

Registered number: 10063984

FONDY LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

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**FONDY LTD**

**COMPANY INFORMATION**

**Directors**

A Apter (appointed 8 May 2018)  
A Kovacova (appointed 1 November 2017)  
V Vahorovska (appointed 11 July 2018)  
E Narjas (appointed 9 August 2016, resigned 15 July 2018)

**Registered number**

10063984

**Registered office**

16 St. Martin's Le Grand  
London  
EC1A 4EN

**Independent auditors**

PKF Littlejohn LLP  
15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

**FONDY LTD.**

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## **FONDY LTD**

### **STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **Introduction**

The directors present their strategic report for the year ended 31 December 2018.

#### **Business review**

The Company has received permission from the UK Financial Conduct Authority to act as an Authorised Electronic Money Institution and also as a Payment Institution in the UK. Through the passporting process, the Company has also become permitted to conduct these activities in all EEA countries. The company commenced commercial operations on 1 November 2017, so that 2018 was the first full year of the Company's commercial operations.

During 2018, the Company focused on building its client base for its payments processing business which enables e-merchants to accept payment via the internet from their customers via credit and debit cards and other payment methods. Our clients consist of e-merchants from the UK and from across the EU. Our focus is on low to medium risk clients.

For these clients we offer a product which is easy for them to operate online and facilitates their growth in different markets by providing as many local payment methods in the countries in which they make sales as possible. Our product also offers an anti-fraud system and a risk management system for our clients and our platform offers our clients the ability to generate reports on the demographics of their customers, including which countries they are from and which payment methods and currencies they use. Our product also facilitates integration with our clients' CRM and accounting systems.

Due to our early stage nature, the Company generated a net loss of £208,716 in 2018, as the result of the need to grow our e-merchant client numbers and therefore the number and value of the transactions that they process through us, the high cost of the acquirers we utilised resulting from our limited leverage to price negotiate due to our small size and the overhead costs that a growing start-up business must absorb. While we continue to be loss making in 2019, we are rapidly growing our client base, including the seeking of higher volume e-merchants, which will enable us to replace high cost acquirers with lower cost acquirers due to our higher value and larger number of client processing transactions, exploring other methods to increase our gross profit and keeping strict control on our overhead costs.

While we have not made a commercial launch of the electronic money business in 2018 or to date in 2019, we intend to launch and grow this business during 2020. We expect a natural client base for this business from among our e-merchant clients and this business should produce additional revenue with a higher gross margin than our basic transaction processing business.

#### **Principal risks and uncertainties**

The Company faces a variety of risks, including industry risk, regulatory and compliance risk (including potential money laundering or fraud by its clients), and operational risks. The Company has put in place policies and procedures to monitor and minimize these and other risks. The Company also faces uncertainty arising from Brexit process.

#### **Financial key performance indicators**

The Board monitors the activities and performance of the company on a regular basis. The Board uses financial indicators based on budget versus actual performance. Indicators used by the Board to assess performance during the year have included turnover, gross profit margin and a regular review of operating expenses.

FONDY LTD

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2018

This report was approved by the board on *27/09/2019* and signed on its behalf.

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Director

MR ALAN APTEK

**FONDY LTD**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

**Directors**

The directors who served during the year were:

A Apter (appointed 8 May 2018)  
A Kováčova (appointed 1 November 2017)  
V Vahorovska (appointed 11 July 2018)  
E Narjas (appointed 9 August 2016, resigned 15 July 2018)

**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

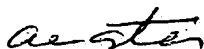
**Auditors**

The auditors, PKF Littlejohn LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 27/09/2019 and signed on its behalf.



Director

MR ALAN APTEK

**FONDY LTD**

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

## FONDY LTD

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FONDY LTD

#### Opinion

We have audited the financial statements of Fondy Ltd (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.



FONDY LTD

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FONDY LTD (CONTINUED)**

**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 an Auditors' 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.

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 Auditors' Report.

**Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.



Azhar Rana (Senior Statutory Auditor)

for and on behalf of  
**PKF Littlejohn LLP**

15 Westferry Circus  
Canary Wharf  
London  
E14 4HD

Date: 30<sup>TH</sup> SEPTEMBER 2019

## FONDY LTD

### INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FONDY LTD (CONTINUED)

We have nothing to report in this regard.

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

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 4, 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.

**FONDY LTD**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	3	138,218	7,098
Cost of sales		(86,733)	(4,144)
<b>Gross profit</b>		<u>51,485</u>	<u>2,954</u>
Administrative expenses		(255,598)	(64,291)
Other operating income		-	(145)
<b>Operating loss</b>		<u>(204,113)</u>	<u>(61,482)</u>
Interest payable and expenses		(85)	(641)
Foreign exchange gain or loss		(4,518)	-
<b>Loss before tax</b>		<u>(208,716)</u>	<u>(62,123)</u>
<b>Loss for the financial year</b>		<u>(208,716)</u>	<u>(62,123)</u>
<b>Other comprehensive income for the year</b>			
<b>Total comprehensive income for the year</b>		<u><u>(208,716)</u></u>	<u><u>(62,123)</u></u>

The notes on pages 13 to 19 form part of these financial statements.

FONDY LTD  
REGISTERED NUMBER: 10063984

**BALANCE SHEET  
AS AT 31 DECEMBER 2018**

	Note	2018 £	2017 £
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	531,675	60,500
Cash at bank and in hand	8	303,613	385,013
		<u>835,288</u>	<u>445,513</u>
Creditors: amounts falling due within one year	9	(464,999)	(86,121)
<b>Net current assets</b>		<u>370,289</u>	<u>359,392</u>
<b>Total assets less current liabilities</b>		<u>370,289</u>	<u>359,392</u>
Creditors: amounts falling due after more than one year	10	-	(421,514)
<b>Net assets/(liabilities)</b>		<u>370,289</u>	<u>(62,122)</u>
<b>Capital and reserves</b>			
Called up share capital	11	641,128	1
Profit and loss account		(270,839)	(62,123)
		<u>370,289</u>	<u>(62,122)</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

27/09/19

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Director **MR ALAN APTER**

The notes on pages 13 to 19 form part of these financial statements.

**FONDY LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2018	1	(62,123)	(62,122)
<b>Comprehensive income for the year</b>			
Loss for the year	-	(208,716)	(208,716)
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	(208,716)	(208,716)
Shares issued during the year	641,127	-	641,127
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	641,127	-	641,127
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2018</b>	<b>641,128</b>	<b>(270,839)</b>	<b>370,289</b>

The notes on pages 13 to 19 form part of these financial statements.

**FONDY LTD**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Comprehensive income for the period</b>			
Loss for the period	-	(62,123)	(62,123)
	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the period</b>	-	-	-
	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the period</b>	-	(62,123)	(62,123)
Shares issued during the period	1	-	1
	<hr/>	<hr/>	<hr/>
<b>Total transactions with owners</b>	1	-	1
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2017</b>	<b>1</b>	<b>(62,123)</b>	<b>(62,122)</b>

The notes on pages 13 to 19 form part of these financial statements.

**FONDY LTD**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(208,716)	(62,123)
<b>Adjustments for:</b>		
Interest payable	85	641
(Increase) in debtors	(263,253)	(60,500)
(Increase)/decrease in amounts owed by group undertakings	(207,922)	-
(Decrease)/increase in creditors	(41,995)	85,480
<b>Net cash generated from operating activities</b>	<u>(721,801)</u>	<u>(36,502)</u>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	641,127	1
Interest payable converted into equity	(641)	641
Proceeds on loans from parent company	-	421,514
Interest payable	(85)	(641)
<b>Net cash used in financing activities</b>	<u>640,401</u>	<u>421,515</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(81,400)</u>	<u>385,013</u>
Cash and cash equivalents at beginning of year	385,013	-
<b>Cash and cash equivalents at the end of year</b>	<u><u>303,613</u></u>	<u><u>385,013</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	303,613	385,013
	<u><u>303,613</u></u>	<u><u>385,013</u></u>

The notes on pages 13 to 19 form part of these financial statements.

## **FONDY LTD**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018**

#### **1. General information**

The company has received permission from the UK Financial Conduct Authority to act in the UK as an Authorised Electronic Money Institution and also as a Payment Institution. Through the passporting process, the Company has also become permitted to conduct these activities in all EEA countries.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office is 16 St. Martin's Le Grand, London, EC1A 4EN.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The members have agreed to the preparation of abridged accounts for this accounting period in accordance with Section 444(2A) of the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The main judgement applied by the management in relation to these financial statements is assessing the recoverability of the loans.

The following principal accounting policies have been applied:

##### **2.2 Going concern**

While the Company has continued to be loss making in 2019, the Directors have a reasonable expectation that the Company will, through internally generated funds and the confirmed support of its parent company, have sufficient funds to enable payments to creditors as they fall due for a period of at least one year from the date of the Directors' approval of the financial statements. As such, the financial statements have been prepared on a going concern basis.



## FONDY LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 2. Accounting policies (continued)

##### 2.3 Foreign currency translation

###### Functional and presentation currency

The Company's functional and presentational currency is GBP.

###### Transactions and balances

Foreign currency transactions relating to revenue and direct costs of payment transactions are translated into functional currency using month end average exchange rates. Foreign currency transactions relating to other costs are translated into functional currency using the spot exchange rate at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

##### 2.4 Revenue

Revenue is measured at the fair value of the consideration received or receivable. Revenue derived directly from payments transactions is recognized at the stage of payment transaction authorisation. Certain other revenues from payments transactions clients are recognized when due under the relevant contracts with the clients.

##### 2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### 2.6 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**2. Accounting policies (continued)**

**2.7 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.8 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.10 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

FONDY LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

3. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Payment transactions	138,218	7,098
	<u>138,218</u>	<u>7,098</u>

Analysis of turnover by country of merchant incorporation:

	2018 £	2017 £
United Kingdom and rest of the EU	138,218	7,098
	<u>138,218</u>	<u>7,098</u>

4. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	10,250	1,670
	<u>10,250</u>	<u>1,670</u>
<b>Fees payable to the Company's auditor in respect of:</b>		
All other services	1,500	-
	<u>1,500</u>	<u>-</u>

5. Employees

The average monthly number of employees including directors, during the year was 3 (2017: 1)

FONDY LTD

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018

6. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	152,906	43,193
	<u>152,906</u>	<u>43,193</u>

Included in the director emoluments is the payment of £59,392 (2017: £nil) for the provision of consultancy services as shown in Note 13.

7. Debtors

	2018 £	2017 £
Trade debtors	265,257	60,500
Amounts owed by related parties	207,922	-
Prepayments and accrued income	58,496	-
	<u>531,675</u>	<u>60,500</u>

8. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	303,613	385,013
	<u>303,613</u>	<u>385,013</u>

Included in the above balance are amounts held in safeguarding bank accounts totalling £185,840 (2017: £27,448).

**FONDY LTD**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**9. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	434,290	-
Amount owed to group undertakings	-	641
Other creditors	1,422	84,940
Accruals and deferred income	29,287	540
	<u>464,999</u>	<u>86,121</u>

**10. Creditors: Amounts falling due after more than one year**

	2018 £	2017 £
Amounts owed to group undertakings	-	421,514
	<u>-</u>	<u>421,514</u>

**11. Share capital**

	2018 £	2017 £
<b>Authorised, allotted, called up and fully paid</b>		
641,128 (2017 - 1) Ordinary shares of £1.00 each	<u>641,128</u>	<u>1</u>

**12. Commitments under operating leases**

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	3,116	2,000
	<u>3,116</u>	<u>2,000</u>

## FONDY LTD

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

#### 13. Related party transactions

##### Directors

In the year ended 31 December 2018, the Company loaned €162,800 (£143,192) to Valeria Vahorovska, Director of the Company. The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is payable on demand.

In 2018, the Company had transactions with a director related to the provision of consultancy services by a company. The Company paid £59,392 (2017: £nil).

##### V&A Holding GmbH (Privat) Company

On 19 December 2018, the Company loaned €10,000 (£9,017) to V&A Holding GmbH, the parent company undertaking of Fondy Ltd. The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is payable on demand.

On 1 January 2018, the Company entered into a contract with its parent company, V&A Holding GmbH, for the use of a software package for operation of an internet payments system. Under the contract, the Company is obligated to pay €1,000 (£945) for its use of the system during 2018 and €3,000 per year thereafter.

##### Loans to Fondy IT Dev and Research Limited

In December 2018, the Company provided two loans amounting to €60,000 (£53,966) to Fondy IT Dev and Research Limited, a company wholly-owned by Valeriia Vahorovska. The loans are subject to interest of 0.5% per annum, which will be paid along with the principal. The loans are payable on demand.

#### 14. Post balance sheet events

On 3 June 2019, the Company issued 44,346 ordinary shares for a consideration of £44,346 to its parent company.

#### 15. Controlling party

The Company is a wholly owned subsidiary of V&A Holding GMBH, a company incorporated in Austria. Stefan Zapotocky directly owns 60% of V&A and Valeriia Vahorovska directly owns 40% of V&A.