

REGISTERED NUMBER: 06721866 (England and Wales)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
MAYZUS FINANCIAL SERVICES LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016

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MAYZUS FINANCIAL SERVICES LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS:

Mr N Rozhok
Mr C Russell

REGISTERED OFFICE:

869 High Road
London
N12 8QA

REGISTERED NUMBER:

06721866 (England and Wales)

INDEPENDENT AUDITORS:

AGK Partners
Chartered Accountants & Statutory Auditors
1 Kings Avenue
London
N21 3NA

SOLICITORS:

Howard Kennedy LLP
No.1 London Bridge
London
SE1 9BG

MAYZUS FINANCIAL SERVICES LIMITED (REGISTERED NUMBER: 06721866)

BALANCE SHEET
31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
FIXED ASSETS					
Intangible assets	4		380,125		303,985
Tangible assets	5		40,602		27,686
Investments	6		<u>192,250</u>		<u>192,250</u>
			612,977		523,921
CURRENT ASSETS					
Debtors	7	41,893		106,507	
Cash at bank and in hand		<u>265,523</u>		<u>60,978</u>	
		307,416		167,485	
CREDITORS					
Amounts falling due within one year	8	<u>327,488</u>		<u>75,362</u>	
NET CURRENT (LIABILITIES)/ASSETS			(20,072)		92,123
TOTAL ASSETS LESS CURRENT LIABILITIES			592,905		616,044
CREDITORS					
Amounts falling due after more than one year	9		-		<u>327,771</u>
NET ASSETS			<u>592,905</u>		<u>288,273</u>
CAPITAL AND RESERVES					
Called up share capital			280,000		280,000
Retained earnings			<u>312,905</u>		<u>8,273</u>
SHAREHOLDERS' FUNDS			<u>592,905</u>		<u>288,273</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 27 September 2017 and were signed on its behalf by:

Mr C Russell - Director

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. STATUTORY INFORMATION

Mayzus Financial Services Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in Sterling, which is also the presentation and functional currency of the company.
due.

Following the year end, a customer of the Company involved with Bitcoin had its assets frozen. Because of adverse publicity the Company lost a part of its client base. Also a number of minor regulatory issues came to light which are being resolved. As a result of these issues the Company immediately introduced new procedures to ensure such issues could not arise in the future including new arrangements with agents for the cash transfer business.

The directors are confident that the company will continue to have adequate resources to meet its liabilities as they fall due and consequently that the financial statements have been prepared on the going concern basis.

Preparation of consolidated financial statements

The financial statements contain information about Mayzus Financial Services Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken the option under Section 398 of the Companies Act 2006 not to prepare consolidated financial statements.

Significant judgements and estimates

In the application of the accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The cost of internally generated assets is capitalised as an intangible asset where it is determined by management's judgement that the ability to develop the assets is technically feasible, will be completed, and that the asset will generate economic benefit that outweighs its cost.

Turnover

Turnover represents the gross value of currency transactions undertaken by the company on behalf of its clients.

Revenue is recognised on receipt of client authorisations to undertake currency transactions for immediate or forward delivery.

Gross profit represents commissions and fees earned on the above transactions

Intangible assets

Intangible fixed assets (Software) are amortised at rates calculated to write off the assets on a straight basis over their estimated useful economic lives, not to exceed five years.

Impairment of intangible assets is only reviewed where circumstances indicate that the carrying value of an asset may not be fully recoverable.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Fixtures and fittings 10 years

Computer equipment 3 years

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments in subsidiaries

The subsidiaries companies are stated at cost less any impairment provisions.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Transition to frs 102

This is the first year in which the Financial Statements have been prepared under FRS 102 (Section 1A). The company's date of transition is 1 January 2015 from UK GAAP to FRS 102 (Section 1A). No adjustments have been made at either the transition date or for the year ended 31 December 2015.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand, short term deposits with an original maturity date of one month. Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value.

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 36 .

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 January 2016	447,309
Additions	183,585
At 31 December 2016	<u>630,894</u>
AMORTISATION	
At 1 January 2016	143,324
Charge for year	107,445
At 31 December 2016	<u>250,769</u>
NET BOOK VALUE	
At 31 December 2016	<u>380,125</u>
At 31 December 2015	<u>303,985</u>

5. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2016	-	46,325	46,325
Additions	2,670	31,939	34,609
At 31 December 2016	<u>2,670</u>	<u>78,264</u>	<u>80,934</u>
DEPRECIATION			
At 1 January 2016	-	18,639	18,639
Charge for year	77	21,616	21,693
At 31 December 2016	<u>77</u>	<u>40,255</u>	<u>40,332</u>
NET BOOK VALUE			
At 31 December 2016	<u>2,593</u>	<u>38,009</u>	<u>40,602</u>
At 31 December 2015	<u>-</u>	<u>27,686</u>	<u>27,686</u>

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2016 and 31 December 2016	<u>192,250</u>
NET BOOK VALUE	
At 31 December 2016	<u>192,250</u>
At 31 December 2015	<u>192,250</u>

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Other debtors	<u>41,893</u>	<u>106,507</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	170,154	57,405
Taxation and social security	100,150	2,957
Other creditors	57,184	15,000
	<u>327,488</u>	<u>75,362</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Other creditors	<u>-</u>	<u>327,771</u>

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Emphasis of matter

We draw attention to note 2 of the financial statements, which describes the uncertainty over going concern. Our opinion is not modified in this respect.

Michael David Marcus (Senior Statutory Auditor)
for and on behalf of AGK Partners

11. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2016 and 31 December 2015:

	2016	2015
	£	£
Mr N Rozhok		
Balance outstanding at start of year	8,822	168,075
Amounts advanced	-	(159,253)
Amounts repaid	(5,830)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>2,992</u>	<u>8,822</u>

12. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

During the year the company repaid a loan amounting to £327,771 (total facility amount of \$880,000) to a connected company in which the majority shareholder has an interest. The loan carried out an interest of 4.5% and was used to finance the activities of the Company.

The directors and the majority shareholder have their own client accounts in the company. These accounts are operated on normal commercial terms.

In addition, the Company has client accounts of connect companies of the majority shareholder. These accounts are operated on normal commercial terms

13. POST BALANCE SHEET EVENTS

The company OKPAY entered into a definitive agreement to be acquired by Mayzus Financial Services Ltd on 30 June 2017. OKPAY is a connected company by way of common ownership.

14. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr Sergey Mayzus together with his wife.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

15. **CLIENT MONEY HELD**

The Company held client money amounting to £12,134,004 (2015 - £20,266,570) which equals the cash and other accounting balances held on behalf of these clients is the same figure. These amounts are segregated and since they are not beneficially owned by the Company they have not been recognised in these financial statements.

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