

## PayAlly Limited

### Annual report and financial statements

For the period from 3 February 2017 to 28 February 2018

Registered number: 10600055



PayAlly Limited

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## Company Information

<b>Directors</b>	Rafal Andzejewski Dmitrijus Apockinas Maxim Ivanchenko
<b>Registered number</b>	10600055
<b>Registered office</b>	80 Coleman Street London EC2R 5BJ
<b>Independent auditor</b>	Buzzacott LLP 130 Wood Street London EC2V 6DL

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## Directors' report

For the period ended 28 February 2018

The directors present their report together with the Strategic report and the financial statements of PayAlly Limited ('the company') for the period from incorporation on 3 February 2017 to 28 February 2018.

### Results and dividends

The loss for the period, after taxation, amounted to €65,416.

The directors did not recommend any dividends.

### Directors

The directors who served during the period were:

Rafal Andzejewski (appointed 3 February 2017)  
Dmitrijus Apockinas (appointed 3 February 2017)  
Maxim Ivanchenko (appointed 3 February 2017)

### Directors' responsibilities statement

The directors are responsible for preparing the Directors' report, the Strategic 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' ('FRS 102'). 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

### Future developments

The company continues to develop its payments ecosystem and expand its business in accordance with its Business Plan previously approved by the Board of Directors. In 2018, the company is planning to roll out new payment methods, products and services, accessible via web and native mobile applications for iOS and Android operating systems. At the same time, the company will expand its payments partner network in order to increase the number of payment channels and improve pricing for customers.

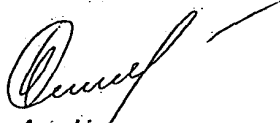
**Directors' report (continued)**  
For the period ended 28 February 2018

**Disclosure of information to auditor**

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 auditor is 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 auditor is aware of that information.

This report was approved by the board on 15 June 2018 and signed on its behalf.



**Dmitrijus Apockinas**  
Director

## Strategic report

For the period ended 28 February 2018

### Introduction

The board of directors present this Strategic report for the period 3 February 2017 to 28 February 2018 with the goal to provide a balanced and comprehensive analysis of the company's development in its initial accounting period and its future outlook. The review is consistent with the current size and nature of the business.

### Business review, key milestones and future developments

The company was authorised as a payment institution by the Financial Conduct Authority ('the FCA') on 3 July 2017 and then re-authorised by the FCA under PSD2 regulations on 14 February 2018 ahead of deadlines. The company commenced trading in the latter part of the period under review, on 7 November 2017. The directors have taken every opportunity to progress the business in line with its business plan and will continue to do so in 2018.

A significant part of the company's development in 2017 and early 2018 consisted of building necessary payments infrastructure and acquiring technical, legal, and partnership infrastructure in order to enable the company to build, market and provide the services of its payments ecosystem platform to small and medium companies in the European Economic Area. The following significant milestones were achieved in the period 3 February 2017 to 28 February 2018:

- Authorised Payments Institution license received from the FCA
- Established acquiring, safeguarding and payments facilitation agreements
- Legal and contractual client relations framework implemented
- Payments Core Platform developed, tested and launched
- Designed, developed and obtained Mastercard approval for co-branded prepaid cards
- Client payments portal developed, tested and launched
- PCI DSS certified E-commerce Gateway with 28 shopping kart integrations deployed
- Became participants of SWIFT network
- Approved by European Payment Council and became SEPA adherent
- Entered into agreement with NPSO Limited and was admitted to UK SEPAIO directory
- Re-authorised by the FCA under PSD2 regulations

During the course of 2018 the company will continue building its infrastructure with the goal of becoming principal member acquirers of Visa and Mastercard and continue integration of alternative payment methods, thus, completing our payments ecosystem offering to the clients.

### Principal risks and uncertainties

The Board of Directors is responsible for risks management policy and approves the parameters within which the various aspects of risks are managed. During its normal course of business, the company is exposed to certain financial risks: earnings growth, liquidity, credit and foreign exchange risks.

#### *Earnings growth risk*

There is a risk to both regulatory capital and shareholder value if the company is unable to grow its key business lines: payments and acquiring. The Board of Directors has implemented an organic business growth model, where development costs and day-to-day operating expenses are growing in line with revenue stream growth. This allows us to keep the pressure off regulatory capital and be in compliance and aligned with growing client payments turnover.

#### *Liquidity risk*

The company is not considered to have an elevated level of liquidity risk as the company's funds and safeguarded clients' funds in transit are kept on current accounts with credit institutions within European Economic Area. However, the directors maintain a policy of ensuring adequate financial resources availability for the company's current and future obligations. Currently, additional capital is being carefully sourced to finance the company's development and planned expansion.

**Strategic report (continued)**

For the period ended 28 February 2018

*Credit risk*

The company's primary credit risk is with its banking and acquiring partners. The company deploys various diversification methods and continues engaging new credit institutions and acquiring partners to diversify possible credit risks. Careful partner assessment and monitoring procedures are in place to minimise any possible risks.

*Foreign exchange risk*

The company operates in a number of currencies and manages foreign exchange exposure by carefully matching assets and liabilities in each currency in order to avoid any exposure. All client foreign exchange transactions are executed on the spot and the company never keeps an open currency position longer than needed to instruct the banking partner to execute the foreign exchange transaction at market rates.

In addition, there are uncertainties associated with United Kingdom's exit from the European Union and other global political changes, which are beyond the control of directors or management. In order to minimise such risks, the directors monitor the market conditions and global political movements and explore different options to ensure a secure future for the company.

**Financial key performance indicators**

The directors approve the annual budget and review performance against budget on a monthly basis. Similarly, key performance indicators, namely turnover, net profit and net assets are carefully monitored.

Turnover for the period amounted to €41,584 and at the period end the company had net assets of €196,057. Despite a loss of €65,416 for the reported period, which is due to a significant initial investment in payments and acquiring facilitation infrastructure and the fact that the company started trading only on 7 November 2017, the directors are pleased to report continuous new client acquisition and revenue growth. The directors believe that this trend will continue throughout 2018 and the company can reach breakeven within the next reporting period.

This report was approved by the board on 15 June 2018 and signed on its behalf.

  
Dmitrijus Apockinas  
Director

## **Independent auditor's report to the members of PayAlly Limited**

For the period ended 28 February 2018

### **Opinion**

We have audited the financial statements of PayAlly Limited (the 'company') for the period ended 28 February 2018, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows 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).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2018 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 Auditor's 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.



**Independent auditor's report to the members of PayAlly Limited (continued)**  
For the period ended 28 February 2018

**Other information (continued)**

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.

**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 Directors' report and the Strategic report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report and the Strategic 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 Directors' report and the Strategic 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.

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 1, 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.

# Buzzacott

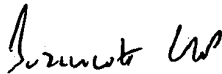
CHARTERED ACCOUNTANTS

## Independent auditor's report to the members of PayAlly Limited (continued) For the period ended 28 February 2018

### 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 Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 Auditor's report.



Peter Chapman (Senior statutory auditor)  
for and on behalf of  
**Buzzacott LLP**  
Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

15 June 2018

**Statement of comprehensive income**  
For the period ended 28 February 2018

	<b>Period ended 28 February 2018 €</b>
Turnover	41,584
<b>Gross profit</b>	<u>41,584</u>
Administrative expenses	(120,192)
<b>Operating loss</b>	<u>(78,608)</u>
Tax on loss	13,192
<b>Loss for the financial period</b>	<u><u>(65,416)</u></u>

All amounts relate to continuing operations.

There was no other comprehensive income for 2018.

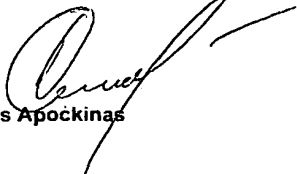
The notes on pages 11 to 18 form part of these financial statements.

**Statement of financial position**

As at 28 February 2018

	Note		2018 €
<b>Fixed assets</b>			
Intangible assets	9		141,408
Tangible assets	10		1,346
			<u>142,754</u>
<b>Current assets</b>			
Stocks	11	10,645	
Debtors	12	26,065	
Cash at bank and in hand	13	70,486	
		<u>107,196</u>	
Creditors: amounts falling due within one year	14	(53,893)	
<b>Net current assets</b>			<u>53,303</u>
<b>Total assets less current liabilities</b>			<u>196,057</u>
<b>Net assets</b>			<u>196,057</u>
<b>Capital and reserves</b>			
Called up share capital			261,473
Profit and loss account			(65,416)
			<u>196,057</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 June 2018.

  
Dmitrijus Apockinas  
Director

The notes on pages 11 to 18 form part of these financial statements.

**Statement of cash flows**

For the period ended 28 February 2018

	Period ended 28 February 2018 €
<b>Cash flows from operating activities</b>	
Loss for the financial period	(65,416)
<b>Adjustments for:</b>	
Amortisation of intangible assets	4,861
Depreciation of tangible assets	113
Taxation credit	(13,192)
Increase in stocks	(10,645)
Increase in debtors	(12,873)
Increase in creditors	53,893
<b>Net cash generated from operating activities</b>	<u>(43,259)</u>
<b>Cash flows from investing activities</b>	
Purchase of intangible assets	(146,269)
Purchase of tangible assets	(1,459)
<b>Net cash from investing activities</b>	<u>(147,728)</u>
<b>Cash flows from financing activities</b>	
Issue of ordinary shares	261,473
<b>Net cash used in financing activities</b>	<u>261,473</u>
<b>Net increase in cash and cash equivalents</b>	<u>70,486</u>
<b>Cash and cash equivalents at the end of period</b>	<u>70,486</u>
<b>Cash and cash equivalents at the end of period comprise:</b>	
Cash at bank and in hand	70,486
	<u>70,486</u>

The notes on pages 11 to 18 form part of these financial statements.

## Notes to the financial statements

For the period ended 28 February 2018

### 1. General information

PayAlly Limited is a private company limited by shares and is incorporated in England and Wales. Its company registration number is 10600055. The registered office of the company is 80 Coleman Street, London, United Kingdom, EC2R 5BJ.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland', ('FRS 102') and 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 judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

#### 2.2 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

##### *Rendering of services*

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

#### 2.3 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software development	-	10	years
Trademarks	-	10	years

## Notes to the financial statements

For the period ended 28 February 2018

### 2. Accounting policies (continued)

#### 2.5 Tangible assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Computer equipment	-	4 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 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 are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## Notes to the financial statements

For the period ended 28 February 2018

### 2. Accounting policies (continued)

#### 2.10 Foreign currency translation

##### *Functional and presentation currency*

The company's functional and presentational currency is Euros.

##### *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the spot exchange rates 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 'interest receivable or payable'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

#### 2.11 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

#### 2.12 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. 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 reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.



## Notes to the financial statements

For the period ended 28 February 2018

### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the year end and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates.

The directors considered areas involving estimation uncertainty or significant judgement to be in relation to:

- Deferred tax: recognition of a deferred tax asset (in respect of losses carried forward) is considered appropriate due to the expected future profit of the company; and
- Software development costs - capitalisation as an intangible asset is considered appropriate as these costs meet the recognition criteria of an intangible asset in accordance with FRS 102.

The directors believe that there are no further areas with uncertainty or application of judgement.

### 4. Turnover

The whole of the turnover is attributable to the principal activity.

All turnover arose within the European Union.

### 5. Operating loss

The operating loss is stated after charging:

	<b>Period ended 28 February 2018 €</b>
Depreciation of tangible assets	113
Amortisation of intangible assets	4,861
Exchange differences	607
Other operating lease rentals	<u>20,848</u>

### 6. Auditor's remuneration

	<b>Period ended 28 February 2018 €</b>
Fees payable to the company's auditor for the audit of the company's annual accounts	<u>5,649</u>
<b>Fees payable to the company's auditor and its associates in respect of:</b>	
Tax compliance services	1,130
Other services	<u>1,412</u>

### 7. Staff costs and average number of employees

During the period, the company has no staff other than the directors, who did not receive any remuneration.

**Notes to the financial statements**

For the period ended 28 February 2018

**8. Taxation**

	Period ended 28 February 2018 €
<b>Total current tax</b>	-
<b>Deferred tax</b>	
Origination and reversal of timing differences	(13,192)
<b>Total deferred tax</b>	(13,192)
<b>Taxation on loss on ordinary activities</b>	(13,192)

**Factors affecting tax charge for the period**

The tax assessed for the period is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period ended 28 February 2018 €
Loss on ordinary activities before tax	(78,608)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(14,936)
<b>Effects of:</b>	
Expenses not deductible for tax purposes	192
Adjust the closing deferred tax rate to average tax rate	1,552
<b>Total tax charge for the period</b>	(13,192)

**Factors that may affect future tax charges**

On 1 April 2017, the UK corporation tax rate was changed to 19% from 20%. The government has introduced legislation to keep the corporation tax rate at 19% until 1 April 2020 and to further reduce it to 17% from 1 April 2020.

**Notes to the financial statements**  
For the period ended 28 February 2018

**9. Intangible assets**

	Software development €	Trademarks €	Total €
<b>Cost</b>			
Additions	145,419	850	146,269
At 28 February 2018	<u>145,419</u>	<u>850</u>	<u>146,269</u>
<b>Amortisation</b>			
Charge for the period	4,671	190	4,861
At 28 February 2018	<u>4,671</u>	<u>190</u>	<u>4,861</u>
<b>Net book value</b>			
At 28 February 2018	<u><u>140,748</u></u>	<u><u>660</u></u>	<u><u>141,408</u></u>

**10. Tangible assets**

	Computer equipment €
<b>Cost or valuation</b>	
Additions	1,459
At 28 February 2018	<u>1,459</u>
<b>Depreciation</b>	
Charge for the period	113
At 28 February 2018	<u>113</u>
<b>Net book value</b>	
At 28 February 2018	<u><u>1,346</u></u>

**11. Stocks**

	2018 €
Prepaid cards and code generators	10,645
	<u>10,645</u>

**Notes to the financial statements**  
For the period ended 28 February 2018

**12. Debtors**

	2018 €
Other debtors	7,315
Prepayments and accrued income	5,558
Deferred taxation	13,192
	<u>26,065</u>

**13. Cash and cash equivalents**

	2018 €
Bank current accounts	6,002
Client accounts	64,484
	<u>70,486</u>

**14. Creditors: amounts falling due within one year**

	2018 €
Payments received on account	50,950
Other creditors	2,943
	<u>53,893</u>

**15. Deferred taxation**

	2018 €
Credited to profit or loss	13,192
At end of year	<u>13,192</u>

The deferred tax asset is made up as follows:

	2018 €
Accelerated capital allowances	(229)
Tax losses carried forward	13,421
	<u>13,192</u>

**Notes to the financial statements**

For the period ended 28 February 2018

**16. Commitments under operating leases**

At 28 February 2018, the company was committed to make future minimum lease payments under non-cancellable operating leases as follows:

	2018 €
Not later than 1 year	12,190
	<u>12,190</u>

**17. Related party transactions**

During the period, the company charged fees of €14,000 to Advapay OU. At 28 February 2018, €nil was owed to the company by Advapay OU. Advapay OU is a related party by being 100% owned by one of the directors.

During the period, D Apockinas settled expenses totalling €10,405 on behalf of the company and received payments of €8,261. Additionally €1,695 of the amount owed to D Apockinas was converted into capital. At 28 February 2018, €449 was owed to D Apockinas.

During the period, R Andzejevski settled expenses totalling €6,049 on behalf of the company and received payments of €3,555. At 28 February 2018, €2,494 was owed to R Andzejevski.

**18. Controlling party**

In the opinion of the directors there is no ultimate controlling party.