	**1**	**1**	1	1
	9,493,837	**9,493,837**	9,493,837	9,493,837

Issued and fully paid

	2023 Number	2023 €	2022 Number	2022 €
Ordinary shares of €1.00 each				
At 1 July and 30 June	**9,493,836**	**9,493,836**	9,493,836	9,493,836

	2023 Number	2023 €	2022 Number	2022 €
Ordinary shares of €1.00 each				
At 1 July and 30 June	**1**	**1**	1	1

21. Retained earnings

Retained earnings includes all current and prior period retained profits and losses.

22. Leases

(i) Leases as a lessee

This note provides information for leases where the company is a lessee.

Lease liabilities are due as follows:

	2023	2022
	€	€
Contractual undiscounted cash flows due		
Not later than one year	**881,137**	822,519
Between one year and five years	**2,415,796**	2,371,616
	3,296,933	3,194,135
Lease liabilities included in the Statement of financial position at 30 June	**3,296,933**	3,074,025
Non-current	**2,415,796**	2,287,031
Current	**881,137**	786,994

The following amounts in respect of leases have been recognised in profit or loss:

	2023	2022
	€	€
Interest expense on lease liabilities	**60,872**	27,121
Depreciation of right-of-use assets	**905,903**	1,102,015
Changes related to currency fluctuation	**998**	744

23. Related party transactions

Details of transactions between the company and its related parties are disclosed below.

23.1 Other related party transactions

As at the year end, the company is owed €nil (2022: €618,903) from Ecommpay Ltd (Cyprus) in connection with costs incurred on that entity's behalf.

During the year the company incurred expenses on behalf of Ecommbx Limited, a company under common control. The balance due to the company at the balance sheet date was €7,534 (2022: €236,863).

Cost of sales include payments to Ecommpay APAC Pte Ltd Singapore, company under common control for services provided amounting to €nil (2022: €171,328).

During the year the company paid rent of €679,500 (2022: €908,200) to SIA CHOKO, a company under common control. As at the year end, the company recognised a lease liability of €3,296,933 (2022: €2,885,194) due to SIA CHOKO. Included in finance costs is interest of €60,872 (2022: €27,121) on this lease.

Ecommpay Limited provides loan facilities to its parent company Ecommpay Holding Limited. The facilities are unsecured, charge interest at 2%, and are repayable on 12 August 2027 (extended from 12 August 2023). Other interest income includes interest receivable amounting to €163,416 (2022: €97,653) in relation to these facilities. The balance due to Ecommpay Limited as at the balance sheet date was €6,148,738 (2022: €5,985,793), which is repayable on 12 August 2027 and therefore classified as non-current. Included within amounts owed by parent and related entities is an amount of €4,480,000. The balance is non-interest-bearing and there are no formal terms and conditions regarding the repayment.

24. Controlling party

The immediate and ultimate parent company is Ecommpay Holding Limited, a company incorporated in Cyprus. Ecommpay Holding Limited prepares group financial statements and copies can be obtained from Pindarou, 27, Alpha Business Centre, Block A, 3rd floor, Flat/Office 301, 1060 Nicosia, Cyprus.

The ultimate controlling party is Aleksejs Sjarki.

25. Capital management

The company is subject to the capital requirements imposed by the Financial Conduct Authority (FCA). The FCA requires the company to maintain a minimum level of capital of €125,000 which was complied with throughout the year.

26. Financial risk management

Market risk - Foreign currency risk

This is the risk arising from fluctuations in currency exchange rates. Currency risk exists, in particular, where assets, receivables and liabilities exist or arise in a different currency to the company's functional currency.

This risk has been mitigated by the management closely monitoring the fluctuations of the currencies and obtaining favourable exchange rates as far as possible.

Credit risk

This is the risk arising from the merchants (who are the customers of the company) who face difficulties due to their client's failure to comply with the International Card Organisation's rules and as such the company may incur fines or chargebacks.

This risk has been mitigated by an agreement between the merchant and the company to hold back the merchant's funds if such transactions occur. Also, the company has incorporated a "Fraud-Stop" in-house intelligence system, which features innovative tools for predicting, assessing, detecting and preventing fraudulent transactions, which is being constantly monitored and upgraded.

Liquidity risk

This is the risk arising from not having sufficient funds available in the merchant's account prior to making payments to the merchant.

The company's main objective is to guarantee financial security and punctuality while avoiding any delays to merchant settlement. To mitigate liquidity risk, the company has introduced constant monitoring of current funds positions and their sustainable management. Due to the fact that the business process includes relationships not only with merchants, but also with counterparties (service providers, banks and etc.), the company ensures detailed due diligence of each service providers and establishing a daily reconciliation with them for further safeguarding of the funds. Detailed analysis of financial flows, transactional uploads and daily reconciliation of financial flows are performed to guarantee relevance and accuracy of data when making settlements. As an additional measure the company is holding excessive amounts of own funds as a constant reserve to mitigate liquidity risk.

27. Effects of changes in accounting policies

The following IFRS standards, amendments and interpretations became effective during the financial year beginning on 1 July 2022:

- References to the Conceptual Framework (amendments to IFRS 3). Adds a new exceptions to the recognition principle in order to make sure that the accounting remains unchanged. Effective for annual reporting periods beginning on or after 1 January 2022.

- Proceeds for intended use (amendments to IAS 16). Prohibits an entity from deducting from the cost of property, plant and equipment amunts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. Effective for annual reporting periods beginning on or after 1 January 2022.

- Onerous contracts (amendments to IAS 37). Specifies which costs an entity includes when assessing whether a contract will be loss-making. Effective for annual reporting periods beginning on or after 1 January 2022.

There are no further new IFRSs or IFRIC interpretations that are effective for the financial period beginning on or after 1 July 2022 that would be expected to have a material impact on the company.

The following IFRS standards, amendments, and interpretations, which had not yet been applied in these financial statements as they were not mandatory, were in issue but not yet effective during the financial year beginning on 1 July 2022. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

- Insurance Contracts. This standard replaces IFRS 4, which currently permits a wide variety of practices in accounting for insurance contracts. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. Effective for annual reporting periods beginning on or after 1 January 2023.

- Accounting Estimates (amendments to IAS 8). On February 12, 2021, the IASB published Definition of Accounting Estimates to help entities to distinguish between accounting policies and accounting estimates. The amendments are effective for annual periods beginning on or after 1 January 2023.

- Deferred tax (amendments to IAS 12). The amendments narrow the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. This requires companies to recognise both a deferred tax asset and deferred tax liability for temporary differences arising on initial recognition of a lease and a decommissioning provision. Effective for annual reporting periods beginning on or after 1 January 2023.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the company.

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