

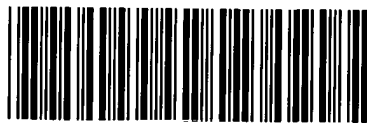
Registered number
SC376020

Paysend plc (formerly Paywizard plc)

Report and financial statements

31 December 2016

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Paysend plc (formerly Paywizard plc)**Registered number:** SC376020**Directors' report**

The directors present their report and financial statements for the year ended 31 December 2016.

Dividends

The directors do not recommend the payment of a dividend (2015: no dividend)

Items included in strategic review

The directors have chosen to set out certain items (business and financial risk, future developments) in the strategic report that are required by Schedule 7 SI 2008/410 to be in the Directors' report.

Directors

The following persons served as directors during the year:

R Millar

J Guthrie (resigned 9 November 2016)

S Harake (appointed 9 November 2016)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102, 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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditors

Each person who was a director at the time this report was approved confirms that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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 auditor is aware of that information.

Paysend plc (formerly Paywizard plc)

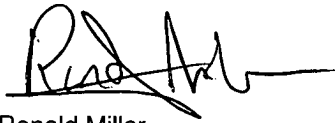
Registered number: SC376020

Directors' report

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company as a whole; and
- the strategic report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

This report was approved by the board on 25 April 2017 and signed on its behalf.

A handwritten signature in black ink, appearing to read 'Ronald Millar', with a long horizontal stroke extending to the right.

Ronald Millar
Director

Paysend plc (formerly Paywizard plc)

Strategic report

Business review

The company's principal activity during the year was the provision of an e-wallet service designed to handle payments across all digital devices.

The company reported a loss for the year of £23,351 (2015: loss £25,718).

The company monitors, on a monthly basis, key performance indicators and metrics in relation to business delivery.

Review of the business

The company reduced its services in 2016 with a view to launching additional services in 2017. This follows the acquisition of 100% of the share capital by Sarmad Harake on 09 November 2016.

Future developments

Following the change in ownership of the company, there are plans to launch a new card to card payment transfer service in 2017.

Regulation and compliance

The directors ensure they can understand the risks related to payment processing and e-wallet operations and have identified and implemented processes to manage and mitigate those risks. There are dedicated personnel in post to understand and monitor the regulatory requirements and set strategies accordingly.

Business risks

The directors set policies and manage financial risks to enable the company to achieve its long-term growth targets within a prudent risk management framework.

The main business risk is the loss or failure of one major customer. The company derived the majority of its revenue in the year from one customer.

The company is an authorised electronic money institution with the Financial Conduct Authority (FCA). Dedicated resources are in place to ensure continued compliance with the FCA regulatory requirements, and to understand emerging regulatory requirements.

The main risks arising from the company's financial instruments are interest rate risk, credit risk, and liquidity risk. The directors review exposure to each of these risks on a regular basis, and assess whether or not it is appropriate to adopt relevant financial instruments to mitigate the risk.

This report was approved by the board on 25 April 2017 and signed on its behalf.



Ronald Millar
Director

**Independent auditor's report
to the member of Paysend plc (formerly Paywizard plc)**

We have audited the financial statements of Paysend plc (formerly Paywizard plc) for the year ended 31 December 2016 which comprise the Statement of income and retained earnings, the Statement of financial position, the Statement of Cash Flows and the related notes. 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 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

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.

Respective responsibilities of directors and auditors

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matter on which we are required to report under the Companies Act 2006

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 and Directors' Report.

**Independent auditor's report
to the member of Paysend plc (formerly Paywizard plc)**

Matters on which we are required to report by exception

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; 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.



Thomas Chadwick
(Senior Statutory Auditor)
for and on behalf of
Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
25 April 2017

Level 8
110 Queen Street
Glasgow
G1 3BX

Paysend plc (formerly Paywizard plc)
Statement of income and retained earnings
for the year ended 31 December 2016

	Notes	2016 £	2015 £
Turnover	3	259,764	567,712
Cost of sales		(142,280)	(244,219)
Gross profit		<u>117,484</u>	<u>323,493</u>
Administrative expenses		(134,598)	(350,024)
Operating loss		<u>(17,114)</u>	<u>(26,531)</u>
Interest receivable		911	813
Interest payable	5	(7,148)	-
Loss on ordinary activities before taxation		<u>(23,351)</u>	<u>(25,718)</u>
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		<u>(23,351)</u>	<u>(25,718)</u>
Retained profits at 1 January		300,890	326,608
Dividends paid		-	-
Retained profits at 31 December		<u>277,539</u>	<u>300,890</u>

Paysend plc (formerly Paywizard plc)
Statement of financial position
as at 31 December 2016

	Notes	2016 £	2015 £
Current assets			
Debtors	7	344,508	340,441
Cash at bank and in hand	8	773,069	1,078,595
		<u>1,117,577</u>	<u>1,419,036</u>
Creditors: amounts falling due within one year	9	(440,038)	(718,146)
Net current assets		<u>677,539</u>	<u>700,890</u>
Net assets		<u>677,539</u>	<u>700,890</u>
Capital and reserves			
Called up share capital	10	400,000	400,000
Profit and loss account		277,539	300,890
Total equity		<u>677,539</u>	<u>700,890</u>



Ronald Millar
Director
Approved by the board on 25 April 2017

Paysend plc (formerly Paywizard plc)
Statement of Cash Flows
for the year ended 31 December 2016

	2016	2015
	£	£
Operating activities		
Operating loss	(17,114)	(26,531)
Increase in debtors	(11,138)	(52,279)
Decrease in creditors	(278,108)	(129,900)
Cash used in operating activities	<u>(306,360)</u>	<u>(208,710)</u>
Financing activities		
Interest received	911	813
Interest paid	(77)	-
Cash (used)/generated by financing activities	<u>834</u>	<u>813</u>
Net cash used		
Cash used in operating activities	(306,360)	(208,710)
Cash (used)/generated by financing activities	834	813
Net cash used	<u>(305,526)</u>	<u>(207,897)</u>
Cash and cash equivalents at 1 January	<u>1,078,595</u>	<u>1,286,492</u>
Cash and cash equivalents at 31 December	<u>773,069</u>	<u>1,078,595</u>
Cash and cash equivalents comprise:		
Cash at bank	<u>773,069</u>	<u>1,078,595</u>

Paysend plc (formerly Paywizard plc)
Notes to the accounts
for the year ended 31 December 2016

1 Summary of significant accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland, and with the Companies Act 2006.

Going concern

In line with FRS 102 guidance on going concern, the directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

The company updates trading forecasts covering a 12 month period on a regular basis, which together with the supporting assumptions are reviewed by the Board. The current forecast shows that the company is able to operate within its banking facilities during this period and the directors believe that the assumptions underpinning this forecast are both prudent and reasonable.

The directors believe, on the basis of current financial projections and facilities available, that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the financial statements.

Turnover

Turnover represents the invoiced value of services received or receivable, net of discounts and value added taxes. Turnover is earned from transaction processing services. Revenues are recognised at the time services are rendered.

Cash and cash equivalents

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Financial instruments

The fair values of financial assets and financial liabilities are the amounts at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Financial assets are carried on the balance sheet at amortised cost and adjusted to fair value.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Creditors

Short term creditors are measured at transaction price (which is usually the invoice price).

Paysend plc (formerly Paywizard plc)
Notes to the accounts
for the year ended 31 December 2016

Taxation

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Current and deferred tax assets and liabilities are not discounted.

Foreign currency translation

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction.

At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to profit or loss.

Wallet holders' cash

The company maintains a bank account which is segregated from operating funds and which contain funds held on behalf of customers (Wallet holders). The balance in the segregated account is maintained at a sufficient level to fully offset amounts owing to the company's customers.

Leased assets

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

Paysend plc (formerly Paywizard plc)
Notes to the accounts
for the year ended 31 December 2016

2 Critical accounting estimates and judgements

Preparation of the financial statements requires management to make significant judgements and estimates. There are no additional judgements or estimates other than those already disclosed.

3 Analysis of turnover

	2016	2015
	£	£
Services rendered	<u>259,764</u>	<u>567,712</u>
By geographical market:		
UK	<u>259,764</u>	<u>567,712</u>

4 Directors' emoluments

All directors were remunerated through the company's previous parent undertaking. The total remuneration of the directors that provided qualifying services to the company is shown below. As these directors are remunerated for their work for the group, it has not been possible to apportion the remuneration specifically in respect of services to this company.

	2016	2015
	£	£
Emoluments	258,894	281,512
Company contributions to defined contribution pension plans	<u>9,305</u>	<u>15,307</u>
	<u>268,199</u>	<u>296,819</u>
Highest paid director:		
Emoluments	137,216	146,666
Company contributions to defined contribution pension plans	<u>10,292</u>	<u>11,000</u>
	<u>147,508</u>	<u>157,666</u>

Number of directors to whom retirement benefits accrued:

	2016	2015
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

Paysend plc (formerly Paywizard plc)
Notes to the accounts
for the year ended 31 December 2016

5 Interest payable	2016	2015
	£	£
Discounting of related party amounts	7,148	-

6 Taxation	2016	2015
	£	£
Analysis of charge in period		
Tax on profit on ordinary activities	-	-

Factors affecting tax charge for period

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2016	2015
	£	£
Loss on ordinary activities before tax	(23,351)	(25,718)
Standard rate of corporation tax in the UK	20.00%	20.25%
	£	£
Loss on ordinary activities multiplied by the standard rate of corporation tax	(4,670)	(5,207)
Effects of:		
Deferred tax not recognised	4,670	-
Utilisation of tax losses	-	5,207
Current tax charge for period	-	-

Factors that may affect future tax charges

The Finance Act 2015 maintained the main rate of corporation tax at 20% effective from 1 April 2015.

The company has an unrecognised deferred tax asset of £228,808 (2015 - £238,604) comprised of tax losses. The unrecognised deferred tax asset has been calculated at 17%, as this is the rate substantively enacted at the balance sheet date. This asset has not been recognised as there is insufficient evidence that it will be reversed in the foreseeable future.

Paysend plc (formerly Paywizard plc)
Notes to the accounts
for the year ended 31 December 2016

7 Debtors	2016	2015
	£	£
Trade debtors	1,798	8,409
Amounts owed by group undertakings	-	238,076
Amounts owed by related entities	337,255	-
Other debtors	196	90,623
Prepayments and accrued income	5,259	3,333
	<u>344,508</u>	<u>340,441</u>

8 Cash at bank and in hand	2016	2015
	£	£
Wallet holders' cash	344,133	460,301
Cash at bank and in hand	428,936	618,294
	<u>773,069</u>	<u>1,078,595</u>

9 Creditors: amounts falling due within one year	2016	2015
	£	£
Trade creditors	6,981	4,906
Amounts owing to related entities	6,513	-
Other taxes and social security costs	626	13,411
Other creditors	425,918	699,829
	<u>440,038</u>	<u>718,146</u>

10 Share capital	Nominal value	2016 Number	2016 £	2015 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	400,000	<u>400,000</u>	<u>400,000</u>

100% of the share capital was purchased by Sarmad Harake on 09 November 2016.

Paysend plc (formerly Paywizard plc)
Notes to the accounts
for the year ended 31 December 2016

11 Related party transactions

Ronald Millar is a director of both Paysend plc and Paywizard Group plc (Paywizard Group plc was the company's parent undertaking until 09 November 2016). Paywizard Group plc sold the company to Sarmad Harake on 09 November 2016. Services with Paywizard Group for the year were £111,000. A balance is due to Paysend plc of £337,255 by Paywizard Group plc, and an amount of £6,513 is due to Paywizard Group plc by the company.

During the year, payments were made to Paywizard Group plc of £41K.

12 Presentation currency

The financial statements are presented in sterling.

13 Legal form of entity and country of incorporation

Paysend plc (formerly Paywizard plc) is a limited company incorporated in Scotland.

14 Principal place of business

The address of the company's principal place of business and registered office is:

Cluny Court
John Smith Business Park
Kirkcaldy
Fife
KY2 6QJ

Paysend plc (formerly Paywizard plc)
Company information

Directors

R Millar
J Guthrie (resigned 9 November 2016)
S Harake (appointed 9 November 2016)

Auditors

Grant Thornton UK LLP
Level 8
110 Queen Street
Glasgow
G1 3BX

Bankers

Royal Bank of Scotland Group plc
36 St Andrew Square
Edinburgh
EH1 1YZ

Solicitors

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Citypoint
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KY2 6QJ

Registered number

SC376020