

**STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE PERIOD  
1 MAY 2021 TO 31 JULY 2022  
FOR  
GLOBAL FINANCIAL INNOVATIONS LTD**

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FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

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**GLOBAL FINANCIAL INNOVATIONS LTD**  
**COMPANY INFORMATION**  
**FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

**DIRECTORS:** P Kozyakov  
S Pantazi  
Ms E Stepanova

**REGISTERED OFFICE:** Suite 4  
11 Palace Court  
London  
W2 4LP

**REGISTERED NUMBER:** 11311307 (England and Wales)

**AUDITORS:** Accura Accountants Ltd  
Langley House  
Park Road  
East Finchley  
London  
N2 8EY

**STRATEGIC REPORT  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

The directors present their strategic report for the period ended 31 July 2022.

Global Financial Innovations Limited (the 'company') was incorporated and launched its payment gateway services in 2018. The company provides payment processing services via a white label payment gateway to enable payment service providers (PSPs) to make and accept payments globally. The company is based in the UK.

The company is licensed as a Payment Service Institution by the Financial Conduct Authority (FCA).

**STRATEGIC REPORT  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

**REVIEW OF BUSINESS**

The results of the company for the 15 month period are set out on pages ten to twenty and show a loss on ordinary activities after tax of €3,153,592 (2021: profit €4,433,226). The shareholders' funds of the company total €9,138 (2021: €4,662,730).

Revenue for the period decreased to €14,753,507 (2021: €25,307,606). The company reports a gross loss for the period of €1,972,510 -13% (2021 €4,814,657 19%). The company has a negative profit due to the macroeconomic shock from the Russian-Ukrainian conflict that has been brewing since November 2021 and began in February 2022. Prior to this, the main flow that made a profit was the flow of receipts and payments in Rubles. For the company, the Ruble flow is more marginal, because the trading rate there is much higher. The significant and very rapid decline in revenue prevented the company from responding immediately to cost reductions as tariffs and agreements had already been negotiated. However, the company later reorganised the business model and returned to positive gross and taxable profits in the next accounting period.

Debtor balance of €19,754,045 represents client balances, included in this balance, €1,030,213 is owed by an FCA authorised and regulated wholesale broker which is under special administration by the FCA. As at the date of signing the strategic report there are indications of recovering the amount soon.

**Business environment**

The payments industry offers significant opportunities and challenges. There is strong global growth driven by rapidly increasing volumes of e-commerce transactions which presents ever greater opportunities. This rapid onset of growth has resulted in a healthy, competitive market where innovation and new technologies are commonplace. The industry is however becoming more and more competitive.

**Strategy**

The company will continue aiming to deliver profits to its shareholders in future by its white labelled payment gateway which offers a variety of acquiring networks, alternative payments solutions and access to local bank settlement networks.

The goal of Global Financial Innovations Ltd is to become a well-known and recognisable provider in the UK and EU Markets in terms of accessibility and ease of financial services usage and allow customers to create their personal business environment to reach maximum profitability within the partnership.

In 2022, the company began to expand its work with new regions and new currencies. There was an acceptance of payments in local currencies of the European Union, Turkish lira, Swiss francs and so on. For 2023, it is planned to expand to accept payments in LATAM and the countries of Southeast Asia.

Global Financial Innovations Ltd provides fast service enrolment supported by competitive pricing and a wide range of services. The payment service is currently not provided by the company independently, but it is planned to gradually transfer this service to the company, then it will be possible to provide a full-fledged service to customers, as well as to connect partner companies that will be able to provide such payment methods as SEPA, CHAPS, Faster Payments, etc.

**ON BEHALF OF THE BOARD:**

P Kozyakov - Director

27 April 2023

**REPORT OF THE DIRECTORS  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

The directors present their report with the financial statements of the company for the period 1 May 2021 to 31 July 2022.

**PRINCIPAL ACTIVITY**

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

**DIVIDENDS**

An interim dividend of of €10 per share was paid in June 2021. The directors do not recommend a final dividend.

The total distribution of dividend for the period ended 31 July 2022 is €1,500,000.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 May 2021 to the date of this report.

P Kozyakov  
S Pantazi

Other changes in directors holding office are as follows:

Ms E Stepanova was appointed as a director after 31 July 2022 but prior to the date of this report.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AUDITORS**

The auditors, Accura Accountants Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P Kozyakov - Director

27 April 2023

**STATEMENT OF DIRECTORS' RESPONSIBILITIES  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GLOBAL FINANCIAL INNOVATIONS LTD**

### **Opinion**

We have audited the financial statements of Global Financial Innovations Ltd (the 'company') for the period ended 31 July 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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 directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GLOBAL FINANCIAL INNOVATIONS LTD**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 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 Statement of Directors' Responsibilities set out on page five, 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 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GLOBAL FINANCIAL INNOVATIONS LTD**

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

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

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

### **Fraud risk assessment**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure by management to commit, or provide an opportunity to commit, fraud. Our risk assessment procedures included:

- Enquiries of management and internal accounting staff, concerning the company's policies and procedures relating to:
- detecting and responding to the risks of fraud; and
- internal controls established to mitigate risks related to fraud;
- Enquiries of management and internal accounting staff as to whether they had knowledge of any actual, suspected or alleged fraud;
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes the audit partner, managers and staff who have experience of working with companies in the online payment servicing sector, and this experience was relevant to the discussion about where fraud risks may arise.

### **Risk communications**

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

### **Fraud risks**

As required by auditing standards we addressed the risk of management override of controls and the risk of fraudulent revenue recognition. In particular we considered the risk that revenue is recorded in the wrong period and the risk that the company's management may be in a position to make inappropriate accounting entries, and the risk of bias in accounting estimates and judgments

### **Procedures to address fraud risks**

Our audit procedures included evaluating the design and implementation, and operating effectiveness of internal controls relevant to mitigate these risks. We also performed substantive audit procedures including:

- Comparing all journal entries to supporting documentation and review for any unusual journal descriptions;
- Assessing significant accounting estimates for bias;
- Obtaining third party confirmations for all bank balances and material debtors and creditors balances; and
- Assessing when revenue was recognised, particularly focusing on revenue recognised in the days before and after the year end date, and whether it was recognised in the correct year.

### **Laws and regulations - Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

#### **Risk assessment**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements. For this risk assessment, matters considered included the following:

- our general commercial and technology based payment processing sector experience;
- discussion with the management of the company (as required by auditing standards);
- inspection of the company's regulatory and legal correspondence; and
- discussions with the directors and other management about the policies and procedures regarding compliance with laws and regulations.

#### **Risk communications**

Our communication of laws and regulations risks was made throughout our team and we remained alert to any indications of non-compliance throughout the audit.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GLOBAL FINANCIAL INNOVATIONS LTD**

### **Direct laws context and link to audit**

The potential effect of laws and regulations on the financial statements varies considerably. The company is subject to United Kingdom laws and regulations, such as the Companies Act 2006. Other relevant rules and regulations include the following:

- financial reporting legislation (including related UK companies' legislation)
- taxation legislation (direct and indirect) in the company's countries of operation.
- Financial Conduct Authority (FCA) and its Payment Services Regulations 2017.

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

### **Most significant indirect law/ regulation areas**

Secondly, the company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or harm to the company's ability to operate.

We identified the following area as those most likely to have such an effect:

- Health , safety, welfare and fire safety
- Anti-bribery fraud and corruption
- Anti-money laundering regulations
- Financial Services and Markets Act 2000
- The Payment Services and Electronic Money (amendment) Regulations 2020
- European Union and United Kingdom employment law

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of law or regulations is not disclosed to us or evident from relevant correspondence, our audit will not detect that breach.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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

Brian Leighton (Senior Statutory Auditor)  
for and on behalf of Accura Accountants Ltd  
Langley House  
Park Road  
East Finchley  
London  
N2 8EY

27 April 2023

**INCOME STATEMENT**  
**FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

|   | Notes | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|---|-------|--|----------------------------|
| <b>TURNOVER</b>                               | 3     | 14,753,507                             | 25,307,606                 |
| Cost of sales                                 |       | <u>(16,726,017)</u>                    | <u>(20,492,949)</u>        |
| <b>GROSS (LOSS)/PROFIT</b>                    |       | (1,972,510)                            | 4,814,657                  |
| Distribution costs                            |       | -                                      | (1,477)                    |
| Administrative expenses                       |       | <u>(1,197,730)</u>                     | <u>571,039</u>             |
|   |       | (3,170,240)                            | 5,384,219                  |
| Other operating income                        |       | -                                      | 58,815                     |
| <b>OPERATING (LOSS)/PROFIT</b>                | 5     | <u>(3,170,240)</u>                     | <u>5,443,034</u>           |
| Interest receivable and similar income        |       | 16,648                                 | 64,423                     |
| <b>(LOSS)/PROFIT BEFORE TAXATION</b>          |       | <u>(3,153,592)</u>                     | <u>5,507,457</u>           |
| Tax on (loss)/profit                          | 6     | -                                      | (1,074,231)                |
| <b>(LOSS)/PROFIT FOR THE FINANCIAL PERIOD</b> |       | <u><u>(3,153,592)</u></u>              | <u><u>4,433,226</u></u>    |

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

|  | Notes | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|--|-------|--|----------------------------|
| <b>(LOSS)/PROFIT FOR THE PERIOD</b>                  |       | (3,153,592)                            | 4,433,226                  |
| <b>OTHER COMPREHENSIVE INCOME</b>                    |       | <u>-</u>                               | <u>-</u>                   |
| <b>TOTAL COMPREHENSIVE INCOME<br/>FOR THE PERIOD</b> |       | <u>(3,153,592)</u>                     | <u>4,433,226</u>           |

The notes form part of these financial statements

BALANCE SHEET  
31 JULY 2022

|  | Notes | 31.7.22<br>€      | 30.4.21<br>€      |
|--|-------|-------------------|-------------------|
| <b>CURRENT ASSETS</b>                        |       |                   |                   |
| Debtors                                      | 8     | 20,016,150        | 33,474,113        |
| Cash at bank                                 | 9     | <u>16,042,821</u> | <u>16,616,696</u> |
|  |       | 36,058,971        | 50,090,809        |
| <b>CREDITORS</b>                             |       |                   |                   |
| Amounts falling due within one year          | 10    | <u>36,049,833</u> | <u>45,428,079</u> |
| <b>NET CURRENT ASSETS</b>                    |       | <u>9,138</u>      | <u>4,662,730</u>  |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | <u>9,138</u>      | <u>4,662,730</u>  |
| <b>CAPITAL AND RESERVES</b>                  |       |                   |                   |
| Called up share capital                      | 11    | 150,000           | 150,000           |
| Retained earnings                            | 12    | <u>(140,862)</u>  | <u>4,512,730</u>  |
| <b>SHAREHOLDERS' FUNDS</b>                   |       | <u>9,138</u>      | <u>4,662,730</u>  |

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2023 and were signed on its behalf by:

P Kozyakov - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

|                                 | Called up<br>share<br>capital<br>€ | Retained<br>earnings<br>€ | Total<br>equity<br>€ |
|---------------------------------|------------------------------------|---------------------------|----------------------|
| <b>Balance at 1 May 2020</b>    | 150,000                            | 214,504                   | 364,504              |
| <b>Changes in equity</b>        |                                    |                           |                      |
| Dividends                       | -                                  | (135,000)                 | (135,000)            |
| Total comprehensive income      | -                                  | 4,433,226                 | 4,433,226            |
| <b>Balance at 30 April 2021</b> | <u>150,000</u>                     | <u>4,512,730</u>          | <u>4,662,730</u>     |
| <b>Changes in equity</b>        |                                    |                           |                      |
| Dividends                       | -                                  | (1,500,000)               | (1,500,000)          |
| Total comprehensive income      | -                                  | (3,153,592)               | (3,153,592)          |
| <b>Balance at 31 July 2022</b>  | <u>150,000</u>                     | <u>(140,862)</u>          | <u>9,138</u>         |

**CASH FLOW STATEMENT**  
**FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

|   | Notes | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|---|-------|--|----------------------------|
| <b>Cash flows from operating activities</b>             |       |  |                            |
| Cash generated from operations                          | 1     | 1,981,375                              | (7,417,709)                |
| Tax paid  |       | <u>(1,071,898)</u>                     | <u>(53,117)</u>            |
| Net cash from operating activities                      |       | <u>909,477</u>                         | <u>(7,470,826)</u>         |
| <b>Cash flows from investing activities</b>             |       |  |                            |
| Interest received                                       |       | <u>16,648</u>                          | <u>64,423</u>              |
| Net cash from investing activities                      |       | <u>16,648</u>                          | <u>64,423</u>              |
| <b>Cash flows from financing activities</b>             |       |  |                            |
| Equity dividends paid                                   |       | <u>(1,500,000)</u>                     | <u>(135,000)</u>           |
| Net cash from financing activities                      |       | <u>(1,500,000)</u>                     | <u>(135,000)</u>           |
| <b>Decrease in cash and cash equivalents</b>            |       | <u>(573,875)</u>                       | <u>(7,541,403)</u>         |
| <b>Cash and cash equivalents at beginning of period</b> | 2     | <u>16,616,696</u>                      | <u>24,158,099</u>          |
| <b>Cash and cash equivalents at end of period</b>       | 2     | <u><u>16,042,821</u></u>               | <u><u>16,616,696</u></u>   |

The notes form part of these financial statements



**NOTES TO THE CASH FLOW STATEMENT  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

**1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

|  | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|--|--|----------------------------|
| (Loss)/profit before taxation                    | (3,153,592)                            | 5,507,457                  |
| Finance income                                   | (16,648)                               | (64,423)                   |
|  | (3,170,240)                            | 5,443,034                  |
| Decrease/(increase) in trade and other debtors   | 13,457,963                             | (23,375,482)               |
| (Decrease)/increase in trade and other creditors | (8,306,348)                            | 10,514,739                 |
| <b>Cash generated from operations</b>            | <b>1,981,375</b>                       | <b>(7,417,709)</b>         |

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Period ended 31 July 2022**

|                           | 31.7.22<br>€ | 1.5.21<br>€ |
|---------------------------|--------------|-------------|
| Cash and cash equivalents | 16,042,821   | 16,616,696  |

**Year ended 30 April 2021**

|                           | 30.4.21<br>€ | 1.5.20<br>€ |
|---------------------------|--------------|-------------|
| Cash and cash equivalents | 16,616,696   | 24,158,099  |

**3. ANALYSIS OF CHANGES IN NET FUNDS**

|                 | At 1.5.21<br>€ | Cash flow<br>€ | At 31.7.22<br>€ |
|-----------------|----------------|----------------|-----------------|
| <b>Net cash</b> |                |                |                 |
| Cash at bank    | 16,616,696     | (573,875)      | 16,042,821      |
|                 | 16,616,696     | (573,875)      | 16,042,821      |
| <b>Total</b>    | 16,616,696     | (573,875)      | 16,042,821      |

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

**1. STATUTORY INFORMATION**

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Taxation**

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

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

**Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Going concern**

The financial statements have been prepared using the going concern basis as the directors are satisfied that the company has the resources to continue in business for the foreseeable future, which has been taken as twelve months from the date of approval of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

**3. TURNOVER**

Turnover is derived from payment processing services provided to clients. Income is recognised as the service is performed and represents the value of services provided under contracts to the extent there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

**4. EMPLOYEES AND DIRECTORS**

|                       | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|-----------------------|--|----------------------------|
| Wages and salaries    | 323,044                                | 70,911                     |
| Social security costs | 12,282                                 | 2,657                      |
| Other pension costs   | <u>3,275</u>                           | <u>1,548</u>               |
|                       | <u>338,601</u>                         | <u>75,116</u>              |

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

|                | Period<br>1.5.21<br>to<br>31.7.22 | Year Ended<br>30.4.21 |
|----------------|-----------------------------------|-----------------------|
| Administration | 4                                 | 3                     |
| Finance        | <u>3</u>                          | <u>2</u>              |
|                | <u>7</u>                          | <u>5</u>              |

|                         | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|-------------------------|--|----------------------------|
| Directors' remuneration | <u>152,200</u>                         | <u>-</u>                   |

**5. OPERATING (LOSS)/PROFIT**

The operating loss (2021 - operating profit) is stated after charging/(crediting):

|                              | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|------------------------------|--|----------------------------|
| Other operating leases       | 29,083                                 | 24,942                     |
| Auditors' remuneration       | 61,400                                 | -                          |
| Foreign exchange differences | <u>(90,429)</u>                        | <u>(907,478)</u>           |

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022**

**6. TAXATION****Analysis of the tax charge**

The tax charge on the loss for the period was as follows:

|                      | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|----------------------|--|----------------------------|
| Current tax:         |  |                            |
| UK corporation tax   | -                                      | 1,074,231                  |
| Tax on (loss)/profit | -                                      | 1,074,231                  |

**7. DIVIDENDS**

|                            | Period<br>1.5.21<br>to<br>31.7.22<br>€ | Year Ended<br>30.4.21<br>€ |
|----------------------------|--|----------------------------|
| Ordinary shares of €1 each |  |                            |
| Final                      | -                                      | 135,000                    |
| Interim                    | 1,500,000                              | -                          |
|                            | <u>1,500,000</u>                       | <u>135,000</u>             |

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

|                                | 31.7.22<br>€      | 30.4.21<br>€      |
|--------------------------------|-------------------|-------------------|
| Merchant debtors               | 19,754,045        | 30,385,826        |
| Other debtors                  | 56,917            | 3,058,933         |
| Prepayments and accrued income | 205,188           | 29,354            |
|                                | <u>20,016,150</u> | <u>33,474,113</u> |

The Merchant debtors balance of €19,754,045 represents client balances. Included in this balance, €1,030,213 is owed by an FCA authorised and regulated wholesale broker, currently under special administration by the FCA.

**9. CASH AT BANK**

|                        | 31.7.22<br>€      | 30.4.21<br>€      |
|------------------------|-------------------|-------------------|
| Bank Office accounts   | 563,520           | 2,235,683         |
| Bank - Cash in transit | -                 | 168,000           |
| Bank Client accounts   | 15,479,301        | 14,213,013        |
|                        | <u>16,042,821</u> | <u>16,616,696</u> |

Included within the cash at bank balance of €16,042,821 are client funds held amounting to €15,479,301 as at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

|                                 | 31.7.22           | 30.4.21           |
|---------------------------------|-------------------|-------------------|
|                                 | €                 | €                 |
| Trade creditors                 | 455,656           | 1,352,846         |
| Merchants funds payable         | 34,930,739        | 42,116,244        |
| Tax                             | -                 | 1,071,898         |
| Social security and other taxes | 14,271            | 2,366             |
| Other creditors                 | 511,713           | 883,413           |
| Accrued expenses                | 137,454           | 1,312             |
|                                 | <u>36,049,833</u> | <u>45,428,079</u> |

11. CALLED UP SHARE CAPITAL

| Allotted, issued and fully paid: |          |                | 31.7.22        | 30.4.21        |
|----------------------------------|----------|----------------|----------------|----------------|
| Number:                          | Class:   | Nominal value: | €              | €              |
| 150,000                          | Ordinary | €1             | <u>150,000</u> | <u>150,000</u> |

12. RESERVES

|                        | Retained earnings<br>€ |
|------------------------|------------------------|
| At 1 May 2021          | 4,512,730              |
| Deficit for the period | (3,153,592)            |
| Dividends              | <u>(1,500,000)</u>     |
| At 31 July 2022        | <u>(140,862)</u>       |

13. RELATED PARTY DISCLOSURES

The key management personnel during the period were the directors Petr Kozyakov and Savvas. Ms Elina Stepanova was appointed as a director after 31 July 2022 but prior to the date of this report.

Included in other creditors is €340,000 owed to Petr Kozyakov.

During the year there were transactions totalling €82,401 with MoneyTea Ltd a company under common control by virtue of Petr Kozyakov. As at the balance sheet date €82,401 is payable under Other creditors.

During the year there were transactions totalling €1,250,000 with a company in Latvia "SIA GatewellPayments" which is under common control by virtue of Savvas Pantazi being a director of both companies. As at the balance sheet date €250,000 is payable under Other creditors.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE PERIOD 1 MAY 2021 TO 31 JULY 2022

14. **FINANCIAL RISK MANAGEMENT**

The company has exposures to three main areas of risk: foreign exchange currency exposure, liquidity risk and customer credit exposure.

**Foreign exchange transactional currency exposure**

The company's base currency is Euros. Assets and liabilities in foreign currencies are translated into Euro at the rates of exchange as at the balance sheet date. As the company deals with a basketful of currencies, currency exchange rate risk exist. This risk is minimised by having multiple accounts with different currencies and is monitored and managed on a daily basis.

**Liquidity risk**

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. The company is required to report capital adequacy report to the FCA on a regular basis.

**Customer credit exposure**

The company may offer credit terms to its customers which allow payment of the debt after delivery of the services. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

**FCA requirements**

As per new requirements introduced by the Financial Conduct Authority for electronic money institutions in payment processing industry, the company is required to submit additional reports to the FCA to remain compliant with client assets rules. Breaching any applicable FCA regulations will result in losing the FCA licence to operate their business.

15. **AUDITORS LIABILITY LIMITATION AGREEMENT**

An auditor's limitation of liability agreement has been approved by the members for the financial period ended 31 December 2022. The principal terms and conditions are as below:

- The agreement limits the amount of any liability owed to the company by the auditors in respect of any negligence default, breach of duty or breach of trust, occurring in the course of audit of the company's accounts and pursuant to this agreement the auditor may be guilty in relation to the company.
- The agreement also stipulates the maximum aggregated amount payable in event of any circumstances stated above.

16. **POST BALANCE SHEET EVENTS**

After the balance sheet date, we have seen significant macro-economic uncertainty as a result of the war in Ukraine and remaining but decreasing effect of coronavirus (COVID-19) outbreak. The losses made in the period to July 2022 was direct result of the war. The scale and duration of this development remains uncertain. However after considerable review, the directors are of the opinion that this will not have any significant impact on the earnings and cash flow in the year ahead.

17. **ULTIMATE CONTROLLING PARTY**

During the period under review the ultimate controlling parties were S Pantazi and P Kozyakov. Subsequent to the balance sheet date S Pantazi became the sole controlling party of the company.

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.