

**E-PAY INTERNATIONAL LTD
DIRECTORS' REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**



Inchmead Limited
61/63 Crockhamwell Road
Woodley
Berkshire
RG5 3JP

E-Pay International Ltd
Directors' Report and Financial Statements
For The Year Ended 31 March 2020

Contents

	Page
Company Information	1
Directors' Report	2
Auditor's Report	3—4
Profit and Loss Account	5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9—12
The following pages do not form part of the statutory accounts:	
Trading Profit and Loss Account	13—14

E-Pay International Ltd
Company Information
For The Year Ended 31 March 2020

Directors	Mr Maurice Shear Mr Richard Kilsby Mr Jonathan Harfield Mr Jonathan Till
Company Number	10086951
Registered Office	61/63 Crockhamwell Road Woodley Reading RG5 3JP
Business	47 Red Lion Street London WC1R 4PF
Accountants	Inchmead Limited 61/63 Crockhamwell Road Woodley Berkshire RG5 3JP
Auditors	EHK Consulting Limited t/a Inchmead Audit 434 Finchley Road London NW2 2HY
Bankers	Santander Bank 2 Triton Square Regent's Place London NW1 3AN

E-Pay International Ltd
Company No. 10086951
Directors' Report For The Year Ended 31 March 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Statement of Directors' Responsibilities

The directors have prepared the Directors' Report and the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), Financial Reporting Standard FRS102(1A). The directors 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 the period. In preparing the 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of Disclosure of Information to Auditors

The directors of the company who held office during the year and at the date of approval of this annual report confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Directors

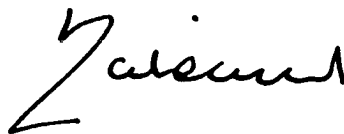
The directors who held office during the year were as follows:

Mr Maurice Shear
Mr Richard Kilsby
Mr Jonathan Harfield
Mr Jonathan Till

APPOINTED 16/09/2019

Small Company Rules

On behalf of the board



Mr Jonathan Harfield

Director

25 June 2020

E-Pay International Ltd
Auditor's Report
For The Year Ended 31 March 2020

Opinion

We have audited the financial statements of E-Pay International Ltd for the year ended 31 March 2020 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes of Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 - Section 1A for Small Entities "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit/(loss) for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and the provisions available for small entities, in the circumstances set out in note 9 to the financial statements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions Relating to Going Concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other Information

The impact of uncertainties due to the United Kingdom exiting the European Union on our audit

The directors' view on the impact of Brexit is disclosed on page 10. The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and to the wider economy precisely. We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firmwide approach in response to the uncertainty associated with the company's future prospects. Directors confirmed that they have taken necessary steps even for the worst case 'no deal' Brexit so that company's operation can continue smoothly. However, no audit should be expected to predict the unknowable factors or all possible implications for the company and this is particularly the case in relation to Brexit.

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

Matters on Which We Are Required to Report by Exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records or returns;
- certain disclosures of directors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit, or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

**E-Pay International Ltd
Auditor's Report (continued)
For The Year Ended 31 March 2020**

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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 Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use Of Our Report

This report is made solely to the company's members, as a body, in accordance with the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters that 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.



M E H Khan (Senior Statutory Auditor)
for and on behalf of EHK Consulting Limited t/a Inchmead Audit, Statutory Auditor

25 June 2020

EHK Consulting Limited t/a Inchmead Audit
434 Finchley Road
London
NW2 2HY

E-Pay International Ltd
Profit and Loss Account
For The Year Ended 31 March 2020

	Notes	2020 €	2019 €
TURNOVER		6,441,333	2,657,157
Cost of sales		<u>(1,269,077)</u>	<u>(863,958)</u>
GROSS PROFIT		5,172,256	1,793,199
Administrative expenses		<u>(2,769,895)</u>	<u>(793,938)</u>
OPERATING PROFIT		2,402,361	999,261
Exceptional items		-	(56,515)
Other interest receivable and similar income		<u>2,076</u>	<u>45</u>
PROFIT BEFORE TAXATION		2,404,437	942,791
Tax on Profit	3	<u>(144,123)</u>	<u>(189,868)</u>
PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR		<u><u>2,260,314</u></u>	<u><u>752,923</u></u>

The notes on pages 9 to 12 form part of these financial statements.

E-Pay International Ltd
Statement of Comprehensive Income
For The Year Ended 31 March 2020

	2020	2019
	€	€
Profit for the financial year	2,260,314	752,923
Other comprehensive income for the year	-	-
Total comprehensive income for the year	2,260,314	752,923


E-Pay International Ltd
Balance Sheet
As at 31 March 2020

		2020		2019	
	Notes	€	€	€	€
FIXED ASSETS					
Tangible Assets	4		518,250		-
Investments	5		392,556		-
			<u>910,806</u>		<u>-</u>
CURRENT ASSETS					
Debtors	6	365,917		216,737	
Cash at bank and in hand		9,282,404		14,186,326	
		<u>9,648,321</u>		<u>14,403,063</u>	
Creditors: Amounts Falling Due Within One Year	7	<u>(7,484,044)</u>		<u>(13,588,294)</u>	
NET CURRENT ASSETS (LIABILITIES)			<u>2,164,277</u>		<u>814,769</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,075,083</u>		<u>814,769</u>
NET ASSETS			<u>3,075,083</u>		<u>814,769</u>
CAPITAL AND RESERVES					
Called up share capital	8		156,500		56,500
Profit and Loss Account			2,918,583		758,269
SHAREHOLDERS' FUNDS			<u>3,075,083</u>		<u>814,769</u>

Directors' responsibilities:

- These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

On behalf of the board

----- 

Mr Jonathan Harfield

Director

25 June 2020

The notes on pages 9 to 12 form part of these financial statements.

E-Pay International Ltd
Statement of Changes in Equity
For The Year Ended 31 March 2020

	Share Capital	Profit and Loss Account	Total
	€	€	€
As at 1 April 2018	56,500	5,346	61,846
Profit for the year and total comprehensive income	-	752,923	752,923
As at 31 March 2019 and 1 April 2019	56,500	758,269	814,769
Profit for the year and total comprehensive income	-	2,260,314	2,260,314
Arising on shares issued during the period	100,000	-	100,000
Transfer to/from Other Reserves	-	(100,000)	(100,000)
As at 31 March 2020	156,500	2,918,583	3,075,083

E-Pay International Ltd
Notes to the Financial Statements
For The Year Ended 31 March 2020

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

1.2. Going Concern Disclosure

The directors have not identified any material uncertainties related to events or conditions that may cast significant doubt about the company's ability to continue as a going concern.

1.3. Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover includes revenue earned from the rendering of services. Turnover is reduced for estimated customer returns, rebates and other similar allowances.

Rendering of services

Turnover from the rendering of services is recognised by reference to the stage of completion of the monetary transaction. The stage of completion of a transaction is measured by the client's entitlement to exercise control over the monetary transaction.

Turnover is derived from, inter alia, the following main charges: account opening fees, account maintenance fees and monetary transaction charges and is recognised when the services are provided and the contractual terms are fulfilled.

1.4. Tangible Fixed Assets and Depreciation

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold	5 years straight line
-----------	-----------------------

1.5. Foreign Currencies

Monetary 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.6. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other year and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable timing differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. The measurement of deferred tax liabilities and asset reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current or deferred tax for the year is recognised in profit or loss, except when they related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

E-Pay International Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2020

1.7. The impact of uncertainties due to the united Kingdom exiting the European Union

The directors have considered the effect of the United Kingdom leaving the European Union (Brexit). The final arrangements between the United Kingdom and the European Union have yet to be finalised and on this basis, the directors are uncertain of the effect it will have on the business.

E-Pay International Limited (EPIL) has recognised and recorded Brexit as a material risk to the company's operation since 23 June 2016. Since that time, the risk has been monitored and reported to EPIL Executive team on a monthly basis and to the Board on a quarterly basis. A series of more focused risk assessments have been conducted, including specific analyses of EPIL client base and their post Brexit expectations, data protection, freedom of movement of staff and post-Brexit passporting. Whilst the economic, political and legal ramifications remain unclear, EPIL management team has taken recognition of the risk and risk assessments when forming its strategy which will ensure EPIL's ability to continue to operate and provide continuity of service to both UK and EU clients irrespective of the final outcome.

Within the company's operating strategies, the Board have adopted a business continuation strategy which will allow the company and its clients to continue normal operations in the event on a no-deal Brexit.

The company is regulated by the Financial Conduct Authority (FCA) to conduct its regulated business in the United Kingdom and that will continue regardless of the final deal, if any, between the United Kingdom and the European Union.

2. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2020	2019
Office and administration	22	3
	22	3

3. Tax on Profit

	Tax Rate		2020	2019
	2020	2019	€	€
UK Corporation Tax	19.0	19.0	144,123	189,868
Total Current Tax Charge			144,123	189,868
Total tax charge for the period			144,123	189,868
			2020	2019
			€	€
Profit before tax			2,404,437	942,791
Breakdown of Tax Charge is:				
Tax on profit at 19% (UK standard rate)			456,843	179,130
Goodwill/depreciation not allowed for tax			4,132	-
Expenses not deductible for tax purposes			-	10,738
Capital allowances			(102,600)	-
Research and Development tax credit			(214,252)	-
Total tax charge for the period			144,123	189,868

E-Pay International Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2020

4. Tangible Assets

	Land & Property Leasehold €
Cost	
As at 1 April 2019	-
Additions	540,000
As at 31 March 2020	<u>540,000</u>
Depreciation	
As at 1 April 2019	-
Provided during the period	21,750
As at 31 March 2020	<u>21,750</u>
Net Book Value	
As at 31 March 2020	<u>518,250</u>
As at 1 April 2019	<u>-</u>

The assets consist of the cost of leaseholder's improvements for the new offices. The improvements will be amortised over 5 years, commencing at the time of occupation.

5. Investments

	Unlisted €
Cost	
As at 1 April 2019	-
Additions	392,556
As at 31 March 2020	<u>392,556</u>
Provision	
As at 1 April 2019	-
As at 31 March 2020	<u>-</u>
Net Book Value	
As at 31 March 2020	<u>392,556</u>
As at 1 April 2019	<u>-</u>

Investments are recorded at cost and consist of sums invested as working capital into wholly-owned subsidiaries. The investment will not be revalued.

E-Pay International Ltd
Notes to the Financial Statements (continued)
For The Year Ended 31 March 2020

6. Debtors

	2020	2019
	€	€
Due within one year		
Prepayments and accrued income	100,049	181,199
Other debtors	246,973	35,538
VAT	18,895	-
	<u>365,917</u>	<u>216,737</u>

7. Creditors: Amounts Falling Due Within One Year

	2020	2019
	€	€
Corporation tax	144,123	189,868
Other creditors	7,301,641	13,398,426
Accruals and deferred income	38,280	-
	<u>7,484,044</u>	<u>13,588,294</u>

Other creditors consist of amounts payable to clients. The sums due to clients are held in segregated bank accounts.

8. Share Capital

	2020	2019
Allotted, Called up and fully paid	<u>156,500</u>	<u>56,500</u>

9. FRC Ethical Standard - Provision Available for Small Entities

We do not use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.

10. General Information

E-Pay International Ltd is a private company, limited by shares, incorporated in England & Wales, registered number 10086951. The registered office is 61/63 Crockhamwell Road, Woodley, Reading, RG5 3JP.

E-Pay International Ltd
Trading Profit and Loss Account
For The Year Ended 31 March 2020

	2020		2019	
	€	€	€	€
TURNOVER				
Fee income		6,441,333		2,636,423
Other trading income		-		20,734
		<u>6,441,333</u>		<u>2,657,157</u>
COST OF SALES				
Support and administration costs	1,017,739		743,779	
Direct bank charges	205,448		122,231	
Foreign exchange gains/(losses)	45,890		(2,052)	
	<u>1,269,077</u>		<u>(863,958)</u>	
GROSS PROFIT		5,172,256		1,793,199
Administrative Expenses				
Directors' salaries	87,689		89,686	
Directors' NI	-		8,356	
Executive salaries	138,479		-	
Employers NI	9,523		-	
Travel expenses	98,530		62,897	
Rent	13,657		14,488	
Computer software, consumables and maintenance	10,799		18,007	
Insurance	109,924		73,044	
Courier services	4,192		-	
Advertising and marketing costs	3,330		44,122	
Regulatory and compliance costs	339,084		40,550	
Telecommunications and data costs	862		2,470	
Audit fees	36,480		18,333	
Accountancy fees	65,270		30,928	
Legal and professional fees	459,733		374,090	
Subscriptions	25,659		-	
Research and development costs	1,334,488		-	
Other office costs	10,448		16,875	
Amortisation	21,750		-	
Sundry expenses	(2)		92	
	<u>(2,769,895)</u>		<u>(793,938)</u>	
OPERATING PROFIT		2,402,361		999,261
Other exceptional operating costs	-		56,515	
	<u>-</u>		<u>(56,515)</u>	
Other interest receivable and similar income				
Bank interest receivable	2,076		45	

...CONTINUED

E-Pay International Ltd
Trading Profit and Loss Account (continued)
For The Year Ended 31 March 2020

		<u>2,076</u>	<u>45</u>
PROFIT BEFORE TAXATION		<u>2,404,437</u>	<u>942,791</u>
Tax on Profit			
Corporation tax charge	<u>144,123</u>	<u>189,868</u>	
		<u>(144,123)</u>	<u>(189,868)</u>
PROFIT AFTER TAXATION BEING PROFIT FOR THE FINANCIAL YEAR		<u><u>2,260,314</u></u>	<u><u>752,923</u></u>