

REGISTERED NUMBER: 11246175 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2020
for
Fincofex Limited**

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for the Year Ended 31 March 2020**

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Fincofex Limited
Company Information
for the Year Ended 31 March 2020

DIRECTORS:	H Lipskij J M Lizarondo
REGISTERED OFFICE:	40 Bank Street Level 18 Canary Wharf London E14 5NR
REGISTERED NUMBER:	11246175 (England and Wales)
AUDITORS:	Botham Accounting Limited Chartered Accountants Statutory Auditors 14 Clarendon Street Nottingham Nottinghamshire NG1 5HQ
LEI NUMBER:	254900UP4LKS4JDS0T69

**Strategic Report
for the Year Ended 31 March 2020**

The directors present their strategic report for the year ended 31 March 2020.

REVIEW OF BUSINESS

Fincofex Limited's principal activity during the period was execution of payment transactions, money remittance, e-money transaction, payment account opening, debit & prepaid card issuance and maintenance and implementation services.

Fincofex Limited became the principal member of MasterCard for issuing and acquiring business, obtained VISA and UnionPay issuing and acquiring licenses and received the required payment cards security standard certification PCI DSS to process the card transactions. Company has also signed up with payment processor called Decta Limited from the United Kingdom and Tieto Evry the cards production manufacturer in European Union.

Fincofex Limited received SWIFT code and is working to obtain direct SEPA. Company has built a worldwide network of agents to provide business clients for account opening and transaction maintenance. The company has already a pool of potential clients to launch.

Fincofex Limited created a team of financial experts and IT specialists - a good combination for client-friendly atmosphere, design, safety and security. As of now the team consists of 7 employees including managers, consultants, financial specialists, IT and is still growing.

Fincofex Limited resides at a comfortable and respectable office and uses most modern and comprehensive technology and systems to ensure safety of software, best design and to keep pace with the times.

Fincofex Limited promotes quality, efficiency and innovation. The company's mission is to provide competitive business payments, which translates into a product roadmap to transform businesses experience of payment processes. Some examples of the company's planned capabilities include virtual cards, prepaid cards, direct debits and international payments with 30+ currencies for over than 180 countries.

Fincofex Limited is focused on continual growth of its revenue by expanding its customer base in already existing markets and to reach for new markets and grow worldwide. In addition, the company continues development of strategic partnerships with a belief that several industries can benefit from its services.

PRINCIPAL RISKS AND UNCERTAINTIES

Fincofex Limited may face different risks which could potentially affect the company. The management of the company have carried out a robust assessment of the principal risks facing the group, including those that would threaten its business model, future performance or liquidity. The main risks and uncertainties that could affect the company are set out in the following paragraphs.

REGULATORY RISK

The company's regulatory risk is its compliance with applicable regulations for the activities it undertakes, such as the requirement to have robust governance arrangements or failure to observe money laundering guidelines. The company ensures that correct policies and procedures are in place with the rules of an Electronic Money Institution monitored and regulated by the FCA (Financial Conduct Authority).

OPERATIONAL RISK

Fincofex Limited uses operational and IT processes and related communication systems. These processes and systems are monitored in order to operate as expected and fulfill their intended purpose.

The company is investing in robust operational systems and controls to be able to respond to unexpected events in an organised and timely manner and undertakes rigorous planning and testing. In addition, there is a risk of the bank freezing operational accounts. Banks can freeze the account in case it suspects fraudulent activities through platform. In order to address this type of risk Fincofex Limited has robust KYC and AML procedures, and performs ongoing monitoring of transactions.

Fincofex Limited is committed to maintaining a control environment that enables it to respond effectively to emerging financial crime threats as the company continues to grow.

**Strategic Report
for the Year Ended 31 March 2020**

LIQUIDITY RISK

In order to ensure the liquidity for ongoing operations and future developments, Fincofex Limited has developed relative financial policy and procedures which also includes assistance from shareholders. The company seeks to manage financial risk by ensuring sufficient liquidity and is available to meet foreseeable needs and to invest any surplus cash assets of the company safely and profitably but based on the cashflow forecasts for Fincofex Limited, the director is confident that sufficient funds are in place for operations and developments.

BREXIT RISK

The company has evaluated a number of European jurisdictions in which to obtain an additional e-money licence so that the company's services can continue to be offered through Europe and the company plans to have appropriate additional licensing in place well in advance of any potential change to passport rights. The management continues to monitor developments and will respond accordingly.

BUSINESS STRATEGY TIMELINE

In 2019 company has become the principal member of MasterCard for issuing and acquiring business and received the required payment cards security standard certification PCI DSS Level 1 to process the card transactions. Company has also signed up with payment processor called Decta Limited from the United Kingdom and Tieto Evry the cards production manufacturer in European Union.

In 2020 company received SWIFT code and is working to obtain direct SEPA. Company has built a worldwide network of agents to provide business clients for account opening and transaction maintenance. The company has already a pool of potential clients to launch.

The team of finance experts and IT specialist create a good combination for client-friendly atmosphere, design, safety and security.

2019

MasterCard Issuing and acquiring license obtained
Was signed agreement with processing center Decta
Was signed agreement with card manufacturer tietoEVRY

2020

Visa license for issuing and acquiring obtained
China UnionPay license for issuing and acquiring obtained
PCI DSS Level 1 certification obtained
Company is in the process SWIFT obtaining
Company is in the process direct SEPA obtaining
Respectable office and highest technology software.

ON BEHALF OF THE BOARD:

H Lipskij - Director

23 November 2020

**Report of the Directors
for the Year Ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of financial intermediation, execution of payment transactions, money remittance, e-money transaction, payment account opening, debit & prepaid cards issuance and maintenance and implementation services.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020.

DIRECTORS

J Raubiske - resigned 5 September 2019

H Lipskij and J M Lizarondo were appointed as directors after 31 March 2020 but prior to the date of this report.

V Remi ceased to be a director after 31 March 2020 but prior to the date of this report.

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors
for the Year Ended 31 March 2020**

AUDITORS

The auditors, Botham Accounting Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

H Lipskij - Director

23 November 2020

Report of the Independent Auditors to the Members of Fincofex Limited

Opinion

We have audited the financial statements of Fincofex Limited (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and 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 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 Fincofex Limited

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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

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. 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.

Andrew Botham ACA (Senior Statutory Auditor)
for and on behalf of Botham Accounting Limited
Chartered Accountants
Statutory Auditors
14 Clarendon Street
Nottingham
Nottinghamshire
NG1 5HQ

23 November 2020

**Statement of Comprehensive Income
for the Year Ended 31 March 2020**

	Notes	Year Ended 31.3.20 £	Period 9.3.18 to 31.3.19 £
TURNOVER	3	62,015	12,510
Cost of sales		<u>46,305</u>	<u>50,452</u>
GROSS PROFIT/(LOSS)		15,710	(37,942)
Administrative expenses		<u>(32,573)</u>	<u>55,419</u>
OPERATING PROFIT/(LOSS) and PROFIT/(LOSS) BEFORE TAXATION		48,283	(93,361)
Tax on profit/(loss)	7	<u>9,174</u>	<u>-</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		39,109	(93,361)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>39,109</u>	<u>(93,361)</u>

Statement of Financial Position
31 March 2020

	Notes	2020 £	2019 £
CURRENT ASSETS			
Debtors	8	50,378	19,024
Cash at bank		<u>406,169</u>	<u>270,839</u>
		456,547	289,863
CREDITORS			
Amounts falling due within one year	9	<u>195,799</u>	<u>68,224</u>
NET CURRENT ASSETS		<u>260,748</u>	<u>221,639</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>260,748</u>	<u>221,639</u>
CAPITAL AND RESERVES			
Called up share capital	11	315,000	315,000
Retained earnings	12	<u>(54,252)</u>	<u>(93,361)</u>
SHAREHOLDERS' FUNDS		<u>260,748</u>	<u>221,639</u>

The financial statements were approved by the Board of Directors and authorised for issue on 23 November 2020 and were signed on its behalf by:

H Lipskij - Director

**Statement of Changes in Equity
for the Year Ended 31 March 2020**

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	315,000	-	315,000
Total comprehensive income	-	(93,361)	(93,361)
Balance at 31 March 2019	<u>315,000</u>	<u>(93,361)</u>	<u>221,639</u>
Changes in equity			
Total comprehensive income	-	39,109	39,109
Balance at 31 March 2020	<u>315,000</u>	<u>(54,252)</u>	<u>260,748</u>

**Statement of Cash Flows
for the Year Ended 31 March 2020**

		Year Ended 31.3.20 £	Period 9.3.18 to 31.3.19 £
Cash flows from operating activities	Notes		
Cash generated from operations	15	<u>61,911</u>	<u>(91,584)</u>
Net cash from operating activities		<u>61,911</u>	<u>(91,584)</u>
Cash flows from financing activities			
New loans in year		-	46,922
Amount introduced by directors		76,098	501
Amount withdrawn by directors		(2,679)	-
Share issue		-	<u>315,000</u>
Net cash from financing activities		<u>73,419</u>	<u>362,423</u>
Increase in cash and cash equivalents		<u>135,330</u>	<u>270,839</u>
Cash and cash equivalents at beginning of year	16	270,839	-
Cash and cash equivalents at end of year	16	<u>406,169</u>	<u>270,839</u>

**Notes to the Financial Statements
for the Year Ended 31 March 2020**

1. STATUTORY INFORMATION

Fincofex Limited 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.

The functional and presentational currency of Fincofex Limited is considered to be pounds sterling. The financial statements are rounded to the nearest pound.

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 year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 year 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 sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

3. **TURNOVER**

The turnover and profit (2019 - loss) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Year Ended 31.3.20	Period 9.3.18 to 31.3.19
	£	£
United Kingdom	27,630	6,064
Europe	6,930	2,500
Asia	27,455	1,250
Rest of the World	-	2,696
	<u>62,015</u>	<u>12,510</u>

4. **EMPLOYEES AND DIRECTORS**

	Year Ended 31.3.20	Period 9.3.18 to 31.3.19
	£	£
Wages and salaries	<u>15,760</u>	<u>-</u>

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

	Year Ended 31.3.20	Period 9.3.18 to 31.3.19
Management	1	1
Administration	<u>3</u>	<u>-</u>
	<u>4</u>	<u>1</u>

	Year Ended 31.3.20	Period 9.3.18 to 31.3.19
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

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

The operating profit (2019 - operating loss) is stated after charging/(crediting):

	Year Ended 31.3.20	Period 9.3.18 to 31.3.19
	£	£
Foreign exchange differences	<u>(2,164)</u>	<u>(330)</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

6. AUDITORS' REMUNERATION

	Year Ended 31.3.20 £	Period 9.3.18 to 31.3.19 £
Fees payable to the company's auditors for the audit of the company's financial statements	<u>6,120</u>	<u>4,020</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	Year Ended 31.3.20 £	Period 9.3.18 to 31.3.19 £
Current tax:		
UK corporation tax	<u>9,174</u>	-
Tax on profit/(loss)	<u>9,174</u>	<u>-</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is the same as the standard rate of corporation tax in the UK.

	Year Ended 31.3.20 £	Period 9.3.18 to 31.3.19 £
Profit/(loss) before tax	<u>48,283</u>	<u>(93,361)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	9,174	(17,739)
Effects of:		
Tax losses carried forward	-	<u>17,739</u>
Total tax charge	<u>9,174</u>	<u>-</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	1,000	1,681
Other debtors	40,201	-
Prepayments and accrued income	<u>9,177</u>	<u>17,343</u>
	<u>50,378</u>	<u>19,024</u>

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

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

	2020	2019
	£	£
Other loans (see note 10)	57,750	46,922
Trade creditors	8,537	14,381
Tax	9,174	-
Other creditors	37,418	-
Directors' current accounts	73,920	501
Accruals and deferred income	9,000	6,420
	<u>195,799</u>	<u>68,224</u>

10. **LOANS**

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Other loans	<u>57,750</u>	<u>46,922</u>

11. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020	2019
			£	£
315,000	Ordinary	£1	<u>315,000</u>	<u>315,000</u>

12. **RESERVES**

	Retained earnings
	£
At 1 April 2019	(93,361)
Profit for the year	<u>39,109</u>
At 31 March 2020	<u>(54,252)</u>

13. **RELATED PARTY DISCLOSURES**

During the year, the company recognised exchange losses of £10,828 on an amount due to a related party. The balance due to this related party at the year-end is £57,750 (2019: £46,922). This amount is provided interest-free and is assumed to be repayable on demand.

14. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is T Baitaziyev by nature of his shareholding.

Notes to the Financial Statements - continued
for the Year Ended 31 March 2020

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

	Year Ended 31.3.20 £	Period 9.3.18 to 31.3.19 £
Profit/(loss) before taxation	48,283	(93,361)
Increase in trade and other debtors	(31,354)	(19,024)
Increase in trade and other creditors	<u>44,982</u>	<u>20,801</u>
Cash generated from operations	<u>61,911</u>	<u>(91,584)</u>

16. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2020

	31.3.20 £	1.4.19 £
Cash and cash equivalents	<u>406,169</u>	<u>270,839</u>
Period ended 31 March 2019		
	31.3.19 £	9.3.18 £
Cash and cash equivalents	<u>270,839</u>	<u>-</u>

17. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.4.19 £	Cash flow £	At 31.3.20 £
Net cash			
Cash at bank	<u>270,839</u>	<u>135,330</u>	<u>406,169</u>
	<u>270,839</u>	<u>135,330</u>	<u>406,169</u>
Debt			
Debts falling due within 1 year	<u>(46,922)</u>	<u>(10,828)</u>	<u>(57,750)</u>
	<u>(46,922)</u>	<u>(10,828)</u>	<u>(57,750)</u>
Total	<u>223,917</u>	<u>124,502</u>	<u>348,419</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.