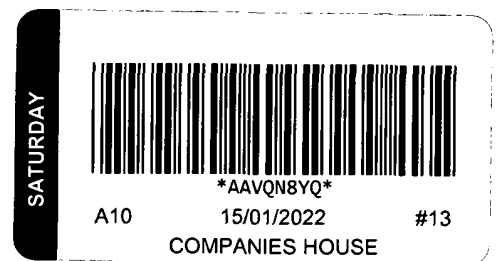


Company number: 09570221

Strategic Report, Report of the Directors and
Financial Statements
For the year ended 30 April 2021
for
Settlego Solutions Limited

The Bower
207 - 211 Old Street
London EC1V 9NR



Settlego Solutions Limited

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Settlego Solutions Limited

Company information

Directors

I V Dimitrova
D J Bull

Company Secretary

O F A Taylor

Registered office

The Bower
207 – 211 Old Street
London EC1V 9NR

Registered number:

09570221

Auditors:

Deloitte LLP
Statutory Auditor
Hill House
1 Little New Street
London EC4A 3TR

SettleGo Solutions Limited

Strategic report

The Directors present their strategic report for SettleGo Solutions Limited (the “Company”) for the year ended 30 April 2021.

The Company is part of the OpenPayd Holdings Limited group of companies (the “Group”). The Group was formed in September 2018.

Principal activities

The Company has an Electronic Money Institution licence issued by the Financial Conduct Authority (“FCA”), registration number 900483, to undertake payment services and issue electronic money.

The Company provides its clients access to banking and international payment solutions through a “Banking as a service” technology platform which is connected to a large partner ecosystem.

Business review and financial position

The Company generated a profit of €3,762,000 (2020: €9,187,000) during the year. Net assets at 30 April 2021 were €5,978,000 (2020: €10,716,000) with balances held for clients of €24,004,000 (2020: €77,559,000). Net assets have reduced following the payment of an interim dividend during the year of €8,500,000 to the Company’s parent.

SettleGo Solutions Limited (trading as OpenPayd) provides “Banking as a Service” functionalities through a technology platform via a simple web front end or single application programming interface (API).

The fall in client balances held, revenue and profits reflects the loss of European Union (“EU”) based clients post Brexit who are now serviced by OpenPayd Financial Services Malta Limited, a fellow group subsidiary which is regulated in the EU, following the loss of the UK’s “passporting” rights at the end of the Brexit migration period at 31 December 2020.

Overall client volumes were €6.5bn in the year compared to €6.2bn in the previous year, a 5% increase, despite the loss of EU clients post Brexit. The total revenue generated in the year was €13,414,000 (2020: €22,821,000). The fall in revenue and profits reflects a different volume mix between clients and the impact of Brexit.

The Company provides the following services to clients:

- Accounts
 - IBANs (International Bank Account Number) and electronic money accounts in a variety of currencies
 - Ability to generate thousands of linked sub-accounts to segregate customer funds and ease client reconciliation
 - IBANs are named for inbound and outbound payments and give direct access to SEPA (Single Euro Payments Area), SWIFT, Faster Payments, etc
- Card processing
 - Card processing capability enables acceptance of multiple debit and credit card payments, domestic payment methods and popular digital currencies
 - PCI (Payment Card Industry) certified ultra-scalable gateway to collect payments through a global acquiring and settlement infrastructure

Settlego Solutions Limited

Strategic report (continued)

- Foreign exchange services
 - Foreign exchange (FX) liquidity management in real time with access to 100+ currencies
 - Connectivity to major crypto exchanges for fiat-to-crypto conversion
 - Lower-cost wholesale FX rates and low latency
- Managed services
 - Expert compliance and risk management services including integrated KYC (Know-Your-Client), KYB (Know-Your-Business) and ongoing transaction monitoring
 - Unlimited regulated accounts to enable compliant client money holding and reconciliation of payments

The Company has direct access to SEPA (Single Euro Payments Area) payment scheme.

A detailed review of the Group's activities is included in OpenPayd Holdings Limited's consolidated financial statements for the year ending 30 April 2021.

Future developments

The transfer of EU clients to a fellow group subsidiary in Malta following the end of the Brexit transition period means future revenue will be reduced and the external environment is expected to remain competitive in 2021 and 2022, however, the Directors believe that the Company is well positioned to grow its client base and revenues. The Group will continue to invest in its technology infrastructure and operating capabilities as it continues to expand which in turn will support the Company's financial position.

Key performance indicators (KPIs)

The Company's principal business KPIs for the period are as below:

- Revenue of €13,414,000 (2020: €22,821,000)
- Administrative expenses of €7,547,000 (2020: €10,110,000)
- Operating profit of €4,575,000 (2019: €11,385,000)

The Company has selected these financial KPIs to measure and assess its performance with revenue growth being closely monitored to ensure the increased use of the Company's payment services and platform by both new and existing customers. The Company closely monitors controllable expenses and uses total administrative expenses items to measure these.

Settlego Solutions Limited

Strategic report (continued)

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors have carried out an assessment of the principal risks facing the Company which are outlined below.

Legal & Regulatory risk

The Company operates in a strictly regulated industry and is therefore subject to compliance risk with respect to a number of laws and regulations. The breaching of any applicable laws or regulations could result in an inability to operate.

The Legal, Compliance and Risk functions support the Directors with monitoring developments which includes the use of compliance and fraud monitoring tools to assist with the anti-money laundering and other screening activities undertaken by the functions. Appropriate measures are taken should any particular risk change significantly.

Financial crime risk

The Company deals in and holds client funds and is subject to a heightened risk of criminal activity and potential losses due to breaches of its terms of businesses by its customers. This risk is mitigated through the Company's own robust "know-your-customer" procedures, on-going transaction monitoring systems and anti-money laundering procedures, including regular training for all employees.

Operational risk

Technology systems are central to the Company's business operations and are highly sensitive to any incidents or outages for a period of time which could have an impact on the Company's operations. Loss of commercial or personal data could damage the business or the Company's reputation and result in financial penalties.

The Company has mechanisms in place to protect it from data and security breaches which include regular vulnerability and penetration testing. The systems are PCI-DSS (Payment Card Industry Data Security Standard) compliance, where required.

Additionally there is a risk that the Company's platform technology falls behind that available in the wider market which could risk a loss of clients and revenue. The Group continues to invest in its technology infrastructure and product offering to mitigate this risk.

The Company relies on third-party banks with which it has agreements that provide access to the various payment networks. If these agreements were terminated there would be a detrimental impact on the Company's ability to service clients and earn revenue.

The Company has business continuity plans which are reviewed and tested regularly. These plans have been operational since the outbreak of Covid-19 in March 2020 with minimal disruption to the Company's operations. The Company already had proven remote working facilities in place and moved to full remote working in advance of UK government imposed lockdowns, and continued trading in line with previous months after the lockdown began in March 2020.

Settlego Solutions Limited

Strategic report (continued)

The Company has a number of large clients and a loss of one or more of these clients would cause a disproportionate fall in revenue. The Group's investment in technology infrastructure aims to attract an increasing and more diverse set of clients to mitigate this risk.

Market risk

The Company deals with payments in a variety of foreign currencies with the vast majority of revenues being in Euro, but a significant element of the cost base is in Pound Sterling. The Company therefore has exposure to movements in foreign exchange rates. To reduce this risk individual currency flows are matched where possible with conversions made on a timely basis when required.

Credit risk

The Company is exposed to credit risk through the banks and other institutions in which it holds its own and segregated funds. The Company manages exposure to credit risk by holding funds in a number of institutions that management considers to be financially sound.

Liquidity risk

This is the risk the Company could not meet its financial obligations as they fall due. The Company's major exposure is to its customers in the form of the balances they hold and these are all supported by monies held in segregated funds, as is required by FCA regulations under the Company's e-money licence, so could be funded in full even if a substantial proportion of customer balances were withdrawn at once. The Company also monitors its own funds closely to ensure sufficient liquidity for on-going requirements including daily reconciliation of client and segregated funds.

Capital adequacy and safeguarding

As an FCA regulated entity the Company is required to ensure its capital exceeds a minimum threshold at all times. For the Company this means its capital (comprising share capital, share premium, and retained earnings) and own funds have to exceed 2% of client balances (based on a rolling average over the preceding six months). The Directors monitor this closely to ensure sufficient headroom, which has been the case throughout the year.

The Company is required to safeguard client monies in segregated accounts in line with FCA regulations. These positions are reconciled at least daily.

Brexit

The Company did have customers in a number of countries within the European Union (EU), but is regulated in the UK by the FCA. The departure of the United Kingdom from the EU resulted in its rights to "passport" its regulated service ceasing and a number of clients transferred to a fellow subsidiary, OpenPayd Financial Services Malta Limited, which was granted a licence to undertake payment services and issue electronic money within the EU in May 2019, by the Malta Financial Services Authority.

Settlego Solutions Limited

Strategic report (continued)

SECTION 172 STATEMENT

Each director of the Company continues to be mindful of their statutory duty to promote the success of the Company and Group for the benefit of the shareholder and in doing so having regard (amongst other matters) to those factors set out in section 172 (1)(a) -(f) of the Companies Act 2006:

- (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
- (f) The need to act fairly between members of the Company

Collectively, the Board recognises how having regard to these and other relevant factors and stakeholder groups in their decision-making, contributes to the success of the Company. Depending on the matter in question, the relevance of different stakeholder interests and other factors will inevitably vary, and the Board may have to make difficult decisions based on competing priorities which means that it may not always be possible to provide a favourable outcome for all stakeholders.

The Company's key stakeholders are our employees, customers, regulators, business partners and shareholder. The Group has in place the following framework to ensure Directors have regard to our key stakeholders and those other matters referenced in section 172(1) in their decision-making

Employees

The Company is an equal opportunities employer and our employees and applicants are treated fairly regardless of their age, colour, creed, disability, full or part-time status, gender, marital status, nationality or ethnic origin, race, religion or sexual orientation. Applications from disabled people are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues and the appropriate training is arranged.

The Company's policy is that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company encourages the development of employees through training and funds are allocated to enable all staff to benefit from external training each year.

The Company encourages employees to undertake charity work by offering to match employees' charity fund raising efforts.

The Company places considerable value on the active involvement of its employees on matters affecting them. This is achieved through visible and regular communications, both formal and informal, from their own management and the Directors, including company-wide briefing sessions. The Company does not have a specific human rights policy. However, human rights are not deemed a material risk for the business due to the developed culture of ethical business practice and strong labour regulation present in the locations where the Company is based.

Settlego Solutions Limited

Strategic report (continued)

Customers

The Company has regular and frequent interactions with customers and potential customers throughout the journey from initial approach or query through on boarding and day-to-day operations. These interactions take place at all levels within the Company. The Company's platforms are developed to ensure customers can be offered industry-leading solutions.

During the year EU based customers were also kept fully informed of the consequences of the Brexit migration period ending and the loss of the Company's "passporting" rights and the option to transfer to OpenPayd Financial Services Malta Ltd, a fellow subsidiary regulated by the Malta Financial Services Authority.

Regulators

The Company's businesses contain both regulated and unregulated activities, and without its regulatory licences it would not be able to provide regulated activities for its customers which would restrict the shareholder returns it could provide.

The Board will always work with its regulators to ensure the Company meets all of its regulatory standards both as they stand and as they evolve, and during the year this involved providing additional information in relation to the Company's resilience to Covid-19 and also its Brexit related plans. Where necessary it seeks expert help in implementing robust and compliant procedures.

Business partners

The Company's business partners includes both service providers and other suppliers. Their ability to deliver reliable and consistent services underpins the Company's ability to provide reliable services to customers and ultimately deliver strong financial returns. The Board and senior management regularly meet and liaise with key strategic partners, as well as potential partners to enable expansion of the Company's customer offering.

Ultimate controlling party

The Company is 100% owned by OpenPayd Holdings Limited which in turn has a single shareholder whom the Board is in regular dialogue with and receives all key reports including those relating to financial performance and projections of the Company.

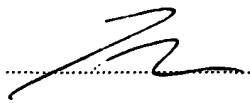
Settlego Solutions Limited

Strategic report (continued)

CORPORATE & SOCIAL RESPONSIBILITY

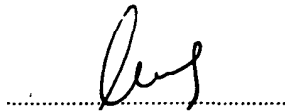
The Company understands its activities have an impact on the wider world and is mindful of its responsibilities to all of its stakeholders including customers, employees, business partners, as well as the wider community in which it operates. The Company also remains mindful of its impact on the environment and seeks to minimise this where possible.

Approved and authorised by the Board for issue, and signed on its behalf by

A handwritten signature in black ink, appearing to be 'D J Bull', written over a horizontal dotted line.

D J Bull – Director

20 August 2021

A handwritten signature in black ink, appearing to be 'I V Dimitrova', written over a horizontal dotted line.

I V Dimitrova - Director

20 August 2021

Settlego Solutions Limited

Directors' report

The Directors present their report with the financial statements of the Company for the year ended 30 April 2021.

Results and dividend

The results of the Group for the year are set out on pages 18 to 33 and show a profit after taxation of €3,762,000 (2020: €9,187,000). The Directors have paid an interim dividend of €8,500,000 (2020: €nil) and do not recommend the payment of a final dividend (2020: €nil).

Share capital

Details of share capital, together with details of shares allotted during the prior year are included in Note 13 on page 31.

Directors

The following directors have held office during the year and up to the date of this report:

D J Bull
I V Dimitrova

Directors' indemnities

The Group has made qualifying third-party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. These indemnity provisions were also in place for the parent and fellow subsidiaries in the Group, including the Company. The Group also purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors and on behalf of fellow subsidiaries in the Group, including the Company.

Sections included in the Strategic Report

- Principal risks and uncertainties
- Future developments

Statement of compliance with Section 172 Companies Act 2006

For periods after 1 January 2019, boards are required to include a further statement within their strategic report, describing how directors have engaged with suppliers, customers, and others in a business relationship with the company for all companies qualifying as large under the Companies Act 2006.

Settlego Solutions Limited

Directors' report (continued)

A detailed description of how directors have engaged with its stakeholders is included into the Strategic Report on page 8.

Throughout the year, the board will continue to review and challenge how the Company can improve engagement with its stakeholders.

Going concern statement

The financial statements are prepared on a going concern basis as the Directors are satisfied that the Company have the resources to continue in business for the foreseeable future (which has been taken as 12 months from the date of approval of these financial statements). In making this assessment the Directors have considered a wide range of information relating to present and future conditions, including the current state of the balance sheet, future projections of profitability, cash flows and the long-term strategy of the business. After making due enquiries and considering trading and operational resilience through the impact of the Covid-19 pandemic, the Directors believe that the Group has sufficient resources to continue its activities for the foreseeable future.

Disclosure of information to auditors

Each of the Directors as at the date of approval of this report confirms that:

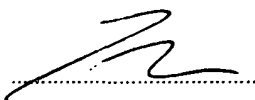
- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditors

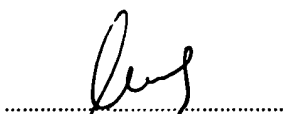
Deloitte LLP will be proposed for re-appointment at the forthcoming Annual General Meeting.

Approved and authorised by the Board for issue, and signed on its behalf:



D J Bull – Director

20 August 2021



I V Dimitrova - Director

20 August 2021

Settlego Solutions Limited

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. 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 company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Independent auditor's report to the member of
Settlego Solutions Limited**

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Settlego Solutions Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 30 April 2021 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 income statement;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 16.

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.

**Independent auditor's report to the member of
Settlego Solutions Limited (continued)**

Other information

The other information comprises the information included in the Strategic Report, Report of the Directors and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Strategic Report, Report of the Directors and Financial Statements. 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.

**Independent auditor's report to the member of
Settlego Solutions Limited (continued)**

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 about their own identification and assessment of the risks of irregularities.

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 the UK Companies Act, the Financial Conduct Authority regulations, 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.

We discussed among the audit engagement team including relevant internal specialists such as tax and IT, 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 revenue recognition, in relation to the accuracy of fee income for certain merchants, and our specific procedures performed, on a sample basis, to address it are described below:

- We traced fee rates applied in management's calculations to signed fee agreements;
- We traced transaction volumes to underlying bank statements; and
- Using the fee rates and transaction volumes, recalculated the fee income and traced it to the fee statement.

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 and reviewing correspondence with the Financial Conduct Authority.

**Independent auditor's report to the member of
Settlego Solutions Limited (continued)**

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

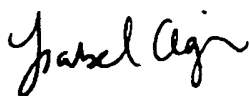
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- 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.



Isabel Agius (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
20 August 2021

Settlego Solutions Limited

Income statement

For the year ended 30 April 2021

	Note	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Revenue	4	13,414	22,821
Cost of sales		<u>(1,292)</u>	<u>(1,326)</u>
Gross profit		12,122	21,495
Administrative expenses		<u>(7,547)</u>	<u>(10,110)</u>
Operating profit	5	4,575	11,385
Net finance income/(charge)	7	<u>347</u>	<u>(347)</u>
Profit before taxation		4,922	11,038
Tax on profit	8	<u>(1,160)</u>	<u>(1,851)</u>
Profit for the year		<u>3,762</u>	<u>9,187</u>

All activities are derived from continuing operations.

There are no other items of comprehensive income or expense.

The notes on pages 21 to 33 form an integral part of these financial statements.

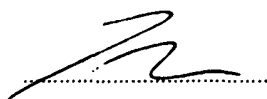
Settlego Solutions Limited
Company number: 09570221

Balance sheet
As at 30 April 2021

	Note	30 April 2021 €'000	30 April 2020 €'000
Non-current assets			
Property, plant and equipment	9	-	-
Debtors	10	-	2,653
Deferred tax asset	8	-	-
		<u>-</u>	<u>2,653</u>
Current assets			
Debtors	10	246	465
Corporate tax asset		250	1,802
Segregated funds	11	24,004	77,559
Operating funds	11	6,368	8,973
		<u>30,868</u>	<u>88,799</u>
Current liabilities			
Client balances		(24,004)	(77,559)
Trade and other payables	12	(791)	(3,177)
Overdrafts		(95)	-
		<u>(24,890)</u>	<u>(80,736)</u>
Net current assets		5,978	8,063
Total assets less current liabilities		<u>5,978</u>	<u>10,716</u>
Capital and reserves			
Called-up share capital	13	-	-
Share premium account	14	2,133	2,133
Retained earnings	14	3,845	8,583
Shareholders' funds		<u>5,978</u>	<u>10,716</u>

The notes on pages 21 to 33 form an integral part of these financial statements.

The financial statements of Settlego Solutions Limited were approved by the Board of Directors and authorised for issue on 20 August 2021. They were signed on its behalf by:



D J Bull – Director

Settlego Solutions Limited**Statement of changes in equity**
For the year ended 30 April 2021

	Called-up share capital €'000	Share premium account €'000	Retained earnings €'000	Total €'000
As at 1 May 2019	-	2,133	(604)	1,529
Issue of share capital	-	-	-	-
Profit for the year	-	-	9,187	9,187
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	9,187	9,187
As at 30 April 2020	-	2,133	8,583	10,716
Profit for the year	-	-	3,762	3,762
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	3,762	3,762
Dividends paid	-	-	(8,500)	(8,500)
As at 30 April 2021	-	2,133	3,845	5,978

The notes on pages 21 to 33 form an integral part of these financial statements.

Settlego Solutions Limited

Notes to the financial statements

For the year ended 30 April 2021

1. Statutory information

Settlego Solutions 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 in the Company Information section on page 3.

The principal activities of the Company and the nature of the Company's operations are set out in the Strategic report on page 4.

2. Accounting policies

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value.

The Directors have elected to take advantage of the reduced disclosure framework under FRS 102 and have not prepared a statement of cash flows or related notes. The equivalent statements, notes and disclosure are included in the consolidated financial statements of the Company's immediate parent, OpenPayd Holdings Limited for the year ended 30 April 2021 which are also prepared in accordance with FRS 102. These financial statements have been filed with Companies House or can be obtained in writing from the Company Secretary at the Company's registered office (see page 3).

Going concern

The financial statements have been prepared using the going concern basis of accounting. Full details of the Directors' going concern assessment are included in the Directors' report.

Functional and presentational currency

The functional currency of the Company is considered to be euros because that is the currency of the primary economic environment in which the Company operates and is the currency in which the vast majority of its revenues are earned. The financial statements are also presented in euros, rounded to the nearest thousand euros.

Settlego Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 April 2021

Property, plant & equipment

Property, plant & equipment are stated at cost, net of depreciation and any provision for impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer and office equipment – over 3 years on a straight-line basis.

Depreciation is included within administrative expenses.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction), including debtors and creditors, and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Settlego Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 April 2021

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a cash generating unit (CGU), the reversal is applied first to the assets of the CGU on a pro-rata basis.

Cash and cash equivalents

Cash and cash equivalents comprise both segregated funds and own operating funds. It includes cash on hand and demand deposits that are readily convertible to a known amount of cash. All cash and cash equivalents are classified at amortised cost and are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

Segregated funds

Segregated funds are included within total cash, but represent funds held on behalf of clients. These funds are segregated from operating funds and are therefore separately disclosed within these financial statements. As a regulated entity the Company is obliged to hold qualifying liquid assets in segregated accounts at least equal to the amount of electronic money (e-money) that has been issued.

Operating funds

Operating funds are included within total cash and represent own funds held.

Client balances

The Company recognises a liability upon the issuance of e-money to its clients equal to the amount of e-money that has been issued. As an FCA regulated entity the Company is required to keep sufficient segregated funds to safeguard these amounts.

Settlego Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 April 2021

Revenue

Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates value added tax and other sales taxes and is recognised when the significant risks and rewards are considered to have been transferred to the buyer.

Revenue within the Company derives from payment, foreign exchange and other services on the main payments platform provided to customers.

Revenue is recognised as the services are performed and represents the value of services provided under contracts to the extent there is a right to consideration and is recorded at the fair value of the consideration received or receivable.

Cost of sales

Cost of sales primarily relate to fees and charges incurred by the Group in the processing and settlement of transactions.

Administrative expenses

Administrative expenses comprise all other costs of running the business (excluding cost of sales) and include employee and contractor costs, depreciation and amortisation, audit and other professional advisory costs, office expenses and technology related costs.

Net finance income and expense

Net finance income or expense is recognised on a time-proportion basis using the effective interest method.

Employee benefits

For defined contribution pension schemes the amount charged to the income statement in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

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 the financial statements. Deferred tax is

Settlego Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 April 2021

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.

Share capital and share premium account

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs, with the nominal value included in share capital, and any excess proceeds recognised in the share premium account.

Foreign currencies

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the Directors are required to make judgements (other than those *involving estimations*) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts 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 considered to be 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The Directors don't consider there to be any critical accounting judgments or key sources of estimation uncertainty in the preparation of the Company's financial statements.

Settlego Solutions Limited**Notes to the financial statements (continued)****For the year ended 30 April 2021****4. Revenue**

The following table shows revenue by location of customer:

	Year ended 30 April 2021			
	UK €'000	Europe €'000	Rest of World €'000	Total €'000
Banking and payments as a service	6,701	6,606	107	13,414

	Year ended 30 April 2020			
	UK €'000	Europe €'000	Rest of World €'000	Total €'000
Banking and payments as a service	10,873	11,876	72	22,821

All revenue was generated from the rendering of services. The majority of the Company's revenue is denominated in euro, irrespective of the location of the customer.

Included within revenue is amounts generated from related parties and this is disclosed in note 15.

5. Operating profit

Operating profit is stated after charging:

	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Depreciation or property, plant & equipment	-	10
UK bank licence application related costs	118	931
Bad debt expense	51	-
Foreign exchange losses	176	146

Fees payable to the Company's auditor for the audit of the Company's financial statements amounts to €72,000 (2020: €71,000).

Settlego Solutions Limited

Notes to the financial statements (continued)
For the year ended 30 April 2021

6. Staff costs

	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Wages & salaries	293	930
Social security & taxes	30	126
Pensions – defined contribution schemes	14	38
	<u>337</u>	<u>1,094</u>
Monthly average number of employees:	Year ended 30 April 2021	Year ended 30 April 2020
Total	<u>5</u>	<u>10</u>

The key management of the Company comprises the Directors.

Directors' remuneration	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Emoluments	-	78
Company contributions to money purchase pension schemes	-	4
	<u>-</u>	<u>82</u>
Remuneration of the highest paid director:		
Emoluments	-	40
Company contributions to money purchase pension schemes	-	2
	<u>-</u>	<u>42</u>

The two current serving directors have not received remuneration for services to this Company in the current or prior year.

Two directors included above in the prior year were both members of a money purchase pension scheme.

Settlego Solutions Limited**Notes to the financial statements (continued)**
For the year ended 30 April 2021**7. Net finance income/(charge)**

	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Day one loss on off-market loan	-	(482)
Unwind of discount on off-market loan	347	135
	<u>347</u>	<u>(347)</u>

The off-market loan of €3,000,000 was made in September 2019, with an original maturity date of September 2021, and was fully repaid early during the year ended 30 April 2021. The loan was included within other debtors (note 10). The loan was discounted at an effective interest rate of 9.15% per annum.

8. Taxation

The tax charge comprises	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Current tax		
UK tax – current year	957	1,685
UK tax – prior years	203	-
	<u>1,160</u>	<u>1,685</u>
Deferred tax		
Origination and reversal of timing differences – current year	-	411
Origination and reversal of timing differences – prior years	-	(245)
Total deferred tax	<u>-</u>	<u>166</u>
Total tax on profit	<u>1,160</u>	<u>1,851</u>

Settlego Solutions Limited**Notes to the financial statements (continued)****For the year ended 30 April 2021**

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

The tax charge comprises	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Profit before tax	<u>4,922</u>	<u>11,038</u>
Tax on loss at standard UK corporation tax rate of 19% (2020: 19%)	935	2,096
Effects of:		
Prior year adjustments	<u>225</u>	<u>(245)</u>
Tax for the year	<u>1,160</u>	<u>1,851</u>

In the March 2021 the UK Government announced that legislation will be introduced in the Finance Bill 2021 to increase the main rate of UK corporation tax from 19% to 25%, effective 1 April 2023. As the Company has no deferred tax balances as at 30 April 2021 this has no impact.

The movement in the deferred tax asset comprises

	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
At beginning of year	-	166
Charge arising in year	<u>-</u>	<u>(166)</u>
At end of year	<u>-</u>	<u>-</u>

Settlego Solutions Limited

Notes to the financial statements (continued)

For the year ended 30 April 2021

9. Property, plant & equipment

	Computer equipment €'000
Cost	
At 1 May 2019	14
Disposals	(14)
At 30 April 2020	-
Accumulated amortisation	
At 1 May 2019	4
Charge for year	10
Disposals	(14)
At 30 April 2020	-
Net book value at 30 April 2020 and 30 April 2021	-

10. Debtors

Amounts due after more than one year included in non-current assets:	30 April 2021 €'000	30 April 2020 €'000
Other debtors	-	2,653

The prior year balance comprises an off-market loan (details in note 7).

Amounts due within one year included in current assets:	30 April 2021 €'000	30 April 2020 €'000
Trade receivables	71	321
Amounts owed by other group companies	112	12
Prepayments	14	-
Social security and other taxes	2	32
Other debtors	47	100
	246	465

Other debtors include amounts due from related parties (see note 15).

Settlego Solutions Limited**Notes to the financial statements (continued)****For the year ended 30 April 2021****11. Cash and cash equivalents**

	30 April 2021 €'000	30 April 2020 €'000
Segregated funds	24,004	77,559
Operating funds	6,368	8,973
	<u>30,372</u>	<u>86,532</u>

Segregated funds are matched by an equivalent liability due to clients as described in note 2. The use of these funds is restricted to settling client liabilities as they fall due.

12. Trade and other payables

	30 April 2021 €'000	30 April 2020 €'000
Trade payables	14	168
Accruals	103	471
Amounts owed to other group companies	643	2,466
Social security and other taxes	29	64
Other creditors	2	8
	<u>791</u>	<u>3,177</u>

Other creditors include amounts due to related parties (see note 15).

13. Called-up share capital

	30 April 2021 €	30 April 2020 €
Allotted, issued and fully paid: 275 (2020: 275) ordinary shares of £1 each	<u>312</u>	<u>312</u>

Settlego Solutions Limited**Notes to the financial statements (continued)****For the year ended 30 April 2021****14. Share premium account and other reserves**

	Share premium account €'000	Retained earnings €'000	Total €'000
At 1 May 2019	2,133	(604)	1,529
Issue of share capital	-	-	-
Profit for the year	-	9,187	9,187
Other comprehensive income	-	-	-
Total comprehensive income	-	9,187	9,187
As at 30 April 2020	2,133	8,583	10,716
Profit for the year	-	3,762	3,762
Other comprehensive income	-	-	-
Total comprehensive income	-	3,762	3,762
Dividends paid		(8,500)	(8,500)
As at 30 April 2021	2,133	3,845	5,978

15. Related party balances

The Company's immediate parent is OpenPayd Holdings Limited, and its results are included in the consolidated financial statements of that entity.

The Company has also had some transactions with other related parties that are also under the control of the Company's ultimate controlling party. A summary of balances and transactions during the year is included below, with current year figures only including balances with those entities that were related parties during the year:

Revenue from related parties

	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Included within revenue from banking and payments as a service:		
From other OpenPayd group companies	11	-
From the ultimate controlling party	-	4
From other related parties	15	10
	<u>26</u>	<u>14</u>

Settlego Solutions Limited

Notes to the financial statements (continued)
For the year ended 30 April 2021

Costs and expenses to related parties

	Year ended 30 April 2021 €'000	Year ended 30 April 2020 €'000
Included within cost of sales:		
To other related parties	<u>9</u>	<u>-</u>

Balances with related parties

	30 April 2021 €'000	30 April 2020 €'000
Amounts in other debtors:		
Amounts due from other related parties	<u>-</u>	<u>100</u>
Amounts included in cash:		
Amounts held by related parties:	<u>107</u>	<u>-</u>

Balances with related parties

	30 April 2021 €'000	30 April 2020 €'000
Amounts included in client balances*:		
Amounts due to other OpenPayd group companies	(5,176)	(733)
Amounts due to ultimate controlling party	(469)	(10)
Amounts due to other related parties	<u>(2,622)</u>	<u>(3,728)</u>
	<u>(8,267)</u>	<u>(4,471)</u>

*For amounts included in client balances there is a corresponding balance included within segregated funds.

Related party balances are unsecured and are settled periodically in line with standard terms.

16. Ultimate controlling party

The ultimate controlling party is Mr Ozan Ozerk.

The Company's immediate parent is OpenPayd Holdings Limited (same registered address as the Company as disclosed on page 3) and this is both the smallest and largest undertaking preparing consolidated accounts in which the Company's results are included.