

# myPOS Europe Limited

Annual Report and Financial Statements

For the year ended 31 December 2021

Company Registration No. 10630670 (England and Wales)

# myPOS Europe Limited

## Company Information

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<b>Directors</b>	B Attwood G Brennan S Pilloy I Rasmally	(Appointed 1 December 2021)
<b>Company number</b>	10630670	
<b>Registered office</b>	The Shard Level 24, 32 London Bridge Street London SE1 9SG	
<b>Auditor</b>	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP	

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# myPOS Europe Limited

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# myPOS Europe Limited

## Strategic Report

For the year ended 31 December 2021

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The directors present the strategic report for the year ended 31 December 2021.

### **Fair review of the business**

myPOS Europe Ltd (the Company) is an electronic money institution authorised and regulated by the FCA UK to provide e-money and payment services, under the Electronic Money Regulations 2011 (EMRs).

The objective of the Company, and myPOS group, is to provide integrated and affordable payment solutions, changing the way businesses accept card payments across all channels - at the counter, online and mobile. Combining the latest payment technologies with imagination and expertise, myPOS has created a new payment world, built on innovation, freedom, flexibility and opportunities for growth.

For the period under review, in accordance with agreements in place between myPOS Europe Ltd, myPOS Technologies AD (Bulgaria) and iCard AD (Bulgaria), myPOS Europe Ltd has provided e-money account services to its customers, while myPOS Technologies AD has provided card related services to the same customer base.

### **Principal risks and uncertainties**

myPOS Europe has implemented an Enterprise Risk Management Framework (ERMF) which drives its approach to risk management. The framework sets out the activities, tools and techniques used to ensure that all material risks are identified, assessed and treated in a consistent way across the Company.

The key risk themes to which myPOS Europe is exposed are described below. These are not exhaustive but cover the principal exposures.

#### ***Macro / geopolitical***

myPOS Europe's business is sensitive to conditions and uncertainties in the markets it operates in. During 2021 the Company continued to monitor and mitigate the impact of COVID-19 on its business. It also monitored its trading following the end of the Brexit transition period and the implementation of its Brexit contingency plans.

#### ***Capital and liquidity***

This is the risk that myPOS Europe won't be able to maintain sufficient capital and liquidity buffers to meet its regulatory requirements. It has appropriate mitigating actions in place that are monitored at the most senior level, including regular capital and liquidity adequacy assessments, identifying all of the Company's financial risks through the internal Risk Control Self Assessment and running stress test scenarios.

#### ***Safeguarding risk***

As an e-money institution, myPOS Europe is subject to strict client funds safeguarding requirements. We have comprehensive policies in place including detailed daily reconciliations to ensure that we comply with these obligations at all times. During 2021 the Company successfully completed its first annual safeguarding audit.

#### ***Financial risk includes credit and foreign exchange risks***

myPOS Europe manages these risks by monitoring its counterparties, by performing reverse due diligence on them and by monitoring and managing foreign exchange exposure on an ongoing basis.

# myPOS Europe Limited

## Strategic Report (Continued)

For the year ended 31 December 2021

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### **Operational risk (including third party risk)**

This is the risk of loss resulting from inadequate or failed internal or third-party processes, people, systems or from external events. myPOS Europe continues to invest in robust operational systems and controls (including close management of its most critical suppliers through monitoring of service level agreements) to help it respond to unexpected events in a structured and timely way. During 2021 a significant amount of management time was dedicated to meeting the new Operational Resilience requirements set out by the FCA.

### **Cyber and data**

The Company maintains a comprehensive security assessment programme and continues to invest in its platform and systems to prevent breaches of data privacy and security

### **Regulatory and Financial Crime**

The scale and pace of regulatory change in the payment sector continues to require significant commitment of time and resources from the business and from external consultants. The Company engages with its regulator, industry bodies and advisors, and takes part in consultation processes. It assesses the impact of new regulations on its business and implements the required changes to its policies, processes and controls. It continues to evolve its financial crime control framework, reviewing its policies and procedures, improving its transaction monitoring system and controls, and identifying to new fraud typologies.

#### **Key performance indicators**

The board reviews and approves the annual budget and forecast. In addition to reviewing performance on a monthly basis, the board has established Key Performance Indicators (KPIs) such as those indicated below. Such KPIs are used by management to monitor performance on a regular basis.

Key performance indicators are turnover and gross profit. For the year 2021, these amounted to EUR 2,613,280 and EUR 1,954,549 respectively. At the year end the company had net assets of EUR 2,675,342.

The directors of the Company are satisfied with the Company's performance for the period. myPOS Europe Ltd has achieved most of its strategic objectives and continues to operate in an effective manner.

# myPOS Europe Limited

## Strategic Report (Continued)

For the year ended 31 December 2021

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### **Statement by the directors relating to their statutory duties under section 172(1) of the Companies Act 2006**

The directors, in line with their duties under s172 of the Companies Act 2006, act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its member, and in doing so have regard, amongst other matters, to the:

- Likely consequences of any decision in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and the environment;
- Desirability of the company maintaining a reputation for high standards of business conduct;
- Need to act fairly as between members of the company.

### **Stakeholders**

The board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholder in weighing up how best to promote the success of the company. The board regularly discusses issues concerning customers, suppliers, employees, community and environment, regulators and its shareholder, which it takes into account in its discussions and in its decision-making process. In addition to this, the board seeks to understand the interests and views of the company's stakeholders by engaging with them directly when required. The below summarises the key stakeholders and how we engage with each:

#### **Customers**

The board is in regular contact with existing and potential customers, to obtain feedback on matters such as product quality and customer service. The company's customer relations team is critical to ensuring long term customer satisfaction through regular communication and product improvement.

#### **Suppliers**

We work with a range of suppliers and remain committed to being fair and transparent in our dealings with all of our suppliers. The company has systems and processes in place to ensure suppliers are paid in a timely manner.

#### **Employees**

The company has a well-established management reporting structure which encourages employee engagement in an open working environment. The board is responsible for ensuring that this structure enables effective communication and feedback between employees and management.

#### **Community and environment**

The board is aware of the impact its activities can have on the environment, and is committed to minimising our environmental footprint.

#### **Regulators**

We work with our regulators in an open and proactive manner to help develop processes and controls that meet the needs of all our stakeholders. The board's intention is to behave responsibly and to ensure that the management team operates the business in a responsible manner, acting with the high standards and good governance expected of a regulated business like ours.

# myPOS Europe Limited

## Strategic Report (Continued)

For the year ended 31 December 2021

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### ***Shareholder***

The board also seeks to behave in a responsible manner towards our one shareholder. The board communicates information relevant to its shareholder, such as its financial reporting.

On behalf of the board

S Pilloy  
**Director**

15 August 2022

# myPOS Europe Limited

## Directors' Report

For the year ended 31 December 2021

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The directors present their annual report and financial statements for the year ended 31 December 2021.

### Principal activities

The principal activity of the company continued to be that of issuing electronic money (e-money) and providing payment services through myPOS Group.

### Branches

During the year the company operated a branch office in Varna Bulgaria, to provide administrative support to its UK operations.

### Results and dividends

The results for the year are set out on page 11.

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:

B Attwood

G Brenan

S Pilloy

I Rasmally

(Appointed 1 December 2021)

M R Destraz

(Resigned 23 September 2021)

### Financial instruments

#### **Liquidity risk**

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business. The company does not consider it has a high level of liquidity risk in view of the level of capitalisation required by the Financial Conduct Authority and the policy of the directors which is to not to take on obligations unless there is a source of finance to satisfy those obligations.

#### **Foreign currency risk**

The company's principal foreign currency exposures arise from trading with overseas companies. Company policy permits but does not demand that these exposures be hedged in order to fix the cost in Euro.

#### **Credit risk**

At present the company's primary credit risk is with its trade debtors bank balances and with its banks. The Directors have assessed this risk and consider it to be at a low level in view of the financial strength of the counterparties.

#### **Cash flow risk**

Cash flow risks are that the company does not have sufficient financial resources to meet its obligations as they fall due. The company has implemented systems and controls to mitigate such risks.

#### **Future developments**

The directors are confident about the company's progress and believe the company is well placed to make further progress during the coming year. The company will continue to expand its client base by means of organic growth.

# myPOS Europe Limited

## Directors' Report (Continued)

For the year ended 31 December 2021

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### **Auditor**

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **Energy and carbon report**

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

### **Statement of directors' responsibilities**

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Statement 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.

### **Post reporting date events**

Since the year end myPOS Europe has started providing card-related services directly to its customers after obtaining its own membership of the card schemes.

On behalf of the board

S Pillay  
**Director**

15 August 2022

# myPOS Europe Limited

## Independent Auditor's Report

To the Members of myPOS Europe Limited

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### Opinion

We have audited the financial statements of myPOS Europe Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, the Statement Of Financial Position, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the 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.

# myPOS Europe Limited

## Independent Auditor's Report (Continued)

To the Members of myPOS Europe Limited

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### **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.

### **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 and the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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.

# myPOS Europe Limited

## Independent Auditor's Report (Continued)

To the Members of myPOS Europe Limited

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### **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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# myPOS Europe Limited

## Independent Auditor's Report (Continued)

To the Members of myPOS Europe Limited

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

### **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.

**Thomas Moore (Senior Statutory Auditor)**  
for and on behalf of Moore Kingston Smith LLP

16 August 2022

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

6th Floor  
9 Appold Street  
London  
EC2A 2AP

# myPOS Europe Limited

## Statement of Comprehensive Income

For the year ended 31 December 2021

	Notes	2021 €	2020 €
<b>Revenue</b>	<b>3</b>	2,613,280	3,247,854
Cost of sales		(658,731)	(1,056,830)
<b>Gross profit</b>		<u>1,954,549</u>	<u>2,191,024</u>
Administrative expenses		(1,753,247)	(1,711,041)
<b>Operating profit</b>	<b>4</b>	<u>201,302</u>	<u>479,983</u>
Finance costs	<b>7</b>	(4,208)	(5,832)
<b>Profit before taxation</b>		<u>197,094</u>	<u>474,151</u>
Tax on profit	<b>8</b>	38,403	(40,983)
<b>Profit for the financial year</b>		<u><u>235,497</u></u>	<u><u>433,168</u></u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

# myPOS Europe Limited

## Statement Of Financial Position

As at 31 December 2021

		2021		2020 as restated	
	Notes	€	€	€	€
<b>Non-current assets</b>					
Intangible assets	9		126,761		27,012
Property, plant and equipment	10		17,238		24,676
			<u>143,999</u>		<u>51,688</u>
<b>Current assets</b>					
Trade and other receivables	11	2,954,841		5,400,644	
Cash and cash equivalents		30,335,131		15,188,053	
			<u>33,289,972</u>	<u>20,588,697</u>	
<b>Payables: amounts falling due within one year</b>	13	(30,747,761)		(18,034,890)	
<b>Net current assets</b>			<u>2,542,211</u>		<u>2,553,807</u>
<b>Total assets less current liabilities</b>			<u>2,686,210</u>		<u>2,605,495</u>
<b>Payables: amounts falling due after more than one year</b>	14		-		(155,832)
<b>Provisions for liabilities</b>					
Deferred tax liability	16	(10,868)		(9,818)	
		<u>(10,868)</u>		<u>(9,818)</u>	
<b>Net assets</b>			<u>2,675,342</u>		<u>2,439,845</u>
<b>Equity</b>					
Called up share capital	18		2,255,944		2,255,944
Retained earnings			419,398		183,901
<b>Total equity</b>			<u>2,675,342</u>		<u>2,439,845</u>

The financial statements were approved by the board of directors and authorised for issue on 15 August 2022 and are signed on its behalf by:

S Pilloy  
Director

Company Registration No. 10630670

# myPOS Europe Limited

## Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital	Retained earnings	Total
	€	€	€
<b>As restated for the period ended 31 December 2020:</b>			
<b>Balance at 1 January 2020</b>	2,255,944	(249,267)	2,006,677
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	433,168	433,168
<b>Balance at 31 December 2020</b>	2,255,944	183,901	2,439,845
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	235,497	235,497
<b>Balance at 31 December 2021</b>	2,255,944	419,398	2,675,342

# myPOS Europe Limited

## Statement of Cash Flows

For the year ended 31 December 2021

		2021		2020 as restated	
	Notes	€	€	€	€
<b>Cash flows from operating activities</b>					
Cash generated from operations	22	15,410,618		370,385	
Interest paid		(4,208)		(5,832)	
<b>Net cash inflow from operating activities</b>		<u>15,406,410</u>		<u>364,553</u>	
<b>Investing activities</b>					
Purchase of intangible assets		(103,500)		(27,012)	
Purchase of property, plant and equipment		-		(917)	
<b>Net cash used in investing activities</b>		<u>(103,500)</u>		<u>(27,929)</u>	
<b>Financing activities</b>					
Repayment of borrowings		(155,832)		5,832	
<b>Net cash (used in)/generated from financing activities</b>		<u>(155,832)</u>		<u>5,832</u>	
<b>Net increase in cash and cash equivalents</b>		<u>15,147,078</u>		<u>342,456</u>	
Cash and cash equivalents at beginning of year		<u>15,188,053</u>		<u>14,845,597</u>	
<b>Cash and cash equivalents at end of year</b>		<u><u>30,335,131</u></u>		<u><u>15,188,053</u></u>	

# myPOS Europe Limited

## Notes to the Financial Statements

For the year ended 31 December 2021

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### 1 Accounting policies

#### Company information

myPOS Europe Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Shard, Level 24, 32 London Bridge Street, London, England, SE1 9SG.

#### 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 euros, 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 Revenue

Revenue represents income from the operation of electronic money (e-money) accounts.

This includes fees for credit transfers, FX and accounts maintenance fee charged to fellow group entity myPOS AD under the service-level agreement (SLA).

Revenue is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and recognised as the transactions are fulfilled.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Software	2 or 3 years straight line
Licenses	3 years straight line

At 31 December 2021 the licenses have not been amortised on the basis that they were not in use until April 2022.

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 1 Accounting policies

(Continued)

#### 1.5 Property, plant and equipment

Property, plant and equipment 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:

Fixtures and fittings	33% straight line
Computers	50% straight line

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.

#### 1.6 Impairment of non-current assets

At each reporting period end date, 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). 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.

Recoverable amount is the higher of fair value less costs to sell 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or 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.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, safeguarded client bank accounts, 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.

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

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### 1 Accounting policies

(Continued)

#### 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 statement of financial position 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.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 1 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 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 income statement 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.

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 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.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

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**

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

#### **1.13 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 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 3 Revenue

	2021 €	2020 €
<b>Revenue analysed by class of business</b>		
Commissions receivable	2,613,280	3,247,854
	<u>2,613,280</u>	<u>3,247,854</u>
	2021 €	2020 €
<b>Revenue analysed by geographical market</b>		
Europe	2,613,280	3,070,373
Rest of the world	-	177,481
	<u>2,613,280</u>	<u>3,247,854</u>

### 4 Operating profit

	2021 €	2020 €
Operating profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	11,180	23,078
Fees payable to the company's auditor for the audit of the company's financial statements	38,500	20,898
Depreciation of owned property, plant and equipment	7,438	19,863
Amortisation of intangible assets	3,751	-
	<u>59,869</u>	<u>63,839</u>

### 5 Employees

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

	2021 Number	2020 Number
Management	2	2
Administration	27	28
	<u>29</u>	<u>30</u>
Total	29	30

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2021 €	2020 €
Wages and salaries	1,035,156	981,716
Social security costs	105,423	123,084
Pension costs	20,035	21,910
	<u>1,160,614</u>	<u>1,126,710</u>

### 6 Directors' remuneration

	2021 €	2020 €
Remuneration for qualifying services	513,879	405,439
Company pension contributions to defined contribution schemes	8,021	10,637
	<u>521,900</u>	<u>416,076</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 €	2020 €
Remuneration for qualifying services	226,259	209,940
Company pension contributions to defined contribution schemes	6,557	6,067
	<u>232,816</u>	<u>216,007</u>

### 7 Finance costs

	2021 €	2020 €
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	4,208	5,832
	<u>4,208</u>	<u>5,832</u>

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 8 Taxation

	2021 €	2020 €
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	39,453
Adjustments in respect of prior periods	(39,453)	-
	<u>(39,453)</u>	<u>39,453</u>
Total current tax	<u>(39,453)</u>	<u>39,453</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,050	1,530
	<u>1,050</u>	<u>1,530</u>
Total tax (credit)/charge	<u>(38,403)</u>	<u>40,983</u>

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

	2021 €	2020 €
Profit before taxation	<u>197,094</u>	<u>474,151</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)</i>	37,448	90,089
Tax effect of expenses that are not deductible in determining taxable profit	2,134	(101)
Tax effect of utilisation of tax losses not previously recognised	-	(49,205)
Group relief	(39,016)	-
Permanent capital allowances in excess of depreciation	-	1,532
Adjustments in respect of financial assets	(566)	-
Under/(over) provided in prior years	(39,453)	-
Foreign exchange differences	-	198
Deferred tax for the period	1,050	(1,530)
	<u>(38,403)</u>	<u>40,983</u>
Taxation (credit)/charge for the year	<u>(38,403)</u>	<u>40,983</u>

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 9 Intangible fixed assets

	Software €	Licenses €	Total €
<b>Cost</b>			
At 1 January 2021	27,012	-	27,012
Additions	-	103,500	103,500
	<u>27,012</u>	<u>103,500</u>	<u>130,512</u>
At 31 December 2021	27,012	103,500	130,512
<b>Amortisation and impairment</b>			
At 1 January 2021	-	-	-
Amortisation charged for the year	3,751	-	3,751
	<u>3,751</u>	<u>-</u>	<u>3,751</u>
At 31 December 2021	3,751	-	3,751
<b>Carrying amount</b>			
At 31 December 2021	23,261	103,500	126,761
	<u>23,261</u>	<u>103,500</u>	<u>126,761</u>
At 31 December 2020	27,012	-	27,012
	<u>27,012</u>	<u>-</u>	<u>27,012</u>

### 10 Property, plant and equipment

	Fixtures and fittings €	Computers €	Total €
<b>Cost</b>			
At 1 January 2021 and 31 December 2021	31,832	52,638	84,470
	<u>31,832</u>	<u>52,638</u>	<u>84,470</u>
<b>Depreciation and impairment</b>			
At 1 January 2021	10,463	49,331	59,794
Depreciation charged in the year	4,965	2,473	7,438
	<u>15,428</u>	<u>51,804</u>	<u>67,232</u>
At 31 December 2021	15,428	51,804	67,232
<b>Carrying amount</b>			
At 31 December 2021	16,404	834	17,238
	<u>16,404</u>	<u>834</u>	<u>17,238</u>
At 31 December 2020	21,369	3,307	24,676
	<u>21,369</u>	<u>3,307</u>	<u>24,676</u>

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 11 Trade and other receivables

	2021	2020
		As restated
Amounts falling due within one year:	€	€
Trade receivables	-	365
Amounts owed by group undertakings	1,283,034	1,784,978
Other receivables	1,591,966	3,528,859
Prepayments and accrued income	56,670	86,442
	<u>2,931,670</u>	<u>5,400,644</u>
Amounts falling due after more than one year:	€	€
Other receivables	<u>23,171</u>	<u>-</u>
<b>Total debtors</b>	<u>2,954,841</u>	<u>5,400,644</u>

Amounts owed from group companies are unsecured and repayable on demand.

### 12 Client e-money

Cash at bank and in hand of EUR 30,335,131 (2020: EUR 15,188,053) includes EUR 28,386,881 (2020: EUR 14,174,362) held in respect of customer balances in segregated bank accounts, an associated liability for which is included within other creditors.

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 13 Payables: amounts falling due within one year

	2021	2020
	€	As restated €
Trade payables	155,476	61,093
Amounts owed to group undertakings	38,471	7,000
Corporation tax	-	39,453
Other taxation and social security	35,475	32,482
Other payables	30,269,985	17,751,297
Accruals and deferred income	248,354	143,565
	<u>30,747,761</u>	<u>18,034,890</u>

Amounts owed to group companies are unsecured and repayable on demand.

Included with other creditors are amounts owed to clients and payment partners of €30,023,272 (2020: €17,662,868) which relate to the company's e-money and payment services business. Cash at bank and in hand includes an associated amount of €28,386,881 (2020: €14,174,362) which relates to the safeguarded client bank accounts. Other debtors includes €1,636,391 (2020: €3,488,506) receivable from payment partners.

### 14 Payables: amounts falling due after more than one year

	Notes	2021	2020
		€	€
Other borrowings	15	-	155,832

Other loans of €nil (2020: €155,832) relates to a subordinated loan from the parent company, myPOS World Limited. The loan is unsecured and interest is charged at a rate of 3.2% per annum. It ranks after other debts of the company. The loan was drawn down on 27 September 2019 and had a repayment date no sooner than 26 September 2024.

### 15 Borrowings

	2021	2020
	€	€
Other loans	-	155,832
	<u>-</u>	<u>155,832</u>
Payable after one year	-	155,832
	<u>-</u>	<u>155,832</u>

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 €	Liabilities 2020 €
<b>Balances:</b>		
Accelerated capital allowances	10,868	9,818
	<u>10,868</u>	<u>9,818</u>
<b>Movements in the year:</b>		<b>2021 €</b>
Liability at 1 January 2021		9,818
Charge to profit or loss		1,050
		<u>10,868</u>
Liability at 31 December 2021		<u>10,868</u>

The deferred tax liability set out above is expected to reverse within 24 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 17 Retirement benefit schemes

	2021 €	2020 €
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	20,035	21,910
	<u>20,035</u>	<u>21,910</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

	2021 Number	2020 Number	2021 €	2020 €
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	2,000,000	2,000,000	2,255,944	2,255,944
	<u>2,000,000</u>	<u>2,000,000</u>	<u>2,255,944</u>	<u>2,255,944</u>

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 19 Operating lease commitments

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:

	2021 €	2020 €
Within one year	126,896	28,617
Between two and five years	24,889	-
	<u>151,785</u>	<u>28,617</u>

### 20 Related party transactions

The Company has taken advantage of the exemption available in FRS 102-33.9 "Related party disclosures" whereby it has not disclosed transactions with the parent company and wholly owned fellow group entities.

### 21 Ultimate controlling party

The parent company is myPOS World Ltd, a company registered in England and Wales. The ultimate parent company is Fintech Ventures Partners Ltd and is also the ultimate controlling party.

myPOS World Ltd prepares group financial statements and copies can be obtained from The Shard, Level 24, 32 London Bridge Street, London, SE1 9SG.

### 22 Cash generated from operations

	2021 €	2020 €
Profit for the year after tax	235,497	433,168
<b>Adjustments for:</b>		
Taxation (credited)/charged	(38,403)	40,983
Finance costs	4,208	5,832
Amortisation and impairment of intangible assets	3,751	-
Depreciation and impairment of property, plant and equipment	7,438	19,863
<b>Movements in working capital:</b>		
Decrease in trade and other receivables	2,445,803	256,150
Increase/(decrease) in trade and other payables	12,752,324	(385,611)
<b>Cash generated from operations</b>	<u>15,410,618</u>	<u>370,385</u>

# myPOS Europe Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 December 2021

### 23 Analysis of changes in net funds

	1 January 2021	Cash flows	31 December 2021
	€	€	€
Cash at bank and in hand	15,188,053	15,147,078	30,335,131
Borrowings excluding overdrafts	(155,832)	155,832	-
	<u>15,032,221</u>	<u>15,302,910</u>	<u>30,335,131</u>

### 24 Prior period adjustment

A prior year adjustment has been made to gross up the assets and liabilities held in respect of the company's e-money business.

The company operates a number of safeguarded client bank accounts which have an associated liability to clients and payment partners. In the prior year these balances were offset and adjustments have been made to show the gross amounts within cash at bank and in hand, other receivables and other payables as follows:

#### Changes to the statement of financial position

	As previously reported	Adjustment	As restated at 31 Dec 2020
	€	€	€
<b>Current assets</b>			
Debtors due within one year	1,912,138	3,488,506	5,400,644
Bank and cash	1,013,691	14,174,362	15,188,053
<b>Creditors due within one year</b>			
Other payables	(300,087)	(17,662,868)	(17,962,955)
Net assets	<u>2,439,845</u>	<u>-</u>	<u>2,439,845</u>
<b>Capital and reserves</b>			
Total equity	<u>2,439,845</u>	<u>-</u>	<u>2,439,845</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.