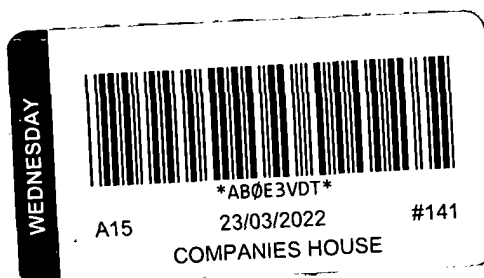


REGISTERED NUMBER: 10063984 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2020
for
Fondy Ltd



Fondy Ltd (Registered number: 10063984)

Contents of the Financial Statements
for the Year Ended 31 December 2020

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Fondy Ltd

Company Information
for the Year Ended 31 December 2020

DIRECTORS:

A B Apter
Ms A Kovacova
Ms V Vahorovska

SECRETARY:

REGISTERED OFFICE:

40 Gracechurch Street
London
EC3V 0BT

REGISTERED NUMBER:

10063984 (England and Wales)

AUDITORS:

Passmore Weeks and Richardson
Chartered Accountants and Statutory Auditors
2 Beacon End Courtyard
London Road
Stanway
Colchester
Essex
CO3 0NU

Fondy Ltd (Registered number: 10063984)

Strategic Report
for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

REVIEW OF BUSINESS

The Company is authorised by the UK Financial Conduct Authority (the "FCA") to act as an Authorised Electronic Money Institution. The Company's authorisation from the FCA also enables it to provide payment services.

During 2020, the Company focused on building its client base for its payment processing business which enables E-Merchant clients to accept payment via the internet from their customers via credit and debit cards and other payment methods utilising the FONDY Platform.

We offer E-Merchants a product which is easy for them to implement and facilitates their growth in new markets by providing them with the ability to offer their customers a growing range of payment methods, including local payment methods in many markets. Our product also offers an anti-fraud system and a risk management system and the ability for our clients to generate reports on the demographics of their customers, including which countries they are from and which payment methods and currencies that they use. Our product also facilitates integration with clients' CRM and accounting systems.

Due to our still relatively early stage status, the Company generated a net loss of £320,589 in 2020, as a result of 1) the need to grow our client base and therefore increase the value of the transactions that they process through us, 2) the high cost of processing card payments due to our small size and 3) the overhead costs, particularly employee costs, that a growing business must absorb. The company has continued to be loss making since 2020. However, we actively work to optimise our business model and to increase the amount of higher margin non-card payment transactions which we process for our clients. We also enjoy the benefit of strong support from our parent company and shareholders as we execute our strategic plans.

FUTURE DEVELOPMENTS

In October 2021, we commercially launched our new payment accounts business, which is expected overtime to enhance our profitability. The E-Merchant clients of our payment processing business are a natural client base for the payment accounts business.

The company intends to implement as rapidly as feasible in 2022 an accounting system from a third party provider, which system will be capable of much greater functionality than the company's current accounting system.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces a variety of operational risks, including cybersecurity risk. The Company has put in place policies and procedures to monitor and minimise these risks.

The Company continues to face uncertainties from the Covid 19 pandemic, albeit on a reduced level. To date, the Company has continued to operate without disruption from the pandemic and we do not believe that our results of operations have been materially impacted by the pandemic. Evidence suggests that online shopping for goods and services, particularly in certain segments, has increased as a result of the pandemic and we have focused effort on attracting clients that have benefited from this increased demand.

The company trades in many different currencies and mitigates their exchange rate risk by holding monies in various different currency bank accounts.

Fondy Ltd (Registered number: 10063984)

Strategic Report
for the Year Ended 31 December 2020

FINANCIAL KEY PERFORMANCE INDICATORS

The Board and senior management monitor the performance of the Company regularly. They use financial indicators such as amount of transaction values processed, revenue as a percentage of transaction value processed, gross and net profit margins and a regular review of overhead expenses. They also compare actual with projected performance regularly.

ON BEHALF OF THE BOARD:



A B Apter - Director

10 March 2022

Fondy Ltd (Registered number: 10063984)

Report of the Directors
for the Year Ended 31 December 2020

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

A B Apter
Ms A Kovacova
Ms V Vahorovska

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

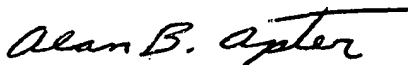
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors Passmore Weeks and Richardson, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



A B Apter - Director

10 March 2022

Report of the Independent Auditors to the Members of
Fondy Ltd

Opinion

We have audited the financial statements of Fondy Ltd (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 company's affairs as at 31 December 2020 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.

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 Auditors' 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 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 the audit:

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

Report of the Independent Auditors to the Members of
Fondy Ltd

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

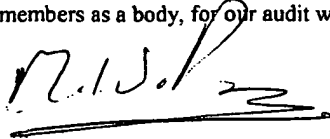
We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statement disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Report of the Independent Auditors to the Members of
Fondy Ltd

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 a Report of the Auditors 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.



Mark Passmore MA FCA (Senior Statutory Auditor)
for and on behalf of Passmore Weeks and Richardson
Chartered Accountants and Statutory Auditors
2 Beacon End Courtyard
London Road
Stanway
Colchester
Essex
CO3 0NU

10 March 2022

Fondy Ltd (Registered number: 10063984)

Income Statement
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
TURNOVER	4	915,609	485,948
Cost of sales		<u>725,326</u>	<u>384,447</u>
GROSS PROFIT		190,283	101,501
Administrative expenses		<u>750,954</u>	<u>333,020</u>
		(560,671)	(231,519)
Other operating income		<u>238,939</u>	-
OPERATING LOSS	6	(321,732)	(231,519)
Interest receivable and similar income		<u>1,143</u>	-
LOSS BEFORE TAXATION		(320,589)	(231,519)
Tax on loss	7	-	-
LOSS FOR THE FINANCIAL YEAR		<u>(320,589)</u>	<u>(231,519)</u>

The notes form part of these financial statements

Fondy Ltd (Registered number: 10063984)

Other Comprehensive Income
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
LOSS FOR THE YEAR		(320,589)	(231,519)
OTHER COMPREHENSIVE INCOME		—	—
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(320,589)</u>	<u>(231,519)</u>

The notes form part of these financial statements

Fondy Ltd (Registered number: 10063984)

Balance Sheet
31 December 2020

	Notes	31.12.20 £	31.12.19 £
CURRENT ASSETS			
Debtors	8	1,187,235	1,366,948
Cash at bank	9	917,144	2,046,800
		<u>2,104,379</u>	<u>3,413,748</u>
CREDITORS			
Amounts falling due within one year	10	1,769,186	3,105,949
		<u>335,193</u>	<u>307,799</u>
NET CURRENT ASSETS			
		<u>335,193</u>	<u>307,799</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>335,193</u>	<u>307,799</u>
CAPITAL AND RESERVES			
Called up share capital	12	1,158,140	810,157
Retained earnings	13	(822,947)	(502,358)
		<u>335,193</u>	<u>307,799</u>
SHAREHOLDERS' FUNDS		<u>335,193</u>	<u>307,799</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10 March 2022 and were signed on its behalf by:

Alan B. Apter

A B Apter - Director

The notes form part of these financial statements

Fondy Ltd (Registered number: 10063984)

Statement of Changes in Equity
for the Year Ended 31 December 2020

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2019	641,128	(270,839)	370,289
Changes in equity			
Deficit for the year	-	(231,519)	(231,519)
Total comprehensive income	-	(231,519)	(231,519)
Issue of share capital	169,029	-	169,029
Balance at 31 December 2019	<u>810,157</u>	<u>(502,358)</u>	<u>307,799</u>
Changes in equity			
Deficit for the year	-	(320,589)	(320,589)
Total comprehensive income	-	(320,589)	(320,589)
Issue of share capital	347,983	-	347,983
Balance at 31 December 2020	<u>1,158,140</u>	<u>(822,947)</u>	<u>335,193</u>

The notes form part of these financial statements

Fondy Ltd (Registered number: 10063984)

Cash Flow Statement
for the Year Ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	(1,335,995)	1,570,411
Net cash from operating activities		<u>(1,335,995)</u>	<u>1,570,411</u>
Cash flows from investing activities			
Interest received		1,143	-
Net cash from investing activities		<u>1,143</u>	<u>-</u>
Cash flows from financing activities			
Related party loan movements		(279,420)	1,137
Amount introduced by directors		136,633	2,610
Share issue		347,983	169,029
Net cash from financing activities		<u>205,196</u>	<u>172,776</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,129,656)</u>	<u>1,743,187</u>
Cash and cash equivalents at beginning of year	2	2,046,800	303,613
Cash and cash equivalents at end of year	2	<u>917,144</u>	<u>2,046,800</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2020

1. **RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.20	31.12.19
	£	£
Loss before taxation	(320,589)	(231,519)
Finance income	(1,143)	-
	<u>(321,732)</u>	<u>(231,519)</u>
Decrease/(increase) in trade and other debtors	388,735	(839,020)
(Decrease)/increase in trade and other creditors	(1,402,998)	2,640,950
	<u>(1,335,995)</u>	<u>1,570,411</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	917,144	2,046,800

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	2,046,800	303,613

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank	2,046,800	(1,129,656)	917,144
	<u>2,046,800</u>	<u>(1,129,656)</u>	<u>917,144</u>
Total	<u>2,046,800</u>	<u>(1,129,656)</u>	<u>917,144</u>

Notes to the Financial Statements
for the Year Ended 31 December 2020

1. **GENERAL INFORMATION**

The company has received authorisation from the UK Financial Conduct Authority to act in the UK as an Authorised Electronic Money Institution and also to provide payment services.

2. **STATUTORY INFORMATION**

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

3. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

Turnover

Revenue is measured at the fair value of the consideration received or receivable. Revenue derived directly from payment transactions is recognized at the stage of payment transaction authorization. Certain other revenues from payment transaction clients are recognised when due under the relevant contracts with the clients.

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly payable or receivable within one year) including loans and other accounts receivable and payable, are initially measured at present value of the future cashflows and subsequently at amortised cost using the effective interest rate method. Debt instruments that are payable or receivable within one year, typical trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration to be expected to be paid or received. However if the arrangements of a short-term instrument constitutes a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in the case of an outright short term loan that is not at market value, the financial asset or liability is measured, initially at present value of future cashflow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment, if found, the impairment loss is taken to the income statement.

Financial assets and liabilities are offset, and the net amount reported on the balance sheet when there is an 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 individually.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Foreign currencies

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

3. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the statement of comprehensive income in the period to which they relate.

Differences between contributions payable in the year and contributions paid are shown as either accruals or prepayments in the balance sheet.

Going concern

While the company has continued to be loss making, the directors have a reasonable expectation that the company will, through internally generated funds and the confirmed support of its parent company and shareholders, have sufficient funds to enable payments to creditors as they fall due for a period of at least one year from the date of the Directors' approval of the financial statements. As such, the financial statements have been prepared on a going concern basis.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.12.20	31.12.19
	£	£
Payment transactions	907,561	478,553
Other income	8,048	7,395
	<u>915,609</u>	<u>485,948</u>

An analysis of turnover by geographical market is given below:

	31.12.20	31.12.19
	£	£
United Kingdom and EU	-	485,948
United Kingdom	188,970	-
EU	726,639	-
	<u>915,609</u>	<u>485,948</u>

5. EMPLOYEES AND DIRECTORS

	31.12.20	31.12.19
	£	£
Wages and salaries	557,796	204,420
Other pension costs	18,744	2,176
	<u>576,540</u>	<u>206,596</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

5. **EMPLOYEES AND DIRECTORS - continued**

The average number of employees during the year was as follows:

	31.12.20	31.12.19
Administrative	5	1
Directors	3	2
	<u>8</u>	<u>3</u>

	2020 £	2019 £
Directors emoluments	<u>144,012</u>	<u>136,008</u>

The directors are also the company's key management personnel.

6. **OPERATING LOSS**

The operating loss is stated after charging:

	31.12.20 £	31.12.19 £
Other operating leases	40,404	16,564
Auditors' remuneration	33,120	10,250
Auditors' remuneration for non audit work	1,200	3,850
	<u>74,724</u>	<u>30,664</u>

7. **TAXATION**

The company incurred a liability to UK corporation tax of £272 for the year ended 31 December 2020 (2019: £1,011).

8. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.12.20 £	31.12.19 £
Trade debtors	711,849	1,116,306
Amounts owed by group undertakings	409,248	63,593
Other debtors	48,601	42,013
Directors' current accounts	3,949	140,582
Prepayments	13,588	4,454
	<u>1,187,235</u>	<u>1,366,948</u>

9. **CASH AT BANK**

	31.12.20 £	31.12.19 £
Bank balances	<u>917,144</u>	<u>2,046,800</u>

Included in the above balance are amounts held on behalf of clients in safeguarding accounts totalling £930,626 (2019: £1,954,011).

Included in one of the safeguarding accounts is an amount held on behalf of a company controlled by one of the company's directors.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.20	31.12.19
	£	£
Trade creditors	1,631,063	3,045,069
Amounts owed to group undertakings	66,235	-
Social security and other taxes	25,737	15,225
Other creditors	5,120	-
Accruals and deferred income	41,031	45,655
	<u>1,769,186</u>	<u>3,105,949</u>

11. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.20	31.12.19
	£	£
Within one year	<u>32,630</u>	<u>6,523</u>

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
1,158,140	Ordinary	1	<u>1,158,140</u>	<u>810,157</u>

13. RESERVES

	Retained earnings £
At 1 January 2020	(502,358)
Deficit for the year	<u>(320,589)</u>
At 31 December 2020	<u>(822,947)</u>

14. PENSION COMMITMENTS

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company.

During the year the company incurred charges for pension contributions totalling £18,744 (2019: £2,176). At the year end pension contributions of £4,761 (2019: £3,398) were outstanding.

15. RELATED PARTY DISCLOSURES

At the year end V Vahorovska owed the company £3,949 (2019 £140,581). The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is repayable on demand. During the year £137,297 was repaid on the loan.

V&A Holding GmbH

At the year end V&A Holding GmbH (parent company) owed the company £115,786 (2019: £8,582). The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is repayable on demand.

At the year end V&A Holding GmbH (parent company) owed the company £66,519 (2019: £nil), for the recharge of costs.

On 1 January 2018, the Company entered into a contract with its parent company, V&A Holding GmbH, for the use of a software package for operation of an internet payments system. Under the contract, the Company is obligated to pay €1,000 in 2018 and €3,000 per year thereafter. This year the company incurred an expense of £2,556 (2019: £2,400).

Fondy IT Dev and Research Limited

At the year end Fondy IT Dev and Research Limited (a company controlled by one of the directors) owed the company £54,524 (2019: £51,497). The loan is subject to interest of 0.5% per annum, which will be paid along with the principal. The loan is repayable on demand.

At the year end Fondy IT Dev and Research Limited owed the company £172,419 (2019: £nil), for the recharge of costs and the company owed Fondy IT Dev and Research Limited £66,235 (2019:£nil) for the recharge of costs.

16. POST BALANCE SHEET EVENTS

Since the year end the Company has issued 534,712 ordinary shares for a consideration of £534,712 to its parent company.

17. ULTIMATE CONTROLLING PARTY

The Company is a wholly owned subsidiary of V&A Holding GmbH, a company incorporated in Austria.

S Zapotocky directly owns 60% of V&A Holding GmbH and V Vahorovska directly owns 40% of V&A Holding GmbH.