

REGISTERED NUMBER: 10063984 (England and Wales)

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 December 2019.  
for  
Fondy Ltd

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Fondy Ltd (Registered number: 10063984)

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for the Year Ended 31 December 2019

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Fondy Ltd

Company Information  
for the Year Ended 31 December 2019

**DIRECTORS:**

A.B Apter  
Ms A Kovacova  
Ms V Vahorovska

**REGISTERED OFFICE:**

40 Gracechurch Street  
London  
EC3V 0BT

**REGISTERED NUMBER:**

10063984 (England and Wales)

**AUDITORS:**

Passmore Weeks and Richardson  
Chartered Accountants and Statutory Auditors  
2 Beacon End Courtyard  
London Road  
Stanway  
Colchester  
Essex  
CO3 0NU

Fondy Ltd (Registered number: 10063984)

Strategic Report  
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

**REVIEW OF BUSINESS**

The Company is authorised by the UK Financial Conduct Authority (the "FCA") to act as an Authorised Electronic Money Institution. The Company's authorisation from the FCA also enables it to provide payment services and to date the Company has conducted on a commercial basis a payments processing business only. Through the passporting process, the Company has become able to conduct its permitted activities not only in the UK, but in all EEA countries.

During 2019, the Company focused on building its client base for its payments processing business which enables E-Merchant clients to accept payment via the internet from their customers via credit and debit cards and other payment methods utilising the FONDY Platform. Our clients consist of E-Merchants from the UK and from across the EU. During the second half of 2020, the Company has intensified its efforts to attract clients from the UK and we plan to continue to build our UK client base during 2021. Our focus is on working with SMEs and e-commerce companies.

We offer E-Merchant clients a product which is easy for them to implement and facilitates their growth in new markets by providing them with the ability to offer their customers a growing range of payment methods, including local payment methods in many markets. Our product also offers an anti-fraud system and a risk management system and the ability for our clients to generate reports on the demographics of their customers, including which countries they are from and which payment methods and currencies that they use. Our product also facilitates integration with clients' CRM and accounting systems. The Company focuses on providing value added features to the FONDY Platform and superior services to its clients in order to minimise the need to compete on the basis of price.

Due to our still relatively early stage status, the Company generated a net loss of £231,519 in 2019, as a result of 1) the need to grow our client base and therefore increase the value of the transactions that they process through us, 2) the high cost of processing card payments due to our small size and 3) the overhead costs, particularly employee costs, that a growing business must absorb. We continue to be loss making in 2020, due primarily to increased staff costs necessary to grow our client base and expand our product offering to include payment accounts services. However, we actively work to optimise our business model and to increase the amount of higher margin non-card payment transactions which we process for our clients. We also enjoy the benefit of having strong support from our parent company as we execute our strategic plans.

In the first half of 2021, we expect to commercially launch a new payment accounts business, which is expected to enhance our profitability. The E-Merchant clients of our payments processing business are a natural client base for the payment accounts business.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The Company faces a variety of operational risks, including cybersecurity risk. The Company has put in place policies and procedures to monitor and minimise these risks.

The Company faces uncertainties from the Covid 19 pandemic and the recessionary environment that has thus been caused. To date, the Company has continued to operate without disruption from the pandemic and we do not believe that our results of operations have been materially impacted by the pandemic. Evidence suggests that online shopping for goods and services, particularly in certain segments, has increased as a result of the pandemic and we have focused effort on attracting clients that have benefited from this increased demand, for example online learning and training. Similarly, we have focused on attracting clients the demand for whose goods or services is less affected by the recessionary environment.

The Company also faces uncertainty and potential negative impact from the BREXIT process.

Fondy Ltd (Registered number: 10063984)

Strategic Report  
for the Year Ended 31 December 2019

**FINANCIAL KEY PERFORMANCE INDICATORS**

The Board and senior management monitor the performance of the Company regularly. They use financial indicators such as amount of transaction values processed, revenue as a percentage of transaction value processed, gross and net profit margins and a regular review of overhead expenses. They also compare actual with projected performance regularly.

**ON BEHALF OF THE BOARD:**



A. B. Apter - Director

Date: 4 November 2020

Fondy Ltd (Registered number: 10063984)

Report of the Directors  
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

A B Apter  
Ms A Kovacova  
Ms V Vahorovska

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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.

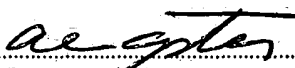
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 Passmore Weeks and Richardson, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

**ON BEHALF OF THE BOARD:**

  
.....  
A B Apter - Director

Date: 4 November 2020

Report of the Independent Auditors to the Members of  
Fondy Ltd

**Opinion**

We have audited the financial statements of Fondy Ltd (the 'company') for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, Balance Sheet, 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 December 2019 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 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**

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 in the Strategic Report and the Report of the Directors, 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 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. 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  
Fondy 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 four, 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.

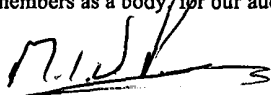
**Auditors' responsibilities for the audit of the financial statements**

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.

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.



Mark Passmore (Senior Statutory Auditor)  
for and on behalf of Passmore Weeks and Richardson  
Chartered Accountants and Statutory Auditors  
2 Beacon End Courtyard  
London Road  
Stanway  
Colchester  
Essex  
CO3 0NU

Date: ..... 6/11/2020 .....



Fondy Ltd (Registered number: 10063984)

Statement of Income and Retained Earnings  
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>TURNOVER</b>	4	485,948	138,218
Cost of sales		<u>384,447</u>	<u>86,733</u>
<b>GROSS PROFIT</b>		101,501	51,485
Administrative expenses		<u>333,020</u>	<u>260,116</u>
<b>OPERATING LOSS</b>	6	(231,519)	(208,631)
Interest payable and similar expenses	7	<u>-</u>	<u>85</u>
<b>LOSS BEFORE TAXATION</b>		(231,519)	(208,716)
Tax on loss	8	<u>-</u>	<u>-</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		(231,519)	(208,716)
Retained earnings at beginning of year		<u>(270,839)</u>	<u>(62,123)</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>		<u>(502,358)</u>	<u>(270,839)</u>

The notes form part of these financial statements

Fondy Ltd (Registered number: 10063984)

Balance Sheet  
31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>CURRENT ASSETS</b>			
Debtors	9	1,366,948	531,675
Cash at bank	10	<u>2,046,800</u>	<u>303,613</u>
		3,413,748	835,288
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>3,105,949</u>	<u>464,999</u>
<b>NET CURRENT ASSETS</b>			
		<u>307,799</u>	<u>370,289</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>307,799</u>	<u>370,289</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	810,157	641,128
Retained earnings	14	<u>(502,358)</u>	<u>(270,839)</u>
<b>SHAREHOLDERS' FUNDS</b>			
		<u>307,799</u>	<u>370,289</u>

The financial statements were approved by the Board of Directors and authorised for issue on 4 November 2020 and were signed on its behalf by:

  
.....  
A.B Apter - Director

The notes form part of these financial statements.

Fondy Ltd (Registered number: 10063984)

Cash Flow Statement  
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1.	1,571,548	(722,442)
Interest paid		<u>          </u>	<u>(85)</u>
Net cash from operating activities		<u>1,571,548</u>	<u>(722,527)</u>
<b>Cash flows from financing activities</b>			
Amount introduced by directors		2,610	
Share issue		<u>169,029</u>	<u>641,127</u>
Net cash from financing activities		<u>171,639</u>	<u>641,127</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>1,743,187</u>	<u>(81,400)</u>
Cash and cash equivalents at beginning of year	2.	<u>303,613</u>	<u>385,013</u>
Cash and cash equivalents at end of year	2.	<u>2,046,800</u>	<u>303,613</u>

The notes form part of these financial statements

Fondy Ltd (Registered number: 10063984)

Notes to the Cash Flow Statement  
for the Year Ended 31 December 2019

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.19	31.12.18
	£	£
Loss before taxation	(231,519)	(208,716)
Finance costs		85
	(231,519)	(208,631)
Increase in trade and other debtors	(694,691)	(471,175)
Increase/(decrease) in trade and other creditors	2,497,758	(42,636)
<b>Cash generated from operations</b>	<b>1,571,548</b>	<b>(722,442)</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:

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>2,046,800</u>	<u>303,613</u>

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>303,613</u>	<u>385,013</u>

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

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Cash at bank	<u>303,613</u>	<u>1,743,187</u>	<u>2,046,800</u>
	<u>303,613</u>	<u>1,743,187</u>	<u>2,046,800</u>
<b>Total</b>	<b><u>303,613</u></b>	<b><u>1,743,187</u></b>	<b><u>2,046,800</u></b>

The notes form part of these financial statements.

Fondy Ltd (Registered number: 10063984)

Notes to the Financial Statements  
for the Year Ended 31 December 2019

1. **GENERAL INFORMATION**

The company has received authorisation 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.

2. **STATUTORY INFORMATION**

Fondy 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.

3. **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**

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

**Financial instruments**

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities.

**Taxation**

Taxation for the year 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.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling using month end average exchange rates. 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 the statement of comprehensive income in the period to which they relate.

Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments in the balance sheet.

**Going concern**

While the company has continued to be loss making, 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 (Registered number: 10063984)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019

4. **TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.19	31.12.18
	£	£
Payment transactions	478,553	138,218
Other income	<u>7,395</u>	<u>-</u>
	<u>485,948</u>	<u>138,218</u>

An analysis of turnover by geographical market is given below:

	31.12.19	31.12.18
	£	£
United Kingdom and EU	<u>485,948</u>	<u>138,218</u>
	<u>485,948</u>	<u>138,218</u>

5. **EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	<u>206,596</u>	<u>79,569</u>

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

	31.12.19	31.12.18
Administrative	1	-
Directors	<u>2</u>	<u>2</u>
	<u>3</u>	<u>2</u>

	2019	2018
	£	£
Directors' emoluments	<u>136,008</u>	<u>138,961</u>

The directors are also the company's key management personnel.

Included in the director emoluments is the payment of £nil (2018 :59,392) for the provision of consultancy services, included within consultancy expenditure on the profit and loss account.

Fondy Ltd (Registered number: 10063984)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019

6. **OPERATING LOSS**

The operating loss is stated after charging:

	31.12.19	31.12.18
	£	£
Other operating leases	16,564	9,598
Auditors' remuneration	10,250	10,250
Auditors' remuneration for non-audit work	<u>3,850</u>	<u>1,500</u>

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.19	31.12.18
	£	£
Bank loan interest	<u>85</u>	<u>85</u>

8. **TAXATION**

The company incurred a liability to UK corporation tax of £1,011 for the year ended 31 December 2019 (2018: £nil).

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

	31.12.19	31.12.18
	£	£
Trade debtors	1,116,306	265,257
Amounts owed by group undertakings	63,593	64,730
Other debtors	42,013	51,378
Directors' current accounts	140,582	143,192
Prepayments	<u>4,454</u>	<u>7,118</u>
	<u>1,366,948</u>	<u>531,675</u>

10. **CASH AT BANK**

	31.12.19	31.12.18
	£	£
Bank balances	<u>2,046,800</u>	<u>303,613</u>

Included in the above balance are amounts held on behalf of clients in safeguarding accounts totalling £1,954,011 (2018: 185,840).

Included in one of the safeguarding accounts is an amount held on behalf of a company controlled by one of the company's directors.

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.19	31.12.18
	£	£
Trade creditors	3,045,069	435,712
Social security and other taxes	15,225	
Accruals and deferred income	<u>45,655</u>	<u>29,287</u>
	<u>3,105,949</u>	<u>464,999</u>

Fondy Ltd (Registered number: 10063984)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019

12. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.19	31.12.18
	£	£
Within one year	<u>6,523</u>	<u>3,116</u>

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19	31.12.18
			£	£
810,157	Ordinary	1	<u>810,157</u>	<u>641,128</u>

169,029 Ordinary shares of 1 each were allotted and fully paid for cash at par during the year.

14. **RESERVES**

	Retained earnings
	£
At 1 January 2019	(270,839)
Deficit for the year	<u>(231,519)</u>
At 31 December 2019	<u>(502,358)</u>

15. **PENSION COMMITMENTS**

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company.

During the year the company paid pension contributions totalling £2,176 (2018: £nil). At the year end pension contributions of £3,398 (2018: £nil) were outstanding.



Fondy Ltd (Registered number: 10063984)

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2019

**16. RELATED PARTY DISCLOSURES**

At the year end V Vahorovska owed the company £140,581 (2018 £143,192). The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is repayable 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. In 2019 the company paid £nil.

**V&A Holding GmbH**

At the year end V&A Holding GmbH (parent company) owed the company £8,582 (2018: £9,017). The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is repayable 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 in 2018 and €3,000 per year thereafter. This year the company incurred an expense of £2,400 (2018: £945).

**Fondy IT Dev and Research Limited**

At the year end Fondy IT Dev and Research Limited (a company controlled by one of the directors) owed the company £51,497 (2018: £53,966). The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is repayable on demand.

**17. POST BALANCE SHEET EVENTS**

Since the year end the Company has issued 275,558 ordinary shares for a consideration of £275,558 to its parent company.

**18. ULTIMATE CONTROLLING PARTY**

The Company is a wholly owned subsidiary of V&A Holding GmbH, a company incorporated in Austria.

S Zapotocky directly owns 60% of V&A Holding GmbH and V Vahorovska directly owns 40% of V&A Holding GmbH.