Company Registration No. 08132942 (England and Wales)

IBIDEM CAPITAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

IBIDEM CAPITAL LIMITED

COMPANY INFORMATION

Directors	Mr E Bowman Mr R D Foster Mr T J Jakob Mr E Olkkola
Company number	08132942
Registered office	Festival House Jessop Avenue Cheltenham Gloucestershire United Kingdom GL50 3SP
Auditor	Azets Audit Services Pillar House 113-115 Bath Road Cheltenham Gloucestershire United Kingdom GL53 7LS

IBIDEM CAPITAL LIMITED

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IBIDEM CAPITAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The results for the year and the financial position at the year-end were considered satisfactory by the directors who expect continued revenue growth in the foreseeable future.

The group continues to invest in the business - attracting new customers, enhancing technology and transitioning to in-house capabilities, with less reliance on third parties. These investments are paying off with above-industry revenue growth and gross profit enhancement supporting the group's plans to profitability.

The group measures its performance against several key performance indicators (KPIs):

KPIs	2021	2020
Revenue	£15,766,564	£12,336,500
Gross Profit	£4,700,175	£3,300,047
GP %	29.8%	26.8%
Operating loss	-£3,960,456	-£4,313,360

Revenue for the year increased by 28% to £15.8m reflecting high customer retention and the roll out of new payrolls from customers acquired in prior years. The group expects this growth to continue having had a very successful 2021 with respect to winning new customers and expanding its footprint with existing customers.

A key strategic aim of the group is to increase its gross profit and 2021 was a successful year with gross profit margin rising by 3.0% as more pay slips are processed in-house rather than relying on local in-country partners. The growth in revenue and improved margins supports the group contributing to lower operating losses in 2021. The total loss before tax for the year was £4.6m (2020: £4.7m). These were planned losses with significant growth expenditure being expensed.

Description of principal risks and uncertainties

The group's business is subject to a number of risks and uncertainties. The directors consider the following to be the key risks and uncertainties:

<u>COVID-19 global pandemic</u>

The business has operated entirely remotely since the outbreak of the Covid-19 global pandemic and continues to do so whilst maintaining its high level of customer service. The business has a customer base that is not weighted towards travel and retail sectors, which were heavily affected by the pandemic. The uncertainty of the pandemic is now behind us and there remains encouraging signs that our customers are now re-hiring and expanding into additional countries.

<u>Funding and liquidity risk</u>

The business manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the business has sufficient liquid resources to meet the operating needs of the business.

<u>Interest rate cash flow risk</u>

The business is exposed to potential upward movements in EUR Libor rate above 0.00%, currently 0.65%. With inflation rising throughout Europe there may be the case for central banks to raise interest rates but given the general economic climate, the business does not expect to see any material growth in interest expense over the coming year.

Description of principal risks and uncertainties (continued)

Competition
The business operates in a highly competitive environment. To date, the business has been very successful in growing and retaining its customer base. The directors expect competitive pressures to increase with advancements in technology and efficiencies.

Credit risk
All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts, where necessary.

Foreign currency risk
The business's principal foreign currency exposures arise from trading with overseas entities. The risk is minimised through partial hedging, with traded currencies (receipts and payments) limited as far as possible to GBP, USD and EUR.

Data protection risk
The business is responsible to its customers for ensuring that customer data is adequately protected. The business has developed robust infrastructure and follows industry accepted policies and procedures as required under the certification of ISO 27001 and SOC 1. Our certification audits in 2021 highlighted no material deviations. The business has outsourced its data centre operations to third parties who operate at industry recognised standards. A material data breach would have an adverse financial impact.

Technology risk
The business has built its own robust, proprietary technology that has been in operation for a number of years with frequent upgrades and new functionality. Business continuity plans have been developed to ensure that the business will continue to operate under various scenarios.

Development and performance

The directors consider the following factors to be key in analysing the development and performance of the business.

- Revenue growth;
- Gross profit improvement;
- Lower operating losses; and
- Value of new contracts won.

Research and development ("R&D")

Part of the business's activities are directed towards R&D. In its widest sense, R&D encompasses the use of scientific or technological knowledge in order to produce new or substantially improved materials, devices, products or services to install new processes and systems prior to the commencement of commercial production or application, or to improve substantially materials, devices, products or services already produced or installed.

The directors consider that the development of new software applications and other advancements being developed fall within this definition.

On behalf of the board

Mr T J Jakob
Director

9 March 2022

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company and group continued to be that of the provision of international payroll services.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr E Bowman
Mr R D Foster
Mr T J Jakob
Mr E Olkkola

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 year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the profit or loss of the group 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 ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group’s and company’s transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Disclosure in the Strategic Report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

On behalf of the board

Mr T J Jakob
Director

9 March 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF IBIDEM CAPITAL LIMITED

Opinion

We have audited the financial statements of Ibidem Capital Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2021 and of the group's 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.

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 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 group's and parent company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

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 parent 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 is available on the Financial Reporting Council’s website at: https://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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the group, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the group is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the group that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Review of minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the group through enquiry and inspection with a specific focus on compliance with GDPR and other legislation relevant to data protection given the nature of the group's activities and the volume of potentially sensitive personal data held;
- Review of financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Performance of audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Robert Hull (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

14 March 2022

Chartered Accountants
Statutory Auditor

Pillar House
113-115 Bath Road
Cheltenham
Gloucestershire
United Kingdom
GL53 7LS

IBIDEM CAPITAL LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 as restated £
Turnover	**3**	15,766,564	12,336,500
Cost of sales		(11,066,389)	(9,036,453)
Gross profit		4,700,175	3,300,047
Administrative expenses		(8,903,312)	(7,613,407)
Other operating income		242,681	-
Operating loss	**4**	(3,960,456)	(4,313,360)
Interest receivable and similar income	**9**	-	350
Interest payable and similar expenses	**10**	(638,258)	(403,226)
Loss before taxation		(4,598,714)	(4,716,236)
Tax on loss	**11**	227,052	208,786
Loss for the financial year	**26**	(4,371,662)	(4,507,450)

Loss for the financial year is all attributable to the owner of the parent company.

Total comprehensive income for the year is all attributable to the owner of the parent company.

The profit and loss account has been prepared on the basis that all operations are continuing operations.

IBIDEM CAPITAL LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 as restated £	2020 as restated £
Fixed assets					
Goodwill	**12**		6,587		13,177
Other intangible assets	**12**		2,759,742		2,599,164
Total intangible assets			2,766,329		2,612,341
Tangible assets	**13**		239,725		342,703
			3,006,054		2,955,044
Current assets					
Debtors falling due after more than one year	**16**	1,184,477		1,450,719	
Debtors falling due within one year	**16**	5,462,114		4,338,291	
Cash at bank and in hand		1,548,880		982,164	
		8,195,471		6,771,174	
Creditors: amounts falling due within one year	**17**	(6,490,606)		(9,357,751)	
Net current assets/(liabilities)			1,704,865		(2,586,577)
Total assets less current liabilities			4,710,919		368,467
Creditors: amounts falling due after more than one year	**18**		(8,802,842)		(4,185,131)
Net liabilities			(4,091,923)		(3,816,664)
Capital and reserves					
Called up share capital	**22**		1,359,754		1,240,069
Share premium account	**23**		21,156,455		17,290,633
Revaluation reserve	**24**		208,894		208,894
Retranslation reserve	**25**		303,145		192,249
Profit and loss reserves	**26**		(27,120,171)		(22,748,509)
Total equity			(4,091,923)		(3,816,664)

The financial statements were approved by the board of directors and authorised for issue on 9 March 2022 and are signed on its behalf by:

Mr T J Jakob
Director

IBIDEM CAPITAL LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

		2021		2020	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Investments	**14**		22,532,156		18,546,649
Current assets					
Debtors	**16**	862,694		870,706	
Cash at bank and in hand		1,230		1,227	
		863,924		871,933	
Creditors: amounts falling due within one year	**17**	(889,547)		(872,561)	
Net current liabilities			(25,623)		(628)
Net assets			22,506,533		18,546,021
Capital and reserves					
Called up share capital	**22**		1,359,754		1,240,069
Share premium account	**23**		21,156,455		17,290,633
Revaluation reserve	**24**		208,894		208,894
Profit and loss reserves	**26**		(218,570)		(193,575)
Total equity			22,506,533		18,546,021

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £24,995 (2020 - £2,876 loss).

The financial statements were approved by the board of directors and authorised for issue on 9 March 2022 and are signed on its behalf by:

Mr T J Jakob
Director

Company Registration No. 08132942

IBIDEM CAPITAL LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Retrans-lation reserve £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2020:							
Balance at 1 January 2020		1,240,069	17,290,633	208,894	24,864	(18,241,059)	523,401
Year ended 31 December 2020:							
Loss and total comprehensive income for the year		-	-	-	-	(4,507,450)	(4,507,450)
Currency translation differences		-	-	-	167,385	-	167,385
Balance at 31 December 2020		1,240,069	17,290,633	208,894	192,249	(22,748,509)	(3,816,664)
Year ended 31 December 2021:							
Loss and total comprehensive income for the year		-	-	-	-	(4,371,662)	(4,371,662)
Issue of share capital	**22**	119,685	3,865,822	-	-	-	3,985,507
Currency translation differences		-	-	-	110,896	-	110,896
Balance at 31 December 2021		1,359,754	21,156,455	208,894	303,145	(27,120,171)	(4,091,923)

IBIDEM CAPITAL LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020		1,240,069	17,290,633	208,894	(190,699)	18,548,897
Year ended 31 December 2020:						
Loss and total comprehensive income for the year		-	-	-	(2,876)	(2,876)
Balance at 31 December 2020		1,240,069	17,290,633	208,894	(193,575)	18,546,021
Year ended 31 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(24,995)	(24,995)
Issue of share capital	**22**	119,685	3,865,822	-	-	3,985,507
Balance at 31 December 2021		1,359,754	21,156,455	208,894	(218,570)	22,506,533

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 as restated £	2020 as restated £
Cash flows from operating activities					
Cash absorbed by operations	**33**		(5,961,807)		(2,079,042)
Interest paid			(638,258)		(403,226)
Income taxes refunded			201,356		172,226
Net cash outflow from operating activities			(6,398,709)		(2,310,042)
Investing activities					
Purchase of intangible assets		(1,022,128)		(830,961)	
Purchase of tangible fixed assets		(149,309)		(102,841)	
Proceeds on disposal of tangible fixed assets		5,000		-	
Interest received		-		350	
Net cash used in investing activities			(1,166,437)		(933,452)
Financing activities					
Proceeds from issue of shares		3,985,507		-	
Proceeds from borrowings		4,299,430		3,536,610	
Repayment of borrowings		(263,971)		(611,937)	
Government grant received		-		256,933	
Net cash generated from financing activities			8,020,966		3,181,606
Net increase/(decrease) in cash and cash equivalents			455,820		(61,888)
Cash and cash equivalents at beginning of year			982,164		876,667
Effect of foreign exchange rates			110,896		167,385
Cash and cash equivalents at end of year			1,548,880		982,164

1 Accounting policies

Company information

Ibidem Capital Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Festival House, Jessop Avenue, Cheltenham, Gloucestershire, United Kingdom, GL50 3SP.

The group consists of Ibidem Capital Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

1 Accounting policies **(Continued)**

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Ibidem Capital Limited together with all entities controlled by the parent company (its subsidiaries) and the group’s share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.4 Going concern

The group made losses in both 2020 and 2021. However, these were planned losses with significant growth investment expensed through the group's loss for each year. The losses in the current and prior year have been funded by the group's parent company, TeakiiPay Holdings LLC, and through a debt financing facility provided by a European-based, specialist lending company.

The group had net liabilities as at the balance sheet date. However, looking towards 2022 and beyond, the directors are confident that the group has sufficient cash resources and facilities available to meet its liabilities as they fall due by utilising existing debt financing facilities available to it and with the continued support of its parent company. The group has also prepared several scenarios with different forecasts and funding alternatives. The directors are confident that, based on their previous experience of successfully raising finance, they would be able to secure additional funding to that included in the group’s forecasts, should it be required.

At the time of approving the financial statements, the directors therefore have a reasonable expectation that the group has adequate resources to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements.

Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is measured at the fair value of consideration received or receivable and represents amounts for services provided to third parties in the normal course of business during the period net of value added tax and any discounts, and results from the principal activity of the group.

Each element of turnover (described below) is recognised only when:

- Provision of services has occurred;
- The consideration received is fixed or determinable;
- There are no significant vendor obligations remaining; and
- Collection of the amount due from the customer is reasonably assured.

Income from payroll processing and any related support, maintenance and unit based licencing arrangements is recognised rateably over the initial term of the related customer contract.

Any income arising from pure consultancy work is recognised in profit or loss on a time and materials basis.

1 Accounting policies **(Continued)**

Services that have been provided at the end of a financial period, but which have not been invoiced at the time, are recognised as turnover in profit or loss and shown within prepayments and accrued income on the balance sheet.

Implementation and set-up fees in connection with the provision of payroll processing services are deferred until such initial work is considered complete and is then recognised rateably over the remaining term of the related customer contract.

Advance payments from customers or advance invoicing at the end of the financial period are included within accruals and deferred income on the balance sheet. Such amounts are recognised in profit or loss when the services are provided to the customer in accordance with the points set out above.

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets comprise both licence and development costs for computer software, and development costs on internally generated intangibles related to creating new and improved interfaces, dashboards and security features to enhance the customer experience. Such assets are defined as having finite useful lives and the costs are amortised on a straight line basis over their estimated useful lives of 3 years. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication
that the carrying value may be impaired.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Computer software	3 to 10 years straight line
Development costs	3 years straight line

1 Accounting policies **(Continued)**

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	5 years straight line
Fixtures and fittings	5 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

1.10 Fixed asset investments

In the parent company financial statements, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in or .

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1 Accounting policies **(Continued)**

1.12 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

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

Other financial assets

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

Impairment of financial assets

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

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

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

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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 group after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.18 Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using an option pricing model considered appropriate by the directors. The fair value determined at the grant date is expensed over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

1.20 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1 Accounting policies **(Continued)**

1.21 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.22 Deferred costs

Costs in respect of implementation and set-up fees are deferred until such initial work is considered complete and are then recognised rateably over the remaining term of the related customer contract. Deferred costs are included within prepayments and accrued income on the balance sheet.

1.23 Related parties

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

1.24 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

2 Judgements and key sources of estimation uncertainty

In the application of the group’s accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Deferred costs

Income generated from implementation and set-up fees for work performed on new customer contracts is deferred and released rateably over the remaining term of the customer contract when work is considered complete. The related costs are also deferred and released rateably over the same period. The value of costs deferred are a combination of an estimated allocation of internal staff costs and associated overhead costs, and actual third-party costs incurred.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Rendering of services	15,766,564	12,336,500

	2021	2020
	£	£
Other significant revenue		
Government grants receivable	242,681	-

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	7,233,574	6,126,022
Europe	4,683,949	2,757,410
United States	1,514,241	1,503,210
Rest of the World	2,334,800	1,949,858
	15,766,564	12,336,500

Referred to note 20 for further details in relation to Government grants receivable in the year.

4 Operating loss

	2021	2020
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(58,038)	(8,632)
Research and development costs	-	80,300
Depreciation of owned tangible fixed assets	235,640	213,001
Loss on disposal of tangible fixed assets	11,647	396
Amortisation of intangible assets	868,140	856,024
Operating lease charges	297,671	340,329

5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	12,700	13,250
Audit of the financial statements of the company's subsidiaries	12,681	7,950
	25,381	21,200

6 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group 2021 Number	Group 2020 Number	Company 2021 Number	Company 2020 Number
Directors	4	4	-	-
Operations	169	119	-	-
Support	65	60	-	-
Total	238	183	-	-

Their aggregate remuneration comprised:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	9,466,462	7,720,321	-	-
Social security costs	1,255,109	829,057	-	-
Pension costs	144,657	139,025	-	-
	10,866,228	8,688,403	-	-

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	719,484	697,687
Company pension contributions to defined contribution schemes	8,112	13,696
	727,596	711,383

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	356,851	354,933

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

The number of directors who are entitled to receive shares under long term incentive schemes during the year was 4 (2020 - 4).

8 Retirement benefit schemes

	2021	2020
Defined contribution schemes	**£**	**£**
Charge to profit or loss in respect of defined contribution schemes	144,657	139,025

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

9 Interest receivable and similar income

	2021	2020
	£	**£**
Interest income		
Interest on bank deposits	-	350

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	350

10 Interest payable and similar expenses

	2021	2020
	£	**£**
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	638,258	403,226

Disclosed on the profit and loss account as follows:

Interest payable and similar expenses	638,258	403,226

11 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	(211,206)	(208,786)
Adjustments in respect of prior periods	(15,846)	-
Total current tax	(227,052)	(208,786)

The actual credit for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Loss before taxation	(4,598,714)	(4,716,236)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(873,756)	(896,085)
Tax effect of expenses that are not deductible in determining taxable profit	5,146	5,176
Unutilised tax losses carried forward	390,000	407,000
Amortisation on assets not qualifying for tax allowances	1,252	1,252
Research and development tax credit	(185,400)	(208,786)
Under/(over) provided in prior years	(15,846)	-
Other items	53,768	115,147
Losses in overseas subsidiaries	397,784	367,510
Taxation credit	(227,052)	(208,786)

Taxable losses have been incurred and are available for use against future taxable profits. A deferred tax asset has not been recognised as the group does not anticipate these losses to be fully utilised in the immediate future. The approximate value of the total unrecognised deferred tax asset measured at a standard rate of 25% (2020: 19%) is £5,320,000 (2020: £3,750,000).

Factors that may affect future tax charges
An increase in the main rate of Corporation Tax to 25% due to take effect from 1 April 2023 had been substantively enacted at the balance sheet date.

12 Intangible fixed assets

Group	Goodwill	Computer software	Development costs	Total
	£	£	£	£
Cost				
At 1 January 2021	65,897	1,978,101	2,810,844	4,854,842
Additions	-	68,096	946,053	1,014,149
Exchange adjustments	-	17,391	7,317	24,708
At 31 December 2021	65,897	2,063,588	3,764,214	5,893,699
Amortisation and impairment				
At 1 January 2021	52,720	683,835	1,505,946	2,242,501
Amortisation charged for the year	6,590	228,768	632,782	868,140
Exchange adjustments	-	8,077	8,652	16,729
At 31 December 2021	59,310	920,680	2,147,380	3,127,370
Carrying amount				
At 31 December 2021	6,587	1,142,908	1,616,834	2,766,329
At 31 December 2020	13,177	1,294,266	1,304,898	2,612,341

The company had no intangible fixed assets at 31 December 2021 or 31 December 2020.

Included within Computer software is an individual asset with a carrying amount of £1,046,605 and a remaining useful life of 68 months.

Included within Development costs is an individual asset with a carrying amount of £208,281 and a remaining useful life of 36 months.

Intangible assets held are pledged as security for the borrowings of the group under fixed and floating charges.

The amortisation charge is included in Administrative expenses in the Group Statement of Comprehensive Income.

13 Tangible fixed assets

Group	Leasehold improvements	Fixtures and fittings	Computers	Total
	£	£	£	£
Cost				
At 1 January 2021	398,737	181,419	490,625	1,070,781
Additions	-	13	158,916	158,929
Disposals	(238,041)	(59,785)	-	(297,826)
Exchange adjustments	(344)	(1,385)	(9,660)	(11,389)
At 31 December 2021	160,352	120,262	639,881	920,495
Depreciation and impairment				
At 1 January 2021	289,924	114,062	324,092	728,078
Depreciation charged in the year	72,082	41,593	121,965	235,640
Eliminated in respect of disposals	(221,394)	(59,785)	-	(281,179)
Exchange adjustments	703	(202)	(2,270)	(1,769)
At 31 December 2021	141,315	95,668	443,787	680,770
Carrying amount				
At 31 December 2021	19,037	24,594	196,094	239,725
At 31 December 2020	108,813	67,357	166,533	342,703

The company had no tangible fixed assets at 31 December 2021 or 31 December 2020.

Tangible assets held are pledged as security for the borrowings of the group under fixed and floating charges.

The depreciation charge is included in Administrative expenses in the Group Statement of Comprehensive Income.

14 Fixed asset investments

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	22,532,156	18,546,649

Fixed asset investments held are pledged as security for the borrowings of the group under fixed and floating charges.

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2021	18,546,649
Additions	3,985,507
At 31 December 2021	22,532,156
Carrying amount	
At 31 December 2021	22,532,156
At 31 December 2020	18,546,649

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct	% Held Indirect
Integrated International Payroll Limited	See 1 below	Provision of international payroll services	Ordinary shares	100.00	-
Integrated International Payroll (Holdings) Limited	See 2 below	Interim holding company	Ordinary shares	100.00	-
Integrated International Payroll Shanghai Limited	See 3 below	Dormant	Ordinary shares	0	100.00
Integrated International Payroll (Hong Kong) Limited	See 4 below	Dormant	Ordinary shares	0	100.00
Integrated International Payroll SARL	See 5 below	Provision of international payroll services	Ordinary shares	0	100.00
Integrated International Payroll KFT	See 6 below	Provision of international payroll services	Ordinary shares	0	100.00
Integrated International Payroll SP ZOO	See 7 below	Provision of international payroll services	Ordinary shares	0	100.00
Integrated International Payroll (PTE.) LTD.	See 8 below	Provision of international payroll services	Ordinary shares	0	100.00
Integrated International Payroll LLC	See 9 below	Provision of international payroll services	Ordinary shares	0	100.00

Registered office addresses (all UK unless otherwise indicated):

1 Festival House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3SH
2 Festival House, Jessop Avenue, Cheltenham, Gloucestershire, GL50 3SH
3 No.381, Huaihai Zhong Road, Luwan District, Shanghai, China
4 Room 602, Wah Yuen Building, 149 Queen's Road Central, Hong Kong
5 Immeuble le Leeds -253, Boulevard du Leeds, Lille, 59777, France
6 Duna Tower, Budapest Nepfurdo u.22 113, Hungary
7 Krakowskie Przedmiescie 13, 5th Floor, Warsaw, Poland
8 50 Raffles Place 17-01, Singapore Land Tower, Singapore 048623
9 12700 Park Central, Suite 1910, Dallas, Texas 75251, United States

16 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	**£**	**£**	**£**	**£**
Trade debtors	2,544,194	1,721,894	-	-
Corporation tax recoverable	234,482	208,786	-	-
Amounts owed by group undertakings	-	-	788,816	797,516
Other debtors	276,899	149,698	73,878	73,190
Prepayments and accrued income	2,406,539	2,257,913	-	-
	5,462,114	4,338,291	862,694	870,706
Amounts falling due after more than one year:				
Prepayments and accrued income	1,184,477	1,450,719	-	-
Total debtors	6,646,591	5,789,010	862,694	870,706

Debtors held are pledged as security for the borrowings of the group under a fixed and floating charge.

Amounts owed by group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

17 Creditors: amounts falling due within one year

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Other borrowings	19	1,519,708	2,390,549	-	-
Trade creditors		1,827,676	1,929,071	-	-
Amounts owed to group undertakings		163,366	2,297,259	857,297	849,311
Other taxation and social security		563,118	615,455	-	-
Other creditors		144,941	127,614	-	-
Accruals and deferred income		2,271,797	1,997,803	32,250	23,250
		6,490,606	9,357,751	889,547	872,561

Amounts owed to group undertakings are unsecured, interest free, have no fixed repayment date and are repayable on demand.

18 Creditors: amounts falling due after more than one year

		Group		Company	
		2021	2020	2021	2020
	Notes	£	£	£	£
Other borrowings	19	7,052,306	2,518,306	-	-
Government grants	20	-	256,933	-	-
Accruals and deferred income		1,750,536	1,409,892	-	-
		8,802,842	4,185,131	-	-

19 Loans and overdrafts

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Other loans	8,572,014	4,908,855	-	-
Payable within one year	1,519,708	2,390,549	-	-
Payable after one year	7,052,306	2,518,306	-	-

Other loans of £8,556,628 are secured by fixed and floating charges over all the property and undertakings of the group. The parent company, TeakiiPay Holdings LLC, has provided guarantees over this loan facility to the lender.

Other loans of £8,556,628 are repayable by monthly capital and interest payments with maturity dates ranging from 30 April 2023 to 30 June 2024. Interest is charged on other loans of £8,556,628 at 10%, and any advance subsequent to 1 January 2022 will incur interest at the higher of 10%, or 10% plus the one year Euro LIBOR rate, at the drawdown date for each advance.

Other loans of £15,386 relate to the unforgiven balance of the PPP loan as referred to in notes 3 and 20. This balance is repayable by monthly capital and interest payments with a maturity date of April 2022. Interest is charged at 1%.

20 Deferred grants

	Group 2021 £	2020 £	Company 2021 £	2020 £
Arising from government grants	-	256,933	-	-

On 27 March 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief and Economic Security Act ("CARES Act") which includes provision for a Paycheck Protection Programme ("PPP") administered by the U.S. Small Business Administration ("SBA"). The PPP allows qualifying businesses to borrow up to $10million calculated based on qualifying payroll costs. PPP loans bear a fixed interest rate of 1% over a two-year term, are guaranteed by the Federal Government and do not require collateral. The loans may be forgiven, in part or whole, if the proceeds are used to retain and pay employees and for other qualifying expenditure.

The group applied for a PPP loan in the amount of £256,933, which was approved by the SBA on 30 April 2020 and received during the year ended 31 December 2020. The group used the majority of the proceeds of the PPP loan in accordance with the provisions of the CARES Act and during the year, the group applied for over 90% of the PPP loan to be forgiven. As a result, £242,681 was recognised as government grant income by the group in relation to the amount forgiven, with the balance repayable.

21 Share-based payment transactions

The group has a Management Incentive Plan (the "Incentive Plan") to award Management Incentive Units ("MIUs") to key employees and independent contractors of the group. The Incentive Plan is administered by the Board of the parent company, TeakiiPay Holdings LLC, and is subject to termination, at any time, as determined by the Board. As of 31 December 2021, 18,357 (2020: 17,033) Class C MIUs have been issued. These MIUs vest, conditional upon a contingent event, and in accordance with the terms of the Incentive Plan.

Class C MIUs are authorised under the parent company's Company Agreement, do not have an exercise price and do not expire until the parent company is dissolved. The Class C MIUs represent non-voting interest. Members holding Class C MIUs are subject in all respects to the parent company's Operating Agreement, including provisions relating to the distributions of such profits, information rights with respect to the parent company, competition and confidentiality.

No expense was recognised by the group in the year ended 31 December 2021 or 31 December 2020 in relation to these MIUs.

22 Share capital

Ordinary share capital	**2021 Number**	**2020 Number**	**2021 £**	**2020 £**
Issued and fully paid				
Ordinary shares of 10p each	13,597,535	12,400,686	1,359,754	1,240,069

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

During the year, the company allotted 1,196,849 Ordinary £0.10 shares with an aggregate nominal value of £119,685. The shares were issued at at a premium for total consideration of £3,985,507 and this resulted in an increase in the Share premium account of £3,865,822.

23 Share premium account

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
At the beginning of the year	17,290,633	17,290,633	17,290,633	17,290,633
Issue of new shares	3,865,822	-	3,865,822	-
At the end of the year	21,156,455	17,290,633	21,156,455	17,290,633

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

24 Revaluation reserve

	Group		Company	
	2021	**2020**	**2021**	**2020**
	£	**£**	**£**	**£**
At the beginning and end of the year	208,894	208,894	208,894	208,894

25 Retranslation reserve

Group	**£**
At the beginning of the prior year	24,864
Other movements	167,385
At the end of the prior year	192,249
Other movements	110,896
At the end of the current year	303,145

Company	**£**
At the beginning of the prior year	-
At the end of the prior year	-
At the end of the current year	-

26 Profit and loss reserves

	Group 2021 £	2020 as restated £	Company 2021 £	2020 as restated £
At the beginning of the year	(22,748,509)	(18,241,059)	(193,575)	(190,699)
Loss for the year	(4,371,662)	(4,507,450)	(24,995)	(2,876)
At the end of the year	(27,120,171)	(22,748,509)	(218,570)	(193,575)

Retained earnings includes all current and prior period retained profits and losses.

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	161,509	249,905	-	-
Between two and five years	349,095	15,769	-	-
	510,604	265,674	-	-

Of the future minimum lease payments under non-cancellable operating leases noted above, £510,604 (2020: £233,561) relate to premises.

28 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	1,144,869	1,358,643

29 Directors' transactions

As at 31 December 2021, £73,878 (2020: £73,190) was owed by a director to the group and company. The loan is denominated in US dollars, has no set repayment terms, no interest has been charged and movements in the loan balance in the current year relate solely to foreign exchange gains and losses arising on retranslation of the loan at the balance sheet date.

30 Controlling party

The controlling party is the parent company, TeakiiPay Holdings LLC, a company registered in the United States of America.

31 Capital commitments

Neither the company nor group had any capital commitments at the balance sheet date (2020: £Nil).

32 Contingent liabilities

As at the balance sheet date, the company had given a guarantee in respect of borrowings in a subsidiary undertaking of £8,556,628 (2020: £4,908,855). This guarantee is secured by fixed and floating charges over all the assets, property and undertakings of the company.

The group had no contingent liabilities at the balance sheet date (2020: £Nil).

33 Cash absorbed by group operations

	2021	2020
	£	£
Loss for the year after tax	(4,371,662)	(4,507,450)
Adjustments for:		
Taxation credited	(227,052)	(208,786)
Finance costs	638,258	403,226
Investment income	-	(350)
Loss on disposal of tangible fixed assets	11,647	-
Amortisation and impairment of intangible assets	868,140	856,024
Depreciation and impairment of tangible fixed assets	235,640	213,001
Movements in working capital:		
Increase in debtors	(831,885)	(820,915)
(Decrease)/increase in creditors	(2,284,893)	1,986,208
Cash absorbed by operations	(5,961,807)	(2,079,042)

34 Analysis of changes in net debt - group

	1 January 2021	Cash flows	Exchange rate movements	31 December 2021
	£	£	£	£
Cash at bank and in hand	982,164	455,820	110,896	1,548,880
Borrowings excluding overdrafts	(4,908,855)	(4,167,481)	372,300	(8,572,014)
	(3,926,691)	(3,711,661)	483,196	(7,023,134)

35 Prior period adjustment

Change in accounting policy

In the current year, it was identified that certain costs previously treated as administrative costs (or overhead costs) were more appropriately cost of sales (or direct costs), and vice versa.

As a result of this change in accounting policy, the overall impact in the current year is an increase in cost of sales of £188,840 and a reduction in administrative costs of the same amount.

As a change in accounting policy, the impact has been adjusted retrospectively and resulted in an increase in cost of sales of £231,672 and a reduction in administrative costs of the same amount in the comparative amounts for the year ended 31 December 2020 as presented in these financial statements.

There has been no impact on the overall loss for either the current or prior year, on the brought forward or carried forward losses, or on the equity as previously reported as a result of the retrospective application of this change in accounting policy.