Registered number: 06079692

RETAIL MERCHANT FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

COMPANY INFORMATION

Directors	Mr Kevin Patrick O'Keefe (resigned 26 December 2022) Mr Jeremy Joylon Nicholls (resigned 31 March 2022) Mr Thomas Mylrea Lowndes (appointed 13 July 2022) Mr Felipe Pinto (appointed 13 July 2022, resigned 9 October 2023) Mr Grigoris Kouteris (appointed 26 December 2022, resigned 4 October 2023) Ms Elizabeth Hanna Seminario (appointed 2 November 2023) Mr Christopher John Hartley (appointed 2 November 2023)
Registered number	06079692
Registered office	Third Floor, 20 Old Bailey LONDON EC4M 7AN
Independent auditors	Deloitte LLP 1 New Street Square LONDON United Kingdom EC4A 3HQ
Bankers	Natwest Bank PLC Victoria Street GRIMSBY DN31 1GA

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their Strategic Report of Retail Merchant Finance Limited ("the Company") for the year ended 31 December 2022.

Principal activity and business review

The principal activity of the Company during the year was providing credit and debit card processing services to retailers.

The Company is wholly owned by Retail Merchant Group Limited, which is wholly owned by RMS Holdco Limited. RMS Holdco Limited is wholly owned by Teya Europe Ltd. (previously Salt Pay Europe Ltd.), a company registered in the UK. Teya Europe Ltd. is a subsidiary of Teya Holdings Ltd. (previously Salt Pay Co Ltd.), a company registered in the Cayman Islands.

Annual turnover increased to £25.8 million (2021: £23.4 million). The directors are satisfied with the annual results.

The Company achieved an operating profit of £14.1 million (2021: £16.4 million). The company has a tax charge of £3.6 million (2021: £3.1 million) and has a net profit for the year of £14.54 million, which is an increase of 8.7% on the previous year's profit of £13.3 million.

Cash decreased to £1.4million from £2.7million in the prior year, mainly due to cash injected into its fellow subsidiary, Retail Merchant Services Limited.

As part of the Teya Group (previously Salt Pay Group), the Company ghas access to new technologies developed throughout the group and services to drive the growth and efficiency of the business and create additional opportunities with both new and existing customers.

Principal risks and uncertainties

The principal risks to the business arise from competition, recruitment and retention of key people, technological changes and regulatory changes.

Competition
We are at risk from competitors who offer the same service. To mitigate this risk, we ensure that we recruit experienced staff and offer a competitive product and service to our customers. We continue to invest in technology throughout the Teya Group to offer our customers further products to enhance the customer experience.

Recruitment and retention of key people
The board of directors are responsible for maintaining knowledgeable leaders and appointing new resources in critical business positions when necessary to build and supplement departments with the critical experience, key skills and industry expertise needed.

Technological changes
The market the Company operates in is relatively mature but new payment technologies are being developed continually. The risk to the Company is that we do not understand and anticipate changes occurring and do not keep pace with technological advancements. As part of the Teya Group, we have a dedicated team to monitor this risk.

Regulatory changes
We continue to monitor regulations and anticipate where changes might occur, improving our systems as required to ensure readiness should any regulatory change occur.

Liquidity risk
The Company seeks to manage liquidity risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. This is primarily this is achieved through inter-company accounts and bank borrowings.

Key performance indicators

Financial key performance indicators
The directors manage the ongoing performance of the business by reviewing key financial performance indicators as follows:

- EBIT (Earnings before interest and taxes) is one of the key indicators of the Company's financial performance. It is calculated by taking the net loss for the year as per the Statement of Comprehensive income and adding back tax and interest expense. Total EBIT for the year was £14.1 million (2021: £16.4 million), 14% lower than in the previous year. EBIT margin, calculated as EBIT divided by total revenue, was 55% (2021: 70%).

- Gross margin is represented by turnover less the cost of services sold. The cost of services sold consists of all directly attributable expenses that were incurred during the rendering of services. Gross Margin for the year was 67% (2021: 73%).

- Total transactions amount shows the total value of transactions where a credit or debit card terminal is used. This drives the commission revenue received by the company. Total transactions for the year were £7.2 billion (2021: £7.1 billion).

Other key performance indicators
The directors also measure the importance of staff and customer retention.

Section 172 statement

Under Section 172 of Companies Act 2006, directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In performing their fiduciary duty, the directors of Retail Merchant Finance Limited have taken into consideration a number of key matters, which are as follows:

a. the likely consequences of any decision in the long term;
b. the interests of the company's employees;
c. the need to foster the company's business relationships with suppliers, customers and others;
d. the impact of the company's operations on the community and the environment;
e. the desirability of the company maintaining a reputation for high standards of business conduct; and
f. the need to act fairly as between members of the company.

The directors are collectively responsible for managing the affairs of Retail Merchant Finance Limited to achieve long-term prosperity by making important decisions, monitoring the underlying performance of the Company, as well as being a means of establishing ethical standards. The directors receive information in a range of different formats to assist them in discharging their responsibilities under Section 172 when making relevant decisions. This information may include, among other things, reports and presentations on financial and operational performance, business updates, budget planning and forecasts, HR and legal matters, as well as specific areas of engagement, such as employee opinion surveys and customer feedback surveys. When making decisions, the directors seek to understand the impact on each of its stakeholders, including the likely consequences of a decision in the long term, whilst acknowledging that a decision will not necessarily be favourable for all stakeholders, as there may be competing interests between them.

Understanding the interests of key stakeholders is a critical part of the Company's strategy and helps inform the directors' decision making. Details of stakeholders, their priorities, primary methods of engagement and why directors consider engagement important are detailed below.

Customers

Putting our customers first is a key principle underlining our mission as a company.
Engagement with our customers helps us align our focus and our priorities with their needs. The needs of the merchants we serve are at the core of our business and understanding how our actions can help SMEs (small and medium enterprises) and their businesses thrive must be central to all decision-making. Our long-term success depends on the strength of our relationships with our customers.

Our key priorities regarding our customers are

- a quality product with excellent service,
- delivery on our promises and responsibilities,
- proactiveness in addressing problems and concerns affecting their business,
- consistent and supportive customer support whatever the market conditions
- strong, personal relationships that promote a feeling of trust and of being valued and treated as a priority.

Sales and customer relations teams hold face-to-face discussions and phone conversations on a regular basis. The Company also offers a dedicated customer support line to address issues and questions in real time and closely monitors customer complaints and requests customer feedback through NPS (net promoter score) survey.
In response to customer feedback, the Company has focused on improving the merchant onboarding process and reduced the days to settle funds with merchants.

Employees

Our employees are essential to our success as a business as we recognise the importance of their contributions in service to our customers.
Engagement with employees helps to attract, build and retain a high calibre talent pool and ensure that our

employees remain enthusiastic about their work and their organisation. Regularly listening to employees' feedback ensures they feel valued with their views recognised and acted upon.

Our key priorities regarding our employees are:
- safety and wellbeing in the workplace and beyond,
- high quality employment opportunities,
- appropriate rewards and recognition for their contributions,
- commitment to training and development,
- transparency and openness,
- a fair, supportive, diverse and inclusive culture where employee feedback is valued.

Regular employee engagement surveys are undertaken, and results and action items shared with management. Company-wide town hall meetings are held regularly, with senior management team speaking to all employees and directly answering questions. Training programmes have been put in place to support the development of all employees. Direct managers are obliged to review compensation of their teams and are empowered, with the support of the HR team, to provide increases when applicable.

An employee stock option plan is in place to promote direct ownership in the Group.

Suppliers

Having strong and sustainable relationships with our suppliers is important to allow us to deliver on our mission to our customers. Engagement with suppliers helps them to better understand our key policies and procedures and align to our needs and priorities.

Our key priorities regarding our suppliers are:
- appropriate and clear payment practices,
- fair and equitable conduct of business,
- compliance with laws and regulations,

We engage with our suppliers through periodic review and consideration of material contracts and ongoing supplier relationship management handled by our procurement team.

Government and Regulators

Active engagement with governmental authorities and regulators allows us to input on matters relating to our industry. Engaging with the relevant regulators also helps to ensure we stay abreast of the evolving regulatory framework and put in place appropriate measures to comply with laws and regulations.
We consider it imperative that we maintain a culture focused on retaining and encouraging high standards of business conduct and regulatory compliance.

Our key priorities regarding our regulators are:
- compliance with laws and regulations,
- ethical operations and practices,
- provision of high-quality information and regulatory reporting,
- active consideration of risks and plans to address them.

We have a strong knowledge of the codes of practice and legislation to which our clients must adhere and aim to help our clients comply with these standards efficiently.

Community and Environment

We are committed to contributing long-term value and making a lasting, positive impact on the society in which we operate.

Our key priorities regarding our community and environment are:

- job creation and social mobility,
- socially responsible business practices.

The directors ensure that the Company, as a subsidiary of Teya Holdings Ltd. (previously Salt Pay Co Ltd), supports all the Investing and ESG initiatives.

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

DocuSigned by:
Chris Hartley
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Mr Christopher John Hartley
Director
Date: 31 January 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

Results and dividends

The profit for the year, after taxation, amounted to £14,487,286 *(2021 - £13,322,530)*.

The directors do not recommend the payment of a dividend (2021: £nil).

Directors

The directors who served during the year were:

Mr Kevin Patrick O'Keefe (resigned 26 December 2022)
Mr Jeremy Joylon Nicholls (resigned 31 March 2022)
Mr Thomas Mylrea Lowndes (appointed 13 July 2022)
Mr Felipe Pinto (appointed 13 July 2022, resigned 9 October 2023)
Mr Grigoris Kouteris (appointed 26 December 2022, resigned 4 October 2023)

Going concern

In 2022, turnover for the year was £25.8 million, a 10% increase on 2021 turnover. Full year gross profit of £17.2 million was 1% higher than prior year.

The key challenges to our operations include the closure of a proportion of our merchant customer base because of a worsening economic background and higher churn in our customer base due to merchants becoming insolvent as a result.

In order to mitigate, where possible, the adverse financial impacts from increased cost of living the Company took a number of actions. These have included a cost reduction exercise that included a review of headcount across the business, a review of suppliers used to identify efficiencies within Teya Group and restructuring, for example in departments such as operations and technology to improve customer experience.

During 2022, as the Company continued its integration to the Teya Group and grew both in terms of revenue and profitability, whilst also continuing to invest in technology capabilities and the commitment to making our customers lives easier.

The Company continues to be profitable (full year gross profit of £17.2 million) and has a cash position of £1.4 million. The Company has significant net assets, largely due to a significant value of intercompany receivables. The directors have reviewed the support provided to the relevant companies that are indebted to the Company, including a letter of support from the ultimate parent, Teya Holdings Ltd. (previously Salt Pay Co Ltd.). The directors have reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

On this basis, the Company has completed the 2022 statutory accounts on a going concern basis.

Disclosure of information to auditors

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

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

Auditors

Under section 487(2) of the Companies Act 2006, Deloitte LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

DocuSigned by:
Chris Hartley
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Mr Christopher John Hartley
Director
Date: 31 January 2024

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF RETAIL MERCHANT FINANCE LIMITED

Independent auditor's report to the members of Retail Merchant Finance Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Retail Merchant Finance Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 23.

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).

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 UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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.

Auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included GDPR.

We discussed among the audit engagement team including relevant IT internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area, and our specific procedures performed to address it are described below:

- Revenue recognition of commissions. This represents the primary revenue stream and our fraud risk has been pinpointed to Accuracy. We have obtained and understanding an understanding of key controls and tested the design and implementation of relevant controls in place to mitigate the risk of material misstatement. We have performed a 100% recalculations of commissions substantively tested transactions to third party data.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.
In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception
Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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

David Rozier

David Rozier (Senior statutory auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom
31 January 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	*As restated* *2021* *£*
Turnover	5	**25,789,138**	*23,362,423*
Cost of sales		**(8,635,158)**	*(6,377,971)*
Gross profit		**17,153,980**	*16,984,452*
Administrative expenses		**(3,052,645)**	*(593,144)*
Operating profit	6	**14,101,335**	*16,391,308*
Interest receivable and similar income	10	**4,031,881**	*294*
Profit before tax		**18,133,216**	*16,391,602*
Tax on profit	11	**(3,645,930)**	*(3,069,072)*
Profit for the financial year		**14,487,286**	*13,322,530*

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 15 to 27 form part of these financial statements.

RETAIL MERCHANT FINANCE LIMITED
REGISTERED NUMBER:06079692

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note		2022 £		*As restated* 2021 £
Current assets					
Debtors: amounts falling due within one year	12	**72,492,702**		*55,095,646*	
Cash at bank and in hand	13	**1,411,654**		*2,708,313*	
		73,904,356		*57,803,959*	
Creditors: amounts falling due within one year	14	**(3,625,295)**		*(2,641,473)*	
Net current assets			**70,279,061**		*55,162,486*
Total assets less current liabilities			**70,279,061**		*55,162,486*
Net assets			**70,279,061**		*55,162,486*
Capital and reserves					
Called up share capital	17		**100**		*100*
Profit and loss account	16		**70,278,961**		*55,162,386*
			70,279,061		*55,162,486*

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

DocuSigned by:
Chris Hartley
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Mr Christopher John Hartley
Director
Date: 31 January 2024

The notes on pages 15 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	**100**	**41,803,177**	**41,803,277**
Profit for the year (as previously stated)	-	**13,047,257**	**13,047,257**
Prior year adjustment (note 18)	-	**275,273**	**275,273**
Contributions by and distributions to owners			
Credit relating to equity settled share – based payments	-	**36,679**	**36,679**
Total transactions with owners	-	**36,679**	**36,679**
At 1 January 2022 (as restated)	**100**	**55,162,386**	**55,162,486**
Comprehensive income for the year			
Profit for the year	-	**14,487,286**	**14,487,286**
Contributions by and distributions to owners			
Credit relating to equity settled share – based payments	-	**629,289**	**629,289**
Total transactions with owners	-	**629,289**	**629,289**
At 31 December 2022	**100**	**70,278,961**	**70,279,061**

The notes on pages 15 to 27 form part of these financial statements.

1. General information

Retail Merchant Finance Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at Third Floor, 20 Old Bailey, London, EC4M7AN.

The principal activity of the company during the year was providing credit and debit card processing services to retailers.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The 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 Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Teya Holdings Ltd as at 31 December 2022 and these financial statements may be obtained from the Company via the Registered Office address disclosed in the Company Information.

2. Accounting policies (continued)

2.3 Going concern

The directors have considered the Company's net profit for the year of £14.5 million (2021: £13.3 million), made appropriate enquiries of other group companies and reviewed forecasts of future group trading levels and cash flows covering at least 12 months from the date of these accounts. The Company has significant net assets, largely due to a significant value of intercompany receivables. The directors have reviewed the support provided to the relevant companies that are indebted to the Company, including a letter of support from the ultimate parent, Teya Holdings Ltd. (previously Salt Pay Co Ltd.).

On this basis, the directors have formed a judgement at the time of approving the financial statements that there is a reasonable expectation that the Company has sufficient resources to continue in operation for the foreseeable future. For this reason, the directors consider the adoption of the going concern basis in preparing the financial statements is appropriate.

2.4 Revenue

A transaction fee is incurred each time a credit or debit card terminal is used by one of the Company's customers (primarily independent retailers). This is recorded by a third party, who receive the fees from the bank for each transaction and then pays a commission to the company.

The commission revenue from a contract to provide services is recognised in the period in which the services are provided and is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured.

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

2.5 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.

2.6 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.

2.7 Financial instruments

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a

2. Accounting policies (continued)

2.7 Financial instruments (continued)

financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

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

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2. Accounting policies (continued)

2.11 Taxation

Tax is recognised in profit or loss 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.

2.12 Share based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in note 20.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

3. Judgements in applying accounting policies

In the course of preparing the financial tatements, no judgements have been made in the process of applying the accounting policies.

4. Estimates

Preparation of the financial statements requires management to make estimates. Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstance.
The items in the financial statements where estimates have been made include:

Impairment of trade and other debtors
The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Impairment of intercompany debtors
The amounts owed by group undertakings are interest-bearing loans payable 5 years from 31 December 2021 or such earlier date, as the Lender may specify by giving 2 business days' written notice.

As per the letter of support provided by Teya Holdings Ltd. (previously Salt Pay Co Ltd) to the group undertakings which are indebted to the Company, should the Company recall the debt it is owed, Teya Holdings Ltd. (the ultimate parent company) will to provide the necessary financial support to the other group undertakings to repay the debt to the Company.

The directors made appropriate enquiries of other group companies and reviewed forecasts of future group trading levels and cash flows covering at least 12 months from the date of these accounts, taking into account the group banking facilities currently available and expected to be available to the group. On this basis, the directors have reasonable expectation that the parent company has adequate resources to ensure repayment of the amounts owed by group undertakings.

See note 12 for the net carrying amount of the debtors and associated provision as required.

5. Turnover

The whole of the turnover is attributable to the rendering of services.

Analysis of turnover by country of destination:

	2022	*2021*
	£	*£*
United Kingdom	**24,699,163**	*22,461,001*
Rest of Europe	**1,089,975**	*901,422*
	25,789,138	*23,362,423*

6. Operating profit

The operating profit is stated after charging:

	2022	*2021*
	£	*£*
Share based payment	**629,289**	*36,679*

7. Auditors' remuneration

During the year, the company obtained the following services from the Company's auditors:

	2022 £	*2021 £*
Fees payable to the Company's auditors for the audit of the company's financial statements	32,000	*26,000*

8. Employees

Staff costs were as follows:

	2022 £	*2021 £*
Wages and salaries	6,530,668	*4,240,077*
Social security costs	727,826	*545,935*
Cost of defined contribution scheme	135,850	*94,151*
	7,394,344	*4,880,163*

The average monthly number of employees, including the directors, during the year was as follows:

	2022 No.	*2021 No.*
Administration & Management	9	*4*
Sales	69	*48*
	78	*52*

9. Directors' remuneration

The Company is wholly owned by RMS Holdco Limited. RMS Holdco Limited is wholly owned by Teya Europe Ltd. (previously Salt Pay Europe Ltd), which is wholly owned by Teya Holdings Ltd. (previously Salt Pay Co Ltd). The directors of the Company are employees of and directors for other subsidiaries in the Teya Group and allocation of directors' remuneration corresponding to services rendered as officers of the Company only is not practicable.

10. Interest receivable

	2022 £	*2021 £*
Interest receivable from group companies	4,031,881	*294*

11. Taxation

	2022 £	*2021 £*
Corporation tax		
Current tax on profits for the year	**2,869**	*94,977*
Adjustments in respect of previous periods	**78,396**	*2,181*
Group taxation relief	**3,564,665**	*2,971,914*
Total corporation tax	**3,645,930**	*3,069,072*
Deferred tax		
Origination and reversal of timing differences	**2,869**	*2,869*
Adjustments in respect of prior periods	**(2,869)**	*(2,181)*
Effect of tax rate change on opening balance	**-**	*(688)*
Total deferred tax	**-**	*-*
Taxation on profit on ordinary activities	**3,645,930**	*3,069,072*

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is the same as the standard rate of corporation tax in the UK of 19% *(2022 - 19%).* The differences are explained below:

	2022 £	*2021* *£*
Profit on ordinary activities before tax	**18,133,216**	*16,391,602*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	**3,445,311**	*3,069,072*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**119,565**	-
Adjustments to tax charge in respect of prior periods	**81,265**	*2,181*
Effects of changes in tax rates	**67**	-
Movement in deferred tax not recognised	**2,591**	-
Adjustments to tax charge in respect of prior periods - deferred tax	**(2,869)**	*(2,181)*
Total tax charge for the year	**3,645,930**	*3,069,072*

Factors that may affect future tax charges
Finance Act 2020 enacted provision to increase the UK Corporation tax rate to 19% from 1 April 2021 and accordingly the deferred tax at 31 December 2022 was calculated at this rate.
An increase in the standard rate of UK corporation tax from 19% to 25% with effect from 1 April 2023 was enacted on 10 June 2021. This change in the corporate tax should not have a material future effect on the deferred tax balances recognised in these financial statements.

12. Debtors

	2022 £	*2021* *£*
Trade debtors	**106,308**	*310,367*
Amounts owed by group undertakings	**70,430,500**	*52,424,982*
Other debtors	**18,495**	*-*
Prepayments and accrued income	**1,937,399**	*2,360,297*
	72,492,702	*55,095,646*

There were no impairment losses recognised against trade debtors for either year.
Amounts owed by group undertakings are interest-bearing loans payable 5 years from 31 December 2021 or such earlier date, as the Lender may specify by giving 2 business days' written notice.
As per the letter of support provided by Teya Holdings Ltd to the other group undertakings, should intra-Group debt be recalled, Teya Holdings Ltd. (the ultimate parent company) committed to provide the necessary financial support to the other group undertakings to repay the debt.

13. Cash and cash equivalents

	2022 £	*2021* *£*
Cash at bank and in hand	**1,411,654**	*2,708,313*

14. Creditors: Amounts falling due within one year

	2022 £	*As restated* *2021* *£*
Trade creditors	**11,729**	*21,599*
Amounts owed to group undertakings	**3,251,883**	*2,194,563*
Corporation tax	**-**	*45,278*
Other taxation and social security	**180,688**	*256,490*
Accruals and deferred income	**180,995**	*123,543*
	3,625,295	*2,641,473*

Amounts owed to group undertakings are interest-bearing loans payable 5 years from 31 December 2021 or such earlier date, as the Lender may specify by giving 2 business days' written notice.

15. Financial instruments

	2022 £	*2021* *£*
Financial assets		
Financial assets that are debt instruments measured at amortised cost:		
Trade debtors	**106,307**	*310,367*
Amounts owed by group undertakings	**70,430,500**	*52,424,982*
Cash	**1,411,654**	*2,708,313*
Accrued income	**1,937,399**	*2,360,297*
	73,885,860	*57,803,959*
Financial liabilities		
Financial liabilities measured at amortised cost:		
Trade creditors	**(11,729)**	*(21,599)*
Amounts owed by group undertakings	**(3,251,883)**	*(2,191,543)*
	(3,263,612)	*(2,213,142)*

16. Reserves

Profit & loss account

Includes all current and prior period retained profit and losses.

17. Share capital

	2022 £	*2021* *£*
Authorised, allotted, called up and fully paid		
100 *(2021 - 100)* Ordinary shares of £1 each	**100**	*100*

18. Prior year adjustment

The financial statements for 2021 have been restated to correct the total accruals. The accruals were overstated by £275,273 in the prior year and will be restated to £123,543.

	As previously reported £	Adjustment £	As restated £
Accruals and deferred income	**398,816**	**(275,273)**	**123,543**
Cost of sales	**6,653,244**	**(275,273)**	**6,377,971**
	7,052,060	**(550,546)**	**6,501,514**

19. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £135,850 *(2021: £94,151)*. Contributions totaling £18,660 *(2021: £11,477)* were payable to the fund at the statement of financial position date.

20. Share based payments

As a qualifying entity, the Company has taken advantage of the disclosure exemptions of FRS 102.

Equity-settled share option plan
The ultimate parent company, Teya Holdings Ltd, has a share option plan for all employees within the Company. In accordance with the terms of the plan, as approved by the Teya Holdings Ltd.' Board of Directors at a previous meeting, all employees may be granted options to purchase ordinary shares.

Each employee share option converts into one ordinary share of the Teya Holdings Ltd. on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised from the date of vesting to the date of their expiry only in the event of a liquidity event.
The number of options granted is standarised for all employees, as approved by the Board of Directors of the Teya Holdings Ltd.

Options are exercisable at a price stated on the date of grant. The vesting period is five years. If the options remain unexercised after a period of ten years from the date of grant the options expire. Options are forfeited if the employee leaves the Company before the options vest.

The Company recognises and measures share-based payment expense under the Teya Holdings Ltd. share option plan on the basis of a reasonable allocation of the total expense recognised under the plan throughout the Teya Group. The allocation is performed based on employment status of the employee receiving the option. Expense associated with options granted to employees of the Company is recognised by the Company.

Detail of the equity-settled share option plan is included within the financial statements of Teya Holdings Ltd. as at 31 December 2022, which are available upon request from the Company via the Registered Office address disclosed in the Company Information.

Joint share ownership plan
The ultimate parent, Teya Holdings Ltd. has a joint share ownership plan for select employees within the Company. In accordance with the terms of the plan, as approved by the Teya Holdings Ltd.' Board of Directors at a previous meeting, employees may be granted joint interest in shares of Teya Holdings Ltd based on their performance. The employee's joint interest in the shares vests over a period over between four and seven years and is based on both performance- and time-related criteria.

The number of shares in which joint interest is granted is calculated in accordance with the performance-based formula approved by the Board of Directors of Teya Holdings Ltd and is subject to approval by the remuneration committee. The formula rewards employees to the extent of the Company's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:

- improvement in share price
- improvement in net profit
- improvement in return to shareholders
- results of client satisfaction surveys
- reduction in rate of staff turnover

The Company recognises and measures share-based payment expense under the Teya Holdings Ltd.' joint share ownership plan on the basis of a reasonable allocation of the total recognised under the plan throughout the Teya Group. The allocation is performed based on employment status of the employee receiving the option. Expense associated with options granted to employees is recognised by the Company.

21. Related party transactions

The Company has availed of the exemption provided in FRS 102 Section 33 Related Party Disclosures not to disclose transactions entered with fellow group companies that are wholly owned within the group of companies of which the Company is a wholly owned member.

22. Post balance sheet events

In December 2023 the Company has transferred the customers that use the Teya issuing service (credit and debit card processing services) to another group entity, Teya Solutions Ltd. Teya Solutions Ltd. is a company registered in the UK, regulated by the Financial Conduct Authority. The assets and liabilities associated with these customers were sold for a total value of £7,440,200.

23. Controlling party

The company is wholly owned by Retail Merchant Group Limited, which is wholly owned by RMS Holdco Limited. RMS Holdco Limited is wholly owned by Teya Europe Ltd.(previously Salt Pay Europe Ltd), which is wholly owned by Teya Holdings Ltd. (previously Salt Pay Co Ltd).

The Company's ultimate parent company is Teya Holdings Ltd. (previously Salt Pay Co Ltd). Teya Holdings Ltd is incorporated in Cayman Islands, with a registered address at Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands. Teya Holdings Ltd prepares the consolidated financial statements in which the financial statements of the Company are consolidated. Copies of the consolidated financial statements are publicly available from its registered address Intertrust Corporate Services (Cayman) Limited, One Nexus Way, Camana Bay, Grand Cayman KY1-9005, Cayman Islands.

Teya Holdings Ltd. is the parent of the smallest and largest group of undertakings to consolidate these financial statements at 31 December 2022.