

Company Registration No. 09908958 (England and Wales)

BILDERLINGS PAY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

BILDERLINGS PAY LIMITED

COMPANY INFORMATION

Directors	Mr D Polakovs Mr A Zaharovs
Company number	09908958
Registered office	66 Prescott Street London E1 8NN
Auditor	CBW Audit Limited 66 Prescott Street London E1 8NN
Business address	Daws Lane Business Centre 33-35 Daws Lane London NW7 4SD

BILDERLINGS PAY LIMITED

CONTENTS

	Page
Strategic report	1 - 4
Directors' report	5 - 6
Independent auditor's report	7 - 10
Statement of comprehensive income	11
Balance sheet	12
Statement of changes in equity	13
Statement of cash flows	14
Notes to the financial statements	15 - 24

BILDERLINGS PAY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

The directors have provided information regarding the Company's decisions and strategies during the financial year in the 'fair review of the business' section of this report.

Fair review of the business

The Company's (hereinafter – "the Company" or "Bilderlings") mission is to help business and customers achieve sustainable economic growth and improve their financial well-being through a global fintech platform focusing on greater convenience, more choice and affordable prices. The Company believes its tech-enabled solutions will democratise finance and enhance trust, efficiency, speed and inclusivity of financial services globally. Bilderlings aims to design an orchestrated digital ecosystem spanning multiple industries, providing a mix of financial and non-financial products that the users need.

During the year, Bilderlings has progressed significantly in the implementation of its strategic objectives and initiatives and continued to improve its platform infrastructure, products offering and user experience, while accelerating the growth of client portfolios in the UK and Europe. Further the Company has developed strong relations with ecosystem partners, and launched new services and products, such as the Bilderlings mobile app, currency conversion platform, transparent debit cards and Bilderlings for Fintech.

In 2020, Bilderlings made significant advancements in developing in-house a full-scale digital payment platform architecture including multi-currency accounts, debit cards, SEPA and SWIFT channels, Open API, back-office functions, legacy and regulatory integration, an automated AML system, and access to the banking products and services of third-party through integration with ecosystem partners. In particular, the Company worked on automated monitoring of transactions, anti-fraud solutions, automated online onboarding & customer scoring, internal and external 24/7 payments, deposits and investments, and offering further features to our customers. Additionally, Bilderlings also progressed with plans in respect of customer support, compliance and risk infrastructure, and expanding into new markets with existing products and services.

A new office in Vilnius, Lithuania was established, which together with the main support office in Riga (Latvia), will become fully operational and engaged in the core business 24/7 support in early 2021.

The Bilderlings app has been designed and launched in AppStore and GooglePlay, allowing users more convenience and direct access to its products and services in one interaction, anytime and anywhere.

Following approval from MasterCard in 2019, Bilderlings commenced, in March 2020, offering business and individual clients the contactless transparent debit cards, allowing customers increased limits, additional cards, free delivery and 24/7 support. The Company will continue to add new features to the card product range, in particular, offering virtual cards and integration with Apple Pay and Google Pay during 2021. The new Bilderlings internal transfers product was launched in July 2020, offering free and instant transfers between Bilderlings accounts around the clock.

Further to the introduction of Bilderlings for Business in 2019, the Company expanded its product set offering further features, in 2020, to customers including multi-currency accounts, European and British accounts with individual IBANs without limitation on turnover, payments and currency exchange, MasterCard debit card and card payments, and merchant accounts. A new business segment was added to the platform in Q4 2020 - Bilderlings for Fintechs, allowing EMI and PIs to have a client account for financial institutions, offering faster, cheaper and secure SEPA payments, and advisory services for obtaining safeguarding accounts.

In 2020 the Company realised its plans for instant payments. Upon receiving approval from the Bank of Lithuania, SEPA instant has been implemented to enable ever easier and faster pan-European payments. SEPA Instant is planned to become available for clients in February 2021.

Also, during the year, integrations with a leading European bank were made, which immediately transformed the currency conversion service to a real-time automated platform, providing market exchange rates and allowing currency conversions in 19 currency pairs.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Bilderlings' strategic plans for 2021 and future periods include further investment and development of a truly digital, low-cost, convenient, secure and inclusive global Fintech ecosystem, which consists of the following:

- Further investment in developing the highly adaptive technology infrastructure in-house;
- Developing the core product offering to Bilderlings customers;
- Developing the digital Fintech platform and introducing new financial and non-financial products and services as orchestrators for third-parties such as: deposits, loans for business, investments, asset management, etc;
- Obtaining regulatory authorisations required to operate in the European Economic Area (EEA) and non-EEA jurisdictions; and
- Further investment in the compliance and risk infrastructure, and customer support.

Financial performance and KPIs

Sustainable and profitable financial growth is the core of Bilderlings' strategy. The Company's capital target ensures the capital available is of a sufficient amount to support its strategic plan initiatives, and its capital adequacy meets regulatory requirements. The Company has complied with these requirements, holding a net position of €2,771,485 at the end of 2020 (2019: €487,075).

To further strengthen capital resources for the planned business growth, the shareholders plan is to make more share capital allotments during 2021, investing new capital as well as retaining profit. Following the capital increase plan, the shareholders completed the first tranche of €600,000 in February 2021, raising share capital up to €2,550,000.

In 2020, revenue increased by 266% year on year, to €7,016,241 (2019: €2,634,033). The Company has scaled up its European and cross-border payments with customers transferring €853 million in 2020 (2019: €344 million). Following the release of the MasterCard product, the average growth of card users was up 153% monthly with the average monthly increase of card transactions being 178%.

At the end of the year, the Company held €76,632,761 in respect of client money balances (2019: €38,059,385). The increase was due to the improvement of services, an increased offering of new products, a substantial increase in the size of the customer base and increased user activity. Total operational expenses for 2020 were €5,839,798 against €2,558,320 in 2019, mainly driven by investments in IT systems and infrastructure, and the costs of staff hiring. The 2020 financial year was the second year in a row the Company made a profit after tax, which amounted to €934,410 (2019: €98,371). This highlights the sustainable growth and considerable performance achieved by Bilderlings in 2020.

Key performance indicators (KPI's) are used to measure the Company's performance against key business objectives and are reported to shareholders. Bilderlings' major strategic and operational KPI's are presented below, showing the increase in percentage in 2020 against the previous year:

- | | |
|--|--|
| • Revenue growth: 266% | • Total client portfolio growth: 175% |
| • EBITDA growth: 1554% | • Total business client portfolio growth: 150% |
| • OPEX growth: 228% | • Client Money growth: 201% |
| • Called up share capital growth: 325% | • Client activity (count of outgoing payment transactions) growth: 276% |
| • Equity growth: 569% | • Client activity (volume of outgoing payment transactions) growth: 248% |
| • ROE: 73% | |

In addition to the above metrics, Bilderlings periodically reviews specific analytics in order to have visibility of progress against its mission with a focus on whether the user's experience has become more streamlined over time. In particular, compared to 2019, the speed of client online onboarding has been improved by three fold.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Principal risks and uncertainties

Bilderlings is exposed to various operational risks in the course of its business. The Company continues to invest in its operational infrastructure, technology, processes and human resources to minimise potential losses as a result of inadequate or failed internal processes, technology systems, human error and from legal and cyber risks. To further support its successful growth Bilderlings undertakes adequate operational risk management, and focuses on effective risk assessment, implementing adequate controls, higher corporate accountability, senior management commitment, as well as recruiting and retaining the right personnel.

Bilderlings issues electronic money to its clients which must be controlled in accordance with its relevant regulators safeguarding and regulatory capital requirements. Protecting from electronic-money risk, the management team sets a precise control over its commitment to legislation. To ensure that all safeguarding processes were in line with regulatory requirements, Bilderlings contracted an external audit company in February 2020 to review safeguarding arrangements. In July 2020 the FCA issued a Dear CEO letter, which requires Bilderlings to have a mandatory annual and independent safeguarding audit going forward. The next audit will commence in Q1-Q2 2021.

Bilderlings collaborates with a growing number of ecosystem banking partners, outsourcing services providers and other third parties across many lines of business. These partners maintain the Company's accounts, enabling payment processing, holding client funds, providing regulatory compliance, AML, currency exchange and other critical services. The Company mitigates this risk by undertaking initial due diligence on partners prior to onboarding them and then on an ongoing basis.

Bilderlings operates in an industry with a rigorous and fast-changing regulatory landscape and therefore is exposed to potential failure to comply with relevant regulations and laws, including corporate governance and anti-money laundering laws. To meet these challenges, updates to changes in regulatory requirements are maintained in the Risk Management system and kept up to date in a timely and efficient manner.

The Company handles a large number of transactions in clients funds and therefore is subject to potentially increased financial crime risk. As a consequence, the Company faces the risk of non-compliance with Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) and is, in addition, subject to potential losses due to breaches of its Terms & Conditions of business by its clients. To mitigate this risk and make its activities more productive, Bilderlings has focused considerable efforts and time on eliminating low-value AML/CFT activities, automating more of its processes, implementing more advanced analytics including detailed reviews of customer activities, and screening all clients on a daily basis and ongoing monitoring of transactions.

Cyber security threats which could potentially compromise company business services, infrastructure, customer data and company confidential data, continue to remain the principal risk for Bilderlings. To effectively counter these threats, Bilderlings is focused on developing resilient technologies and processes, including AI systems and automated continuous behavioural analysis monitoring, employee training improvement, regular external testing and audit activities. Additionally, a PCI DSS payment card security standard is held annually in the company. The management team is focused on identifying critical business activities and their risks, supporting systems and their vulnerabilities, analysing the new cybersecurity threats and implementing robust mitigation controls, and countermeasures to reduce the impact on business activities and protect data.

As a digital financial services provider, Bilderlings processes a huge amount of personal, confidential company and employee data that imposes obligations on the Company to comply with personal data protection and privacy laws. Bilderlings has continued to invest in its technologies to prevent breaches of data security and facilitates best practices in handling sensitive data by employees. To ensure we have secure and resilient business services supported by robust data protection framework and systems, Bilderlings periodically involves third parties, specialised in IT Systems Security stress testing. For effective Risk Management in addition to the above, Bilderlings plans to evaluate and implement a centralised Risk Management Framework tool. This will make Bilderlings Risk Management agile, proactive, flexible, and less vulnerable against unknown risk or threats, which is key for a successful business.

In response to COVID 19 (Coronavirus) Bilderlings has established a cross-functional response team with senior representatives from various business divisions. Despite the move to remote working, the transition has been seamless and there has been no interruption in the services Bilderlings provides. Bilderlings' business operations have performed as normal during this time and have worked hard to support its customers to enable them to manage business activity across markets efficiently. Bilderlings has experienced strong growth in all major strategic and operational KPI's, while managing risks to customers, financial stability and integrity. As a cloud-based company, Bilderlings has a strong digital presence, sufficient financial resources, and is prepared to meet the challenges coronavirus could have on customers and staff even in a long-term slow down.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Although the UK left the EU at the end of 2020, all provisions that regulate EMI activities and which have been implemented in accordance with the requirements of the relevant Directives have not undergone any changes at this time. All changes to the FCA rules and requirements are being constantly monitored by the key employees of Bilderlings to keep track and promptly react to any relevant changes in the UK legislation.

Section 172 (1) Statement

The main governance body of the Company is the Board of Directors, which is responsible for the prosperity of Bilderlings, leading the Company and supervising its business direction while seeking to develop a culture of good governance. The Company is a values-driven organisation, and the Board is committed to high standards of business conduct, and lawful, efficient and fair business practices, which encompasses its long-term strategy. This includes the way the Company serves its clients, and operates and behaves towards shareholders, partners, employees and other stakeholders. The Board is responsible for developing and maintaining open and fair interaction and a transparent culture between Bilderlings and its stakeholders, considering it key to the Company's overall success.

Bilderlings informs its shareholders about its financial performance, holding meetings on a regular basis to demonstrate how the long and short-term strategies of the Company are being met. Bilderlings' strategic plan, and business model, have been developed and periodically reviewed to have a long-term positive effect on the Company's success while taking into consideration the interests and concerns of its customers, partners, suppliers, employees, and impact of operations on the environment and communities.

Bilderlings provides e-money, payment processing and digital payment services offering international and domestic bank transfers, debit cards, merchant accounts, currency exchange and third-party financial services to corporate and individual clients. The primary purpose of Bilderlings' strategy is to help clients achieve sustainable economic growth, improve their financial well-being, and promote accessibility of financial services globally. To achieve this goal, Bilderlings will continue to build its business with a high emphasis on real customer needs, focusing on greater more streamlined user's experience, client relationship curation and an empowering environment.

As a digital Fintech platform, Bilderlings collaborates openly and fairly with many ecosystem partners and suppliers all over the world. The valuable partnership offering is extended to the products, services and channels, used by the ecosystem partners, and the partner client journey.

On behalf of the board

Mr A Zaharovs
Director
30 March 2021

BILDERLINGS PAY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company during the period is as an electronic money institution, where a payment platform is provided to clients who used prepaid credit cards from a banking partner.

The company is Authorised and Regulated by the United Kingdom Financial Conduct Authority under the Electronic Money Regulations 2011 and the Payment Services Regulations 2017 for the issuing of electronic money and the provision of payment services with FCA registration number 900637.

Results and dividends

The results for the year are set out on page 11.

There were no dividends paid out during 2020.

The directors have proposed a dividend of €800,000 in 2021 based on 2020 financials.

Directors

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

Mr D Polakovs
Mr A Zaharovs

Auditor

The auditor, CBW Audit Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable laws 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

BILDERLINGS PAY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report

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

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

Mr A Zaharovs
Director

30 March 2021

BILDERLINGS PAY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BILDERLINGS PAY LIMITED

Opinion

We have audited the financial statements of Bilderlings Pay Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and 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 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 company's affairs as at 31 December 2020 and of its profit 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 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.

BILDERLINGS PAY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BILDERLINGS PAY LIMITED

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 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, 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

BILDERLINGS PAY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BILDERLINGS PAY LIMITED

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the company were identified through discussions with directors and other management, and from our commercial knowledge and experience of an electronic money institution. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the company, including Payment Services Regulations 2017 (PSR 2017), Electronic Money Regulations 2011 (EMR 2011), Financial Services and Markets Act 2000, Financial Services Act 2012, Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the FCA and the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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.

BILDERLINGS PAY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BILDERLINGS PAY LIMITED

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.

Daniel Rose (Senior Statutory Auditor)
For and on behalf of CBW Audit Limited

31 March 2021

Chartered Accountants
Statutory Auditor

66 Prescot Street
London
E1 8NN

BILDERLINGS PAY LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019
	Notes	€	€
Turnover	3	7,016,241	2,634,033
Cost of sales		(4,010,553)	(1,481,673)
		<hr/>	<hr/>
Gross profit		3,005,688	1,152,360
Administrative expenses		(1,828,177)	(1,076,647)
		<hr/>	<hr/>
Operating profit	4	1,177,511	75,713
Interest payable and similar expenses	8	(25,208)	(4,722)
		<hr/>	<hr/>
Profit before taxation		1,152,303	70,991
Tax on profit	9	(217,893)	27,380
		<hr/>	<hr/>
Profit for the financial year		<u>934,410</u>	<u>98,371</u>

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

BILDERLINGS PAY LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		€	€	€	€
Fixed assets					
Investments	10		350,000		-
Current assets					
Debtors	12	251,204		182,936	
Cash at bank and in hand		2,737,552		1,317,530	
		<u>2,988,756</u>		<u>1,500,466</u>	
Creditors: amounts falling due within one year	13	<u>(567,271)</u>		<u>(1,013,391)</u>	
Net current assets			<u>2,421,485</u>		<u>487,075</u>
Total assets less current liabilities			<u>2,771,485</u>		<u>487,075</u>
Capital and reserves					
Called up share capital	16		1,950,000		600,000
Profit and loss reserves			821,485		(112,925)
Total equity			<u>2,771,485</u>		<u>487,075</u>

The financial statements were approved by the board of directors and authorised for issue on 30 March 2021 and are signed on its behalf by:

Mr A Zaharovs
Director

Company Registration No. 09908958

BILDERLINGS PAY LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Share capital	Profit and loss reserves	Total
Notes	€	€	€
Balance at 1 January 2019	600,000	(211,296)	388,704
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	98,371	98,371
Balance at 31 December 2019	600,000	(112,925)	487,075
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	934,410	934,410
Issue of share capital	16 1,350,000	-	1,350,000
Balance at 31 December 2020	<u>1,950,000</u>	<u>821,485</u>	<u>2,771,485</u>

BILDERLINGS PAY LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 €	€	2019 €	€
Cash flows from operating activities					
Cash generated from operations	21	445,230		934,190	
Interest paid		(25,208)		(4,722)	
Net cash inflow from operating activities		<u>420,022</u>		<u>929,468</u>	
Investing activities					
Proceeds on purchase of subsidiary		(350,000)		-	
Net cash used in investing activities		<u>(350,000)</u>			-
Financing activities					
Proceeds from issue of shares		1,350,000		-	
Net cash generated from/(used in) financing activities		<u>1,350,000</u>			-
Net increase in cash and cash equivalents		<u>1,420,022</u>		<u>929,468</u>	
Cash and cash equivalents at beginning of year		1,317,530		388,062	
Cash and cash equivalents at end of year		<u><u>2,737,552</u></u>		<u><u>1,317,530</u></u>	

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Bilderlings Pay Limited is a private company limited by shares incorporated in England and Wales. The registered office is 66 Prescott Street, London, E1 8NN. The business address is Daws Lane Business Centre, 33-35 Daws Lane, London, NW7 4SD.

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 euros, 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 has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Bilderlings Pay Limited is a wholly owned subsidiary of Bilderlings Holdings SIA and the results of Bilderlings Pay Limited are included in the consolidated financial statements of Bilderlings Holdings SIA which are available from Jekaba Street 2, Riga, LV-1050, Latvia.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company's performance is carefully monitored by the directors and has been as budgeted, despite COVID-19 having a significant effect on the world economy. The directors have assessed their budgets and monitor the situation on a monthly basis to compare actual results, and therefore identify any impact of the pandemic, which they believe to be minimal due to the nature of the business and industry.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities 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 profit or loss.

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

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with 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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 company 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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, 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 company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company 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 company.

1.8 Taxation

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

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

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 when the company has 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.

1.9 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 leases asset are consumed.

1.10 Foreign exchange

Transactions in currencies other than euros 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 are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

The company does not have any areas where there is significant estimation uncertainty or judgement. In the prior period, the deferred tax asset was not recognised since the timing of future profits was uncertain, however this has since been used in the current year on current year profits.

BILDERLINGS PAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****3 Turnover and other revenue**

	2020	2019
	€	€
Turnover analysed by class of business		
Rendering of services	7,016,241	2,634,033

	2020	2019
	€	€
Turnover analysed by geographical market		
EU	4,932,048	1,522,218
Non-EU	2,084,193	1,111,815
	<u>7,016,241</u>	<u>2,634,033</u>

4 Operating profit

	2020	2019
	€	€
Operating profit 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	15,201	(15,431)
Operating lease charges	16,043	15,661
	<u>31,244</u>	<u>1,230</u>

5 Auditor's remuneration

	2020	2019
	€	€
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	33,606	35,085

6 Employees

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

	2020	2019
	Number	Number
Employees	18	3

BILDERLINGS PAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020**

6 Employees	(Continued)	
The aggregate remuneration of employees through the period comprised:	2020	2019
	€	€
Wages and salaries	565,439	62,009
Social security costs	124,279	14,949
	<u>689,718</u>	<u>76,958</u>
	<u><u>689,718</u></u>	<u><u>76,958</u></u>
7 Directors' remuneration	2020	2019
	€	€
Remuneration for qualifying services	21,516	4,538
	<u>21,516</u>	<u>4,538</u>
	<u><u>21,516</u></u>	<u><u>4,538</u></u>
8 Interest payable and similar expenses	2020	2019
	€	€
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	25,208	4,722
	<u>25,208</u>	<u>4,722</u>
	<u><u>25,208</u></u>	<u><u>4,722</u></u>
9 Taxation	2020	2019
	€	€
Current tax		
UK corporation tax on profits for the current period	190,513	-
	<u>190,513</u>	<u>-</u>
	<u><u>190,513</u></u>	<u><u>-</u></u>
Deferred tax		
Origination and reversal of timing differences	27,380	(27,380)
	<u>27,380</u>	<u>(27,380)</u>
	<u><u>27,380</u></u>	<u><u>(27,380)</u></u>
Total tax charge/(credit)	217,893	(27,380)
	<u>217,893</u>	<u>(27,380)</u>
	<u><u>217,893</u></u>	<u><u>(27,380)</u></u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation

(Continued)

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

	2020 €	2019 €
Profit before taxation	1,152,303	70,991
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	218,938	13,488
Utilisation of tax losses	(28,425)	(13,488)
Deferred tax	27,380	(27,380)
Taxation charge/(credit) for the year	217,893	(27,380)

10 Fixed asset investments

	Notes	2020 €	2019 €
Investments in subsidiaries	11	350,000	-

Movements in fixed asset investments

	Shares in group undertakings €
Cost or valuation	
At 1 January 2020	-
Additions	350,000
At 31 December 2020	350,000
Carrying amount	
At 31 December 2020	350,000
At 31 December 2019	-

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Bilderlings Pay, UAB	Lvovo st. 105A, Vilnius, Lithuania	Ordinary	100.00

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Subsidiaries

(Continued)

At the balance sheet date, Bilderlings Pay, UAB was dormant and therefore consolidated financial statements were not prepared.

12 Debtors

	2020	2019
	€	€
Amounts falling due within one year:		
Trade debtors	-	41
Other debtors	97,907	138,414
Prepayments and accrued income	153,297	17,101
	<u>251,204</u>	<u>155,556</u>
Deferred tax asset (note 15)	-	27,380
	<u>251,204</u>	<u>182,936</u>

13 Creditors: amounts falling due within one year

	2020	2019
	€	€
Trade creditors	8,857	65,382
Amounts owed to group undertakings	-	895,777
Corporation tax	190,513	-
Other taxation and social security	-	79
Other creditors	2,786	119
Accruals and deferred income	365,115	52,034
	<u>567,271</u>	<u>1,013,391</u>

14 Client Money

The company holds electronic money accounts on behalf of its clients as per the FCA's EMI regulation 2011 and PSR 2017. It does not believe it carries the risks and rewards in relation to these monies and therefore does not include them on the balance sheet. At the year end the company held €76,632,761 (2019: €38,059,385) in respect of these balances.

Included within Cash at bank and in hand, is an amount of €896,630 which relates to safeguarding of client money,

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Assets 2020 €	Assets 2019 €
Balances:		
Tax losses	-	27,380
	<u> </u>	<u> </u>
Movements in the year:		2020 €
Asset at 1 January 2020		(27,380)
Charge to profit or loss		27,380
		<u> </u>
Liability at 31 December 2020		-
		<u> </u>

16 Share capital

	2020 Number	2019 Number	2020 €	2019 €
Ordinary share capital Issued and fully paid				
Ordinary shares of €1 each	1,950,000	600,000	1,950,000	600,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Operating lease commitments

Lessee

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

	2020 €	2019 €
Within one year	5,461	5,709
	<u> </u>	<u> </u>

18 Events after the reporting date

On 2 February 2021, a dividend of €800,000 was issued, and this amount was subsequently used to purchase 800,000 Ordinary €1 shares at par increasing equity by €800,000.

19 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

19 Related party transactions (Continued)

	Services received	
	2020	2019
	€	€
Other related parties	748,300	616,568

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2020	2019
	€	€
Other related parties	-	895,777

The above amounts include:

A loan with a related party of €Nil (2019: €850,000) and interest on the loan of €Nil (2019; €4,722)

20 Ultimate controlling party

The ultimate parent company is Bilderlings Holdings SIA, a company registered in Latvia. The registered address is Jekaba Street 2, Riga, LV-1050, Latvia. The results for Bilderlings Pay Limited is consolidated in the parent company accounts.

21 Cash generated from operations

	2020	2019
	€	€
Profit for the year after tax	934,410	98,371
Adjustments for:		
Taxation charged/(credited)	217,893	(27,380)
Finance costs	25,208	4,722
Movements in working capital:		
Increase in debtors	(95,648)	(35,452)
(Decrease)/increase in creditors	(636,633)	893,929
Cash generated from operations	445,230	934,190

22 Analysis of changes in net funds

	1 January 2020	Cash flows	31 December 2020
	€	€	€
Cash at bank and in hand	1,317,530	1,420,022	2,737,552

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.