

Company registration number 09908958 (England and Wales)

**BILDERLINGS PAY LIMITED**  
**CONDENSED FINANCIAL STATEMENTS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2024**

# BILDERLINGS PAY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr D Polakovs Mrs S Krasovska
<b>Company number</b>	09908958
<b>Registered office</b>	13 Regent Street London SW1Y 4LR
<b>Auditor</b>	Gravita Audit II Limited Aldgate Tower 2 Lemn Street London E1 8FA

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# BILDERLINGS PAY LIMITED

## CONTENTS

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	<b>Page</b>
Strategic report	1 - 3
Directors' report	4 - 5
Independent auditor's review report	6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 27

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# BILDERLINGS PAY LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 30 JUNE 2024

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The Directors of Bilderlings Pay Limited (hereinafter - "the Company", "we", or "Bilderlings") hereby present the strategic report for the interim period ended 30 June 2024. Accordingly this report should be read in conjunction with the financial statement for the year ended 31 December 2023.

Bilderlings Pay Limited is a private company limited by shares incorporated in England and Wales. The registered office is 13 Regent Street, London, SW1Y 4LR. The business address is 13 Regent Street, St James's, London, United Kingdom, SW1Y 4LR.

#### **Significant events and transactions**

Bilderlings Pay Limited UK and Bilderlings US Inc. have concluded a share purchase agreement dated 17 July 2024 under which Bilderlings Pay Limited UK acquires 1,000,000 shares at par value of \$1.00.

The company will be obtaining a license of a money service business (MSB) in the USA which will allow providing the services of the MSB in the states. The MSB services include, among other things, the services of a Money transmitter, Currency dealer or exchanger. Entering the new market will contribute to customer portfolio growth and boost the group's turnover.

During the period ended 30 June 2024 Bilderlings Pay Limited paid dividends of €4,136,323.

#### **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 possible losses from inadequate or failed internal processes, technology systems, human error, and legal and cyber risks. Bilderlings carries out adequate operational risk management and focuses on practical risk assessment, implementing adequate controls, higher corporate accountability, encouraging senior management commitment, and recruiting and retaining the proper personnel to support its successful growth further.

Bilderlings issues electronic money to its customers, which must be controlled following its relevant regulator's safeguarding and regulatory capital requirements. The management team sets precise control over its commitment to the Safeguarding regulations to protect our customers from electronic money risk. To ensure that all safeguarding processes were, and continue to be, in line with regulatory requirements, and as required by its regulators, The last external safeguarding annual audit of its safeguarding arrangements was conducted in April 2024 for the year ended 31 March 2024 with excellent results and the next safeguarding audit is due to take place in April 2025.

## **BILDERLINGS PAY LIMITED**

### **STRATEGIC REPORT (CONTINUED)**

#### **FOR THE PERIOD ENDED 30 JUNE 2024**

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Bilderlings collaborates with a growing number of ecosystem banking partners, outsourcing services providers, and other third parties across many lines of business. The Company mitigates this risk by undertaking initial due diligence of 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 the potential risk of failure to comply with relevant regulations and laws, including corporate governance, anti-money laundering laws, and sanctions. Accordingly, any changes should be promptly incorporated into the Company's operating processes. To meet these challenges and ensure the secure functioning of Bilderlings, to ensure the optimum ratio of the risks Bilderlings accepts and the profitability of the transactions Bilderlings is involved in (the most favourable risk-profitability ratio), the risk management system has been implemented. Bilderlings exercises a systemic approach to risk management, having set the unified standards for identifying, assessing, and limiting the risks in alignment with applicable legislation, as well as recommendations and expectations of the chief regulator of UK financial services firms and financial markets, i.e. the Financial Conduct Authority (FCA).

The Company handles a large number of transactions in customers' funds and, therefore, is subject to potentially increased financial crime risk. Consequently, the Company faces the risk of non-compliance with Anti-Money Laundering/Combating, the Financing of Terrorism, Proliferation (AML/CFT/CPF) guidance and legislation, and key sanctions lists. It is, in addition, subject to potential losses due to breaches of its Terms & Conditions of business by its customers. To mitigate this risk and make its activities more productive, Bilderlings has dedicated considerable effort and time to eliminating low-value AML/CFT/CPF activities, automating more of its processes, enhancing sanctions controls, implementing more advanced analytics, including detailed reviews of customer activities like screening all customers on a daily basis and ongoing monitoring of transactions.

Bilderlings contracted an external audit company to conduct an audit of our AML, CTF, CPF and Sanctions systems and controls on the 12th January 2024 which concluded that there was no material concerns with Bilderlings financial crimes controls. The next external AML audit will be conducted in 2026.

Cyber security threats that could potentially compromise company business services, infrastructure, customer data, and confidential company data remain the principal risk for Bilderlings. To effectively counter these threats, Bilderlings is focused on developing resilient technologies and processes, improving employee training, and regular external testing and audit activities. In addition, 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 substantial volume of confidential information, including Company and employee data. This necessitates adherence to personal data protection and privacy laws. Bilderlings has continued to invest in its technologies to prevent data security breaches and facilitate best practices in handling sensitive data by employees. To ensure we have secure and resilient business services supported by robust data protection frameworks and systems, Bilderlings periodically involves third parties specialising in IT Systems Security stress testing. In addition to the above, Bilderlings implemented a centralised Risk Management Framework tool for effective Risk Management. This will make Bilderlings Risk Management agile, proactive, flexible, and less vulnerable to unknown risks or threats, which is crucial for a successful business.

#### **Related parties**

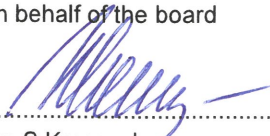
During the period ended 30 June 2024 Bilderlings Pay Limited has purchased services for €2,260,000 from Bilderlings Pay SIA.

During the year ended 2023 the company had a loan receivable from Bilderlings Holdings SIA of €1,011,111 this was repaid on the 20 April 2024.

**BILDERLINGS PAY LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE PERIOD ENDED 30 JUNE 2024**

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On behalf of the board

  
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Mrs S Krasovska  
**Director**

Date: *19.09.2024*  
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# **BILDERLINGS PAY LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE PERIOD ENDED 30 JUNE 2024**

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The directors present their report and financial statements for the period ended 30 June 2024.

#### **Principal activities**

Bilderlings Pay Limited is a private limited company incorporated under the laws of England and Wales with registration number 09908958. The head office of Bilderlings Pay Limited is at 13 Regent Street, St James's, London, United Kingdom, SW1Y 4LR.

Bilderlings Pay Limited is an Electronic Money Institution ('EMI') authorised and regulated by the Financial Conduct Authority, which is a financial regulatory body in the United Kingdom.

Based on the permission issued by the FCA under the reference number 900637, Bilderlings Pay Limited provides the following services:

- issuing electronic money;
- opening payment accounts and executing payment transactions (not covered by a credit line);
- issuing debit cards and provision of card related services; and
- foreign currency exchange services closely linked to the provision of a payment service.

#### **Results and dividends**

The results for the period are set out on page 7.

Ordinary dividends were paid amounting to €4,136,323. The directors proposed to pay out the interim dividends of €3,682,632 that will be reinvested into the share capital.

#### **Directors**

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

Mr D Polakovs  
Mrs S Krasovska

#### **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 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)**

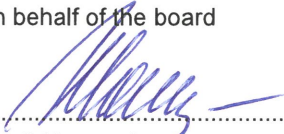
**FOR THE PERIOD ENDED 30 JUNE 2024**

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**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

  
.....

Mrs S Krasovska

**Director**

Date:   
.....



# BILDERLINGS PAY LIMITED

## INDEPENDENT AUDITOR'S REVIEW REPORT

### TO THE MEMBERS OF BILDERLINGS PAY LIMITED

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#### Opinion

We have reviewed the accompanying balance sheet of Bilderlings Pay Limited as of June 30, 2024 and the related statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of (or "does not present fairly, in all material respects") the financial position of the entity as at June 30, 2024 and of its financial performance and its cash flows for the six-month period then ended in accordance with FRS 104.

#### Basis for conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis of Opinion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed. This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

#### Responsibilities of directors

Management is responsible for the preparation and fair presentation of this interim financial information in accordance with FRS104. In preparing the half-yearly financial report, 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

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statement in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

*Gravita Audit II Limited*

**Daniel Rose**

**Senior Statutory Auditor**

**For and on behalf of Gravita Audit II Limited**

Date: 19/09/2024...

**Chartered Accountants**

**Statutory Auditor**

Aldgate Tower  
2 Leman Street  
London  
E1 8FA

# BILDERLINGS PAY LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 30 JUNE 2024

		<b>Six Months ended 30 June 2024</b>	<b>(Unaudited) Period Six Months ended 30 June 2023</b>
	<b>Notes</b>	<b>€</b>	<b>€</b>
<b>Turnover</b>	<b>3</b>	11,770,997	7,432,051
Cost of sales		(2,876,671)	(2,334,709)
<b>Gross profit</b>		<b>8,894,326</b>	<b>5,097,342</b>
Administrative expenses		(4,254,861)	(2,784,327)
Other operating income		-	86,906
<b>Operating profit</b>	<b>4</b>	<b>4,639,465</b>	<b>2,399,921</b>
Interest receivable and similar income	<b>8</b>	251,002	116,369
Interest payable and similar expenses	<b>9</b>	(1,500)	(500)
Amounts written off investments	<b>10</b>	15,907	(4,855)
<b>Profit before taxation</b>		<b>4,904,874</b>	<b>2,510,935</b>
Tax on profit	<b>11</b>	(1,222,242)	(477,446)
<b>Profit for the financial period</b>		<b>3,682,632</b>	<b>2,033,489</b>

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

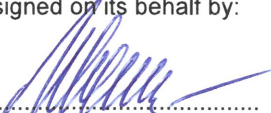
# BILDERLINGS PAY LIMITED

## BALANCE SHEET

AS AT 30 JUNE 2024

		Six Months ended 30 June 2024		(Audited) Year ended 31 December 2023	
	Notes	€	€	€	€
<b>Fixed assets</b>					
Intangible assets	13		7,047		8,884
Tangible assets	14		3,604		1,492
Investments	15		15,916,688		17,616,959
			<u>15,927,339</u>		<u>17,627,335</u>
<b>Current assets</b>					
Debtors	16	978,557		1,432,850	
Investments	17	2,004,184		4,308,377	
Cash at bank and in hand		224,066,580		168,155,426	
		<u>227,049,321</u>		<u>173,896,653</u>	
<b>Creditors: amounts falling due within one year</b>	19	(231,055,800)		(180,149,965)	
<b>Net current liabilities</b>			<u>(4,006,479)</u>		<u>(6,253,312)</u>
<b>Total assets less current liabilities</b>			<u>11,920,860</u>		<u>11,374,023</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	20	901		373	
		<u>901</u>	<u>(901)</u>	<u>373</u>	<u>(373)</u>
<b>Net assets</b>			<u>11,919,959</u>		<u>11,373,650</u>
<b>Capital and reserves</b>					
Called up share capital	21		8,237,327		7,237,327
Profit and loss reserves			3,682,632		4,136,323
<b>Total equity</b>			<u>11,919,959</u>		<u>11,373,650</u>

The financial statements were approved by the board of directors and authorised for issue on 19.09.2024 and are signed on its behalf by:

  
.....  
Mrs S Krasovska  
Director

Company registration number 09908958 (England and Wales)

# BILDERLINGS PAY LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	Share capital €	Profit and loss reserves €	Total €
<b>Balance at 1 January 2023</b>		5,952,662	2,569,330	8,521,992
Profit and total comprehensive Income			2,033,489	2,033,489
Issue of share capital		1,284,665		1,284,665
Dividends			(2,569,330)	(2,569,330)
<b>Balance at 30 June 2023</b>		<u>7,237,327</u>	<u>2,033,489</u>	<u>9,270,816</u>
Profit and total comprehensive income		-	2,102,834	2,102,834
<b>Balance at 31 December 2023</b>		<u>7,237,327</u>	<u>4,136,323</u>	<u>11,373,650</u>
<b>Period ended 30 June 2024:</b>				
Profit and total comprehensive income		-	3,682,632	3,682,632
Issue of share capital	<b>21</b>	1,000,000	-	1,000,000
Dividends	<b>12</b>	-	(4,136,323)	(4,136,323)
<b>Balance at 30 June 2024</b>		<u><u>8,237,327</u></u>	<u><u>3,682,632</u></u>	<u><u>11,919,959</u></u>

# BILDERLINGS PAY LIMITED

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 JUNE 2024

	Notes	Six Months ended 30 June 2024		(Unaudited) Six Months ended 30 June 2023	
		€	€	€	€
<b>Cash flows from operating activities</b>					
Cash generated from/(absorbed by) operations	25		55,180,299		(11,707,739)
Interest paid			(1,500)		(500)
Income taxes paid			(399,152)		(298,421)
<b>Net cash inflow/(outflow) from operating activities</b>			<b>54,779,647</b>		<b>(12,006,660)</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(2,809)		-	
Proceeds from disposal of tangible fixed assets		(734)		-	
Proceeds from disposal of (Client E-money) fixed assets investments		4,020,371		4,376,754	
Interest received		251,002		116,369	
<b>Net cash generated from investing activities</b>			<b>4,267,830</b>		<b>4,493,123</b>
<b>Financing activities</b>					
Proceeds from issue of shares		1,000,000		1,284,665	
Dividends paid		(4,136,323)		(2,569,330)	
<b>Net cash used in financing activities</b>			<b>(3,136,323)</b>		<b>(1,284,665)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			<b>55,911,154</b>		<b>(8,798,202)</b>
Cash and cash equivalents at beginning of period			168,155,426		120,571,332
<b>Cash and cash equivalents at end of period</b>			<b>224,066,580</b>		<b>111,773,130</b>

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 30 JUNE 2024

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#### 1 Accounting policies

##### Company information

Bilderlings Pay Limited is a private company limited by shares incorporated in England and Wales. The registered office is 13 Regent Street, London, SW1Y 4LR. The business address is 13 Regent Street, St James's, London, United Kingdom, SW1Y 4LR.

##### 1.1 Reporting period

The financial statements have been prepared under FRS 104 and represent a shortened period of 6 months. As such, comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

##### 1.2 Accounting convention

These financial statements have been prepared in accordance with FRS104 "Interim Financial Reporting" and the requirements of the Companies Act 2006. The interim financial statements should be read in conjunction with the 2023 year end Annual report prepared by the Board of Directors in accordance with FRS102 "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, modified to include the revaluation of certain financial statements at fair value. The principal accounting policies adopted are set out below.

Bilderlings Pay Limited is a 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.

##### 1.3 Going concern

The company has a net current liability position of €4,006,479 as at 30 June 2024 (€6,253,312 as at 31 December 2023). However, this position is due to the company investing funds in liquid long term government bonds which are accounted for under fixed asset investments. The company has a net asset position of €11,919,959 as at 30 June 2024 (€11,373,650 as at 31 December 2023).

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.

##### 1.4 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.

Turnover represents the value of work carried out in respect of services provided and translation of foreign exchange currency fees to customers and interest generated on customer cash balances.

Interest generated from company and client cash balances is recognised using the effective interest rate method on corporate 'cash and cash equivalents'. The recognition of interest income on client balances is recognised as turnover on the face of the Statement of the Profit and Loss Account.

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

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### 1 Accounting policies

(Continued)

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.5 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 acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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:

Software	20% straight line
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#### 1.6 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:

Computer equipment	33.3% straight line
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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 credited or charged to profit or loss.

#### 1.7 Fixed asset investments

Investments in government bonds are remeasured at amortised cost through profit or loss at each reporting date until maturity.

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

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### 1 Accounting policies

(Continued)

#### 1.8 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.

##### **Client Deposits**

The company recognises financial assets and liabilities for the funds customers hold on their accounts and the funds collected from customers, as part of the money transfer settlement process, that have not yet been processed. The liability is recognised upon receipt of cash or capture confirmation (depending on pay-in method), and is derecognised when cash is delivered to the beneficiary. Additionally, pursuant to IAS 32, the company considers it does not have a legally enforceable right to set off these financial assets and liabilities, or an intention to settle them on a net basis, or to settle them simultaneously.

Principles to determine the point of delivery are the same as applied in turnover recognition, see note 1.3

Where client balances are held by the company, as part of its EMI obligations those funds must be held in segregated accounts, not available for use by the company, and must comply with regulatory safeguarding compliance requirements.

#### 1.9 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.



# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

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### 1 Accounting policies

(Continued)

#### ***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 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, 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.

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

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### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.10 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.

#### **1.11 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 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.

#### **1.12 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.

#### **1.13 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.

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

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### 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.

#### **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.

#### ***Intangible fixed assets***

Intangible fixed assets, are amortised over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values

#### ***Investments***

Investments measured at fair value through profit or loss are revalued at year end using market values for such investments provided by the companies partner bank.

#### ***Tangible fixed assets***

Tangible fixed assets, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values

#### ***Client balances***

Where client balances are held by the company, as part of its EMI obligations those funds must be held in segregated accounts and must comply with regulatory safeguarding compliance requirements. The company is permitted to invest customer cash balances in high quality, liquid assets as sanctioned by the FCA. The company generates interest income from customer cash balances and as a result, has determined that it does have sufficient control over these balances and reward thereof, to include them and their corresponding liability on the Balance Sheet.

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

### 3 Turnover and other revenue

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
<b>Turnover analysed by class of business</b>		
Rendering of services	8,431,625	5,972,737
Interest income from customer balances	3,055,593	1,075,532
Profit on foreign exchange from customer transactions	283,779	383,782
	<u>11,770,997</u>	<u>7,432,051</u>
<b>Turnover analysed by geographical market</b>		
UK	1,067,515	710,144
EU	8,624,446	5,376,377
Rest of the world	2,079,036	1,345,530
	<u>11,770,997</u>	<u>7,432,051</u>
<b>Other revenue</b>		
Interest income	251,002	116,369

### 4 Operating profit

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
Operating profit for the period is stated after charging:	€	€
Exchange losses	47,680	93,360
Depreciation of owned tangible fixed assets	697	310
Loss on disposal of tangible fixed assets	734	-
Amortisation of intangible assets	1,837	747
Operating lease charges	18,534	13,146
	<u>                    </u>	<u>                    </u>

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2024

### 5 Auditor's remuneration

	Six Months ended 30 June 2024	Six Months ended 30 June 2023
Fees payable to the company's auditor and associates:	€	€
<b>For audit services</b>		
Audit of the financial statements of the company	49,623	29,810

### 6 Employees

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

	Six Months ended 30 June 2024 Number	Six Months ended 30 June 2023 Number
Directors	2	1
Employees	47	36
Total	49	37

Their aggregate remuneration comprised:

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
Wages and salaries	1,244,579	929,053
Social security costs	258,196	186,508
	1,502,775	1,115,561

### 7 Directors' remuneration

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
Remuneration for qualifying services	54,222	21,034

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

### 8 Interest receivable and similar income

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
<b>Interest income</b>		
Interest on bank deposits	244,058	91,230
Interest receivable from group companies	6,944	25,139
Total income	<u>251,002</u>	<u>116,369</u>

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>251,002</u>	<u>116,369</u>

### 9 Interest payable and similar expenses

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
<b>Other finance costs:</b>		
Other interest	<u>1,500</u>	<u>500</u>

### 10 Amounts written off investments

	Six Months ended 30 June 2024 €	Six Months ended 30 June 2023 €
Gain/(loss) on disposal of current asset investments	<u>15,907</u>	<u>(4,855)</u>

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE PERIOD ENDED 30 JUNE 2024

#### 11 Taxation

	<b>Six Months ended 30 June 2024 €</b>	<b>Six Months ended 30 June 2023 €</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,221,016	477,097
Foreign current tax on profits for the current period	698	349
Total current tax	<u>1,221,714</u>	<u>477,446</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	528	-
Total tax charge	<u>1,222,242</u>	<u>477,446</u>

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

	<b>Six Months ended 30 June 2024 €</b>	<b>Six Months ended 30 June 2023 €</b>
Profit before taxation	<u>4,904,874</u>	<u>2,510,935</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.50%)	1,226,219	477,446
Tax effect of expenses that are not deductible in determining taxable profit	42	-
Gains not taxable	(3,094)	-
Permanent capital allowances in excess of depreciation	(528)	-
Exempt ABGH distributions	(925)	-
Deferred tax	528	-
Taxation charge for the period	<u>1,222,242</u>	<u>477,446</u>

#### 12 Dividends

	<b>Six Months ended 30 June 2024 €</b>	<b>Year ended 31 December 2023 €</b>
Final paid	<u>4,136,323</u>	<u>2,569,330</u>

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 30 JUNE 2024

### 13 Intangible fixed assets

	Software €
<b>Cost</b>	
At 1 January 2024 and 30 June 2024	13,385
<b>Amortisation and impairment</b>	
At 1 January 2024	4,501
Amortisation charged for the period	1,837
At 30 June 2024	6,338
<b>Carrying amount</b>	
At 30 June 2024	7,047
At 31 December 2023	8,884

### 14 Tangible fixed assets

	Computer equipment €
<b>Cost</b>	
At 1 January 2024	2,310
Additions	2,809
At 30 June 2024	5,119
<b>Depreciation and impairment</b>	
At 1 January 2024	818
Depreciation charged in the period	697
At 30 June 2024	1,515
<b>Carrying amount</b>	
At 30 June 2024	3,604
At 31 December 2023	1,492



# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

### 15 Fixed asset investments

	Six Months ended June 2024 €	Year ended December 2023 €
Investment in government bonds	15,916,688	17,616,959

#### Fixed asset investments revalued

The investment of client money in government bonds is measured at amortised cost over the period of maturity.

The investment of own money in corporate bonds and listed shares is measured at market value.

#### Movements in fixed asset investments

	Investments Client E- Money €	Investments Own Money €	Total €
<b>Cost or valuation</b>			
At 1 January 2024	16,911,518	705,441	17,616,959
Additions	-	300,000	300,000
Valuation changes	(16,933)	(121)	(17,054)
Accrued Interest movement	-	20,967	20,967
Transfer to current Investments	(2,004,184)	-	(2,004,184)
At 30 June 2024	14,890,401	1,026,287	15,916,688
<b>Carrying amount</b>			
At 30 June 2024	14,890,401	1,026,287	15,916,688
At 31 December 2023	16,911,518	705,441	17,616,959
	-	-	-

### 16 Debtors

	Six Months ended 30 June 2024 €	Year ended 31 December 2023 €
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	-	1,011,111
Other debtors	46,978	164,974
Prepayments and accrued income	931,579	256,765
	978,557	1,432,850

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

### 17 Current asset investments

	Six Months ended 30 June 2024	Year ended 31 December 2023
	€	€
Client E-Money investments in government bonds	2,004,184	4,001,617
Own money investments in corporate bonds and listed shares	-	306,760
	<u>2,004,184</u>	<u>4,308,377</u>

### 18 Cash and cash equivalents

	Six Months Ended 30 June 2024	Year Ended 31 December 2023
	€	€
Own cash and cash equivalents	13,025,864	11,076,264
Restricted cash held at banks in respect of customers	211,040,716	157,079,162
	<u>224,066,580</u>	<u>168,155,426</u>

Own cash at bank represents the Company's own funds held to maintain the ongoing capital at the level sufficient for the needs of regulatory requirements.

Restricted cash at bank and cash equivalents held in respect of customers' represents safeguarded funds held on behalf of customers in relation to regulated e-money services (relevant funds). Relevant funds are held in accounts specifically opened with authorised credit institutions to safeguard Bilderlings clients relevant funds only in line with the FCA's Payment Services and Electronic Money -Our Approach document (Approach document).

Part of cash equivalents consists of assets that are approved by FCA as secure and liquid according to the Approach document. As of 30 June 2024, the amount of assets included is €75,894,585 (31 December 2023: €79,913,134), which presents their amortised cost. Of these amounts, €16,894,585 (Dec 2023: €20,913,134) consists of government bonds (see note 15,17) and €59,000,000 (Dec 2023: €59,000,000) consists of deposits included above in cash.

Included within Cash at bank and in hand, is an amount of €2,019,377 (Dec 2023: €3,550,464) which relates to safeguarding of client money,

Interest generated on customer money of €3,055,593 (June 2023: €1,075,532) is included in Turnover (see note 3).

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

### 19 Creditors: amounts falling due within one year

	Six Months ended 30 June 2024	Year ended 31 December 2023
	€	€
Trade creditors	582,415	388,463
Corporation tax	1,221,016	398,454
Other taxation and social security	704,445	862,883
Other creditors	5,605	10,260
Customer money	228,033,506	178,100,217
Accruals and deferred income	508,813	389,688
	<u>231,055,800</u>	<u>180,149,965</u>

### 20 Deferred taxation

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

	Liabilities Six Months ended 30 June 2024	Liabilities Year ended 31 December 2023
	€	€
<b>Balances:</b>		
Accelerated capital allowances	<u>901</u>	<u>373</u>
		<b>2024</b>
<b>Movements in the period:</b>		<b>€</b>
Liability at 1 January 2024		373
Charge to profit or loss		528
Liability at 30 June 2024		<u>901</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 21 Share capital

	Six Months ended 30 June 2024	Year ended 31 December 2023	Six Months ended 30 June 2024	Year ended 31 December 2023
	Number	Number	€	€
Ordinary share capital Issued and fully paid of €1 each	<u>8,237,327</u>	<u>7,237,327</u>	<u>8,237,327</u>	<u>7,237,327</u>

# BILDERLINGS PAY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 JUNE 2024

### 21 Share capital

(Continued)

During the period the company issued the following shares :  
1,000,000 ordinary shares of the nominal value of €1 each in May 2024 for a total consideration of €1,000,000.

### 22 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:

	Six Months ended 30 June 2024	Year ended 31 December 2023
	€	€
Within one year	31,664	30,911
Between two and five years	87,077	100,462
	<u>118,741</u>	<u>131,373</u>

### 23 Related party transactions

#### Transactions with related parties

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

	Services received	
	Six Months ended 30 June 2024	Six Months ended 30 June 2023
	€	€
Other related parties	<u>2,260,000</u>	<u>1,320,000</u>

The following amounts were outstanding at the reporting end date:

	Six Months ended 30 June 2024	Year ended 31 December 2023
	€	€
<b>Amounts due from related parties</b>		
Entities with control, joint control or significant influence over the company	<u>-</u>	<u>1,011,111</u>

The amounts due from related parties was repaid during the period ended 30 June 2024.

## BILDERLINGS PAY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE PERIOD ENDED 30 JUNE 2024

#### 24 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.

#### 25 Cash generated from operations

	Six Months ended 30 June 2024	Six Months ended 30 June 2023
	€	€
Profit for the period after tax	3,682,632	2,033,489
<b>Adjustments for:</b>		
Taxation charged	1,222,242	477,446
Finance costs	1,500	500
Investment income	(251,002)	(116,369)
Loss on disposal of tangible fixed assets	734	-
Amortisation and impairment of intangible assets	1,837	747
Depreciation and impairment of tangible fixed assets	697	310
(Gain)/loss on sale of investments	(15,907)	4,855
<b>Movements in working capital:</b>		
Decrease in debtors	454,293	17,866
Increase/(decrease) in creditors	149,984	(1,196,444)
<b>Cash generated from operations before changes in customer balances</b>	<b>5,247,010</b>	<b>1,222,400</b>
Changes in E-money in issue	49,933,289	(12,930,139)
<b>Cash generated from/(absorbed by) operations</b>	<b>55,180,299</b>	<b>(11,707,739)</b>

As per note 18, cash and cash equivalent includes both company money and customer money which are ringfenced in safeguarding accounts. Total cash equals €224,066,580 of which €13,025,864 relates to own money and €211,040,716 relates to Customer Electronic Money.

Own cash and cash equivalents represents the company's own funds held to maintain the ongoing capital at the level sufficient for the needs of regulatory requirements.

Restricted cash at bank and cash equivalents held in respect of customers' represents safeguarded funds held on behalf of customers in relation to regulated e-money services (relevant funds). Relevant funds are held in accounts specifically opened with authorised credit institutions to safeguard Bilderlings clients relevant funds only in line with the FCA's Payment Services and Electronic Money - Our Approach document (Approach document).

#### 26 Analysis of changes in net funds

	1 January 2024	Cash flows	30 June 2024
	€	€	€
Cash at bank and in hand	168,155,426	55,911,154	224,066,580

## **BILDERLINGS PAY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE PERIOD ENDED 30 JUNE 2024**

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#### **27 Events after the reporting date**

Post-period end, Bilderlings Pay Limited and Bilderlings US, Inc. have entered into a share purchase agreement on 17 July 2024, under the terms of which Bilderlings Pay Limited will acquire 1,000,000 shares in Bilderlings US, Inc. at a nominal value of USD 1 per share. The total purchase price of the shares will be paid up before 1 January 2025.

The US company will be obtaining a license of money service business (MSB), which will enable the provision of the MSB in the US. Entering the US market will contribute to continued customer portfolio growth with the aim of increasing the group's revenue.