

Company registration number 09908958 (England and Wales)

BILDERLINGS PAY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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

BILDERLINGS PAY LIMITED

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BILDERLINGS PAY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors of Bilderlings Pay Limited (hereinafter – “the Company”, “we”, or “Bilderlings”) hereby present the strategic report for the year ended 31 December 2022.

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

Directors' Statement

Speaking of the results of 2022, we can conclude that we, as the Board, made a contribution to the implementation of the mission and strategy of the company by providing more and more affordable digital financial services to an ever-wider range of businesses and society. As before, our field of vision was a sustainable development of Bilderlings to ensure that the Company continued to maintain strong performance, profitability, and liquidity indicators, offering cutting-edge Fintech solutions, at the same time keeping an eye on the potential risks and opportunities of this quickly developing market. We can state with assurance that Bilderlings is a highly developed digital ecosystem offering customers a wide range of Bilderlings-branded financial and non-financial services.

Last year, despite the continued destabilising effects of the global COVID pandemic and social, economic, and political instability, Bilderlings was successful in working its way through and achieving satisfactory performance results, further strengthening the corporate governance framework and creating the robust safeguarding framework at times of global economic and political turbulence that became the major factors that contributed to the Company's overall reliability and stability. The financial performance of the Company in 2022 was the result of both carefully weighted business decisions and the work of the professional management and sales teams focused on serving our customers coupled with reliable IT solutions and fine-tuned business intuition.

Being aware of the rapidly changing business environment, Bilderlings strives to hire professionals that are capable of adapting to the ever-changing background and who are flexible and eager to learn. Without the dedicated staff, Bilderlings would not be able to achieve sustainable development and strategic objectives.

Bilderlings regularly revises its business model to keep it flexible and resilient to external impact.

We strongly believe that our management team and highly skilled professionals leading various units within the Company will continue to demonstrate the highest performance in the coming year, whatever the volatile global economy may pose challenges.

Review of the Global Economic and Market Conditions

Changes in global economic and market conditions, as well as geopolitical events, are determining factors in the Company's business activities and financial results. The past year has been marked by the war in Ukraine, partial weakening of globalisation, significant pressure on households and businesses due to rising costs, and as COVID continues to pose a severe threat in many parts of the world.

The time of stable economic growth, low inflation, and predictable monetary policy was interrupted in 2022. Central banks pursued a policy of raising interest rates, reduced quantitative easing, and some of them demonstrated quantitative tightening. Global domestic product (GDP) growth in 2022 was significantly slowed down by inflationary pressures caused by various factors, such as the severe impact of the COVID pandemic on supply chains, pressure on labour costs, and rising energy and food prices exacerbated by the conflict in Ukraine and imposed sanctions. These developments have worsened the cost of living in most countries of the world, particularly in Europe and the United Kingdom (UK).

Despite the above mentioned, Bilderlings remains financially and operationally resilient amid the challenging macroeconomic conditions, particularly in the face of rising interest rates, declining GDP, the rising cost of living, rising energy costs, and high inflation in general.

Notwithstanding the slowdown in the global economy, Bilderlings ended the year with a profit and solid capital adequacy, reflecting the good performance of the Company's business services.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Fair Review of the Business

Bilderlings' mission is to help clients achieve sustainable economic growth and better financial well-being, focusing on their actual needs, inclusivity, convenience, and at an affordable price. Bilderlings provides cross-border money transfer services and debit cards and orchestrates various third-party services for personal and business clients in the UK and internationally. The Company infrastructure comprises multiple products and services, including Bilderlings' Account for business and individual customers being able to send money abroad and meet their multi-currency banking needs; Bilderlings Platform, which provides more efficient and easy access to third-party financial and non-financial services, including online currency exchange services, deposits, loans, investments, and start-up incorporation; and Bilderlings for Fintech that allows electronic money, payment institutions, banks, and other digital financial institutions to streamline their customer experience, introduce international banking features by integrating Bilderlings fintech platform features into their online banking and mobile applications.

Bilderlings continues to follow its strategy of providing Bilderlings' customers with technologically advanced services at affordable prices. One of the major innovations is the extensive use of artificial intelligence (AI), both in advising customers even before they enter the business relationship and as well as in the transactions monitoring process. In 2022, for the first time, we have integrated chatbots into the sales and customer advisory process. The widespread use of artificial intelligence makes it possible to scale the business, as well as to decrease the company's operational expenses significantly to make its services more affordable for the mass market.

The implementation of online biometrics for all new customers has been a significant step for business and risk control. The biometric system implementation makes it possible to ensure that the account opening is in the best applicant's interests. Automation of the process has increased Bilderlings' ability to open new accounts for thousands of customers per month.

Launched in 2022, the Bilderlings platform offering third-party financial and non-financial services has proven its viability: the first transactions with customers have been made. In 2023, the range of services offered on the platform is expanding, and conditions on existing products are improving. For example, over 2022, the deposit rate in EUR has risen by an average of 72%.

We believe our tech-enabled solutions will enhance the trust, efficiency, speed, and inclusivity of financial services. We envisage Bilderlings' future is not just about an alternative value proposition in finance. We are a technology company with the purpose of designing a digital ecosystem spanning multiple industries, providing a mix of financial and non-financial products, an excellent and more streamlined consumer experience, and promoting new ways to collaborate, connect and innovate for personal benefit and the public good.

In 2022, Bilderlings continued advancement in developing in-house a full-scale digital payment platform architecture, including multi-currency accounts, debit cards, Single Euro Payments Area Credit Transfer (SEPA SCT)/SEPA Instant and Society for Worldwide Interbank Financial Telecommunication (SWIFT) channels, virtual payment cards, back-office infrastructure and automation of internal processes, automated online onboarding and anti-money laundering (AML) systems and access to the banking products and services of third-party through integration with ecosystem partners. In particular, the Company has introduced the automated monitoring of transactions, anti-fraud solutions, automated online onboarding, deposits, and investments, and offering other features to our customers. Additionally, Bilderlings also progressed with plans regarding customer support, compliance, and risk infrastructure and expanding into new markets with existing products and services.

The Bilderlings' app, available in AppStore and GooglePlay, continues to develop by adding new features, allowing users more convenience and direct access to its products and services in one interaction, anytime and anywhere. In addition, the Company continued adding new features to the card product range, in particular, offering virtual cards and pin change, and launched Apple Pay and Google Pay, offering cardholders up-to-date technological solutions. Biometrics authorisation of card payments was introduced in 2022 for convenience and secure cards online transactions. Also, new functionality was introduced for customer convenience - account funding by third-party issued cards.

In 2022, Bilderlings partnered with Mastercard's Priceless Planet Coalition™ on a mission to fight climate change by restoring trees worldwide. The campaign was carried on together with the global environmental organisations - Conservation International and World Resources Institute. As an environmentally responsible company, Bilderlings strives to impact the future of our planet, and this project was the first in the Company's history to bring forward social responsibility on a global scale. In addition, we offered an accessible and engaging way to make a meaningful impact in the world - we helped to plant trees by attracting new clients and increasing card usage of the existing ones.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Developing further its international payment infrastructure, in March 2022, Bilderlings became a member of the SWIFT international payment system and concluded the first agreement with one of the European correspondent banks. The SWIFT system facilitates more efficient, prompt, and secure execution of payments of customers and correspondent banks. In the second quarter of 2022, direct SWIFT payments were available for Bilderlings customers. Increasing the payment capabilities available to our clients has been a focus during 2022, as well as seeking new correspondent and safeguarding banking partners. Attendance at the SIBOS and Fintech Connect conferences has seen an increase in potential payment and banking partners, and negotiations were productive with a number of important partners.

Bilderlings' strategic plans for 2023 and future periods include further investment and development of a truly digital, affordable, convenient, secure, and inclusive global Fintech ecosystem, which consists of the following:

- Developing an AI-based Fintech platform;
- Introducing more affordable, inclusive, value-added, and rewarding basic and premium pricing plans;
- Developing, introducing, and integrating open banking and the most popular payment solutions in the UK and internationally
- Developing the core product offering to business and individual customers and expanding Bilderlings for Fintech services;
- Developing the digital Fintech platform and, in collaboration with partners, introducing new financial and non-financial products and services such as deposits, loans for business, investments, etc.;
- Further investment in the compliance and risk infrastructure and customer support.
- Developing modern tech solutions to automate and speed up business processes (for example, user geolocation);
- Increasing social responsibility and participation in charity projects (supporting the environment and vulnerable sections of society);
- Improving personalised experiences (personalised product recommendations, customised campaigns, and personalized service interactions for customers or customers groups);

Financial Performance and Key Performance Indicators (KPIs)

Despite the harsh global economic and market conditions, Bilderlings continued to strengthen its profitability and financial stability, generating revenue in 2022 €10,640,834 (2021: €10,570,499) and a net profit of €2,569,330 (2021: €2,581,177).

The Company's capital target ensures that the capital available is sufficient to support the strategy set out in the business plan and to ensure that the capital adequacy meets the regulatory requirement, including during severe economic downturns. The Company has fully complied with these requirements, holding a total equity of €8,521,992 at the end of 2022 (2021: €5,952,662). In addition, to increase the Company's capital resources even more, the shareholders plan to reinvest 50% of the profit for 2022 into the new shares, increasing the share capital to €7,232,327 (2022: €5,952,662; 2021: €4,544,592).

Further to our focus on making our services more inclusive and affordable, such as the introduction of new lower pricing plans for domestic and individual clients, automated online onboarding, virtual payment cards, Apple Pay, and Google Pay, the structure of Bilderlings' client portfolio has shifted in favour of individuals, increasing its weight in the client portfolio up to 55% (2021: 39%). MasterCard users grew by 50% against 2021, creating a jump in card transactions by 82% and generating 14% of total revenue (2021: 9%). At the end of the year, the fluctuation in clients' money balances decreased, and those became more stable while retaining a significant volume of €137,922,313 (2021: €168,943,311).

To ensure its operational resilience and effectiveness of processes, Bilderlings has carried on with the enhancement of Information Technology (IT) systems and infrastructure, as well as qualified staff hiring, investing in operating expenses in 2022 €8,668,207 (2021: €7,462,542).

KPIs measure the Company's performance against key business objectives and are reported to shareholders. Bilderlings periodically reviews specific analytics to have visibility of progress against its mission, focusing on whether user experience has become more streamlined over time.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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 due to inadequate or failed internal processes, technology systems, human error, and legal and cyber risks. Bilderlings carries out adequate operational risk management and focuses on effective 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 clients, 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 clients 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. Since 2020, Bilderlings annually has conducted an external audit of its safeguarding arrangements with excellent results.

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 and anti-money laundering laws. 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 regarding applicable legislation and 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 clients' 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 (AML/CFT), Proliferation 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 clients. To mitigate this risk and make its activities more productive, Bilderlings has dedicated considerable effort and time to eliminating low-value AML/CFT activities, automating more of its processes, enhancing sanctions controls as a result of the war in Ukraine, implementing more advanced analytics, including detailed reviews of customer activities like screening all clients on a daily basis and ongoing monitoring of transactions. Bilderlings contracted an external audit company to conduct an audit of our AML, CTF and Sanctions systems and controls during the third quarter of 2022.

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 massive 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 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.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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. From the very beginning, Bilderlings has been committed to maintaining high legal, ethical, and moral standards, adhering to the principles of integrity, objectivity and honesty and wishes to be seen as opposed to fraud, bribery, and corruption in the way that it conducts its business. The Board is committed to high standards of business conduct and lawful, efficient, and fair business practices, encompassing its long-term strategy. This includes how the Company serves its clients and operates and behaves towards shareholders, partners, employees, and other stakeholders. In addition, the Board is responsible for developing and maintaining open and fair interaction and a transparent culture between Bilderlings and its stakeholders, considering it the key to the Company's overall success.

Bilderlings informs its shareholders about its financial performance, holding meetings regularly to demonstrate how the long and short-term strategies of the Company are being met. In addition, 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 considering the interests and concerns of its customers, partners, suppliers, employees, and the 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, 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 the 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 a more extraordinary, more streamlined user experience, maintaining robust client relationships, and securing an empowering environment for its employees.

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 ecosystem partners' products, services and channels and the partner and client journey.

On behalf of the board

Mr D Polakovs

Director

31 March 2023

BILDERLINGS PAY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

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;
- 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 year are set out on page 12.

There were dividends of €1,408,070 paid out during 2022.

The directors have proposed a dividend of €2,569,330 in 2023 based on 2022 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.

BILDERLINGS PAY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

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 D Polakovs
Director

31 March 2023

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 2022 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 2022 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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.

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.

Claire Barnes

Senior Statutory Auditor

For and on behalf of CBW Audit Limited

3 April 2023

Chartered Accountants

Statutory Auditor

66 Prescott Street

London

E1 8NN

BILDERLINGS PAY LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 €	2021 €
Turnover	3	10,640,824	10,570,499
Cost of sales		(4,187,040)	(4,685,424)
Gross profit		<u>6,453,784</u>	<u>5,885,075</u>
Administrative expenses		(4,014,471)	(2,785,993)
Other operating income		9,600	4,684
Operating profit	4	<u>2,448,913</u>	<u>3,103,766</u>
Interest receivable and similar income	8	909,770	121,514
Interest payable and similar expenses	9	(70,511)	(42,871)
Fair value (losses)/gains on listed investments	10	(92,206)	10,077
Profit before taxation		<u>3,195,966</u>	<u>3,192,486</u>
Tax on profit	11	(626,636)	(611,309)
Profit for the financial year		<u><u>2,569,330</u></u>	<u><u>2,581,177</u></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 2022

	Notes	2022		2021	
		€	€	€	€
Fixed assets					
Intangible assets	13		5,106		6,600
Tangible assets	14		1,345		-
Investments	15		21,462,131		25,532,520
			<u>21,468,582</u>		<u>25,539,120</u>
Current assets					
Debtors	16	1,637,192		516,288	
Financial asset investments	17	4,674,536		506,984	
Cash at bank and in hand	18	120,571,332		149,375,994	
		<u>126,883,060</u>		<u>150,399,266</u>	
Creditors: amounts falling due within one year	19	<u>(139,829,314)</u>		<u>(169,985,724)</u>	
Net current liabilities			<u>(12,946,254)</u>		<u>(19,586,458)</u>
Total assets less current liabilities			<u>8,522,328</u>		<u>5,952,662</u>
Provisions for liabilities					
Deferred tax liability	21	336		-	
		<u>336</u>	<u>(336)</u>	<u>-</u>	<u>-</u>
Net assets			<u>8,521,992</u>		<u>5,952,662</u>
Capital and reserves					
Called up share capital	22		5,952,662		4,544,592
Profit and loss reserves			2,569,330		1,408,070
Total equity			<u>8,521,992</u>		<u>5,952,662</u>

The financial statements were approved by the board of directors and authorised for issue on 31 March 2023 and are signed on its behalf by:

Mr D Polakovs
Director

Company Registration No. 09908958

BILDERLINGS PAY LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

		Share capital	Profit and loss reserves	Total
	Notes	€	€	€
Balance at 1 January 2021		1,950,000	821,485	2,771,485
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	2,581,177	2,581,177
Issue of share capital	22	2,594,592	-	2,594,592
Dividends	12	-	(1,994,592)	(1,994,592)
Balance at 31 December 2021		<u>4,544,592</u>	<u>1,408,070</u>	<u>5,952,662</u>
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	2,569,330	2,569,330
Issue of share capital	22	1,408,070	-	1,408,070
Dividends	12	-	(1,408,070)	(1,408,070)
Balance at 31 December 2022		<u><u>5,952,662</u></u>	<u><u>2,569,330</u></u>	<u><u>8,521,992</u></u>

BILDERLINGS PAY LIMITED**STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 €	€	2021 €	€
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	27				
			(28,495,758)		171,846,603
Interest paid			(70,708)		(42,674)
Income taxes paid			(944,321)		(190,513)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(29,510,787)		171,613,416
Investing activities					
Purchase of intangible assets		-		(7,385)	
Purchase of tangible fixed assets		(1,862)		-	
Proceeds on disposal of subsidiaries		-		327,910	
Purchase of fixed asset investments		(438,206)		(25,532,520)	
Purchase of listed investments		(671,468)		(953,846)	
Proceeds on disposal of listed investments		920,305		456,939	
Interest received		909,770		121,514	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) investing activities			718,539		(25,587,388)
Financing activities					
Proceeds from issue of shares		1,408,070		2,594,592	
Dividends paid		(1,408,070)		(1,994,592)	
		<u> </u>		<u> </u>	
Net cash (used in)/generated from financing activities			-		600,000
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(28,792,248)		146,626,028
Cash and cash equivalents at beginning of year			149,363,580		2,737,552
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			120,571,332		149,363,580
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			120,571,332		149,375,994
Bank overdrafts included in creditors payable within one year			-		(12,414)
			<u> </u>		<u> </u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

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 Prescot Street, London, E1 8NN. The business address is 13 Regent Street, St James's, London, United Kingdom, SW1Y 4LR.

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, modified to include the revaluation of certain financial instruments 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.

1.2 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.

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 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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1.5 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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

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
--------------------	---------------------

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.

1.6 Fixed asset investments

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

1.7 Cash and cash equivalents

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

1.8 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 YEAR ENDED 31 DECEMBER 2022

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, 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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies (Continued)

1.9 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.

1.10 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.

1.11 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.

1.12 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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

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 based on their useful lives. The actual useful lives are based on judgements made by management.

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

Fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Fixed assets are depreciated over their useful lives based on judgements made by management.

3 Turnover and other revenue

	2022	2021
	€	€
Turnover analysed by class of business		
Rendering of services	10,640,824	10,570,499
	<u>10,640,824</u>	<u>10,570,499</u>
	2022	2021
	€	€
Turnover analysed by geographical market		
EU	6,577,135	5,527,568
Non-EU	4,063,689	5,042,931
	<u>10,640,824</u>	<u>10,570,499</u>
	2022	2021
	€	€
Other significant revenue		
Interest income	909,770	121,514
Non-operational income	-	4,684
	<u>909,770</u>	<u>126,198</u>
4 Operating profit		
Operating profit for the year is stated after charging/(crediting):	€	€
Exchange gains	(466,697)	(57,747)
Depreciation of owned tangible fixed assets	517	-
Amortisation of intangible assets	1,494	785
Operating lease charges	42,954	16,187
	<u>42,954</u>	<u>16,187</u>

BILDERLINGS PAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****5 Auditor's remuneration**

	2022	2021
	€	€
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	55,901	46,467
For other services		
Audit-related assurance services	-	13,935

6 Employees

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

	2022	2021
	Number	Number
Directors	2	2
Administration	30	25
	32	27

The aggregate remuneration of employees through the period comprised:

	2022	2021
	€	€
Wages and salaries	1,530,476	923,632
Social security costs	315,522	217,626
	1,845,998	1,141,258

7 Directors' remuneration

	2022	2021
	€	€
Remuneration for qualifying services	30,793	26,622

8 Interest receivable and similar income

	2022	2021
	€	€
Interest income		
Interest on bank deposits	879,076	121,514
Interest on loans to related parties	30,694	-
Total income	909,770	121,514

BILDERLINGS PAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022**

		(Continued)	
8	Interest receivable and similar income		
	Investment income includes the following:		
	Interest on financial assets not measured at fair value through profit or loss	909,770	121,514
		<u> </u>	<u> </u>
9	Interest payable and similar expenses		
		2022	2021
		€	€
	Interest on financial liabilities measured at amortised cost:		
	Other interest on financial liabilities	9,087	4,874
	Other finance costs:		
	Other interest	61,424	37,997
		<u> </u>	<u> </u>
		70,511	42,871
		<u> </u>	<u> </u>
10	Fair value gains on listed investments		
		2022	2021
		€	€
	Fair value (loss)/gain on listed investments	(7,419)	6,064
	(Loss)/gain on disposal of current asset investments	(84,787)	4,013
		<u> </u>	<u> </u>
		(92,206)	10,077
		<u> </u>	<u> </u>
11	Taxation		
		2022	2021
		€	€
	Current tax		
	UK corporation tax on profits for the current period	625,447	611,309
	Foreign current tax on profits for the current period	853	-
		<u> </u>	<u> </u>
	Total current tax	626,300	611,309
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	336	-
		<u> </u>	<u> </u>
	Total tax charge	626,636	611,309
		<u> </u>	<u> </u>

BILDERLINGS PAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****11 Taxation****(Continued)**

The actual charge 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:

	2022	2021
	€	€
Profit before taxation	3,195,966	3,192,486
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	607,234	606,572
Tax effect of expenses that are not deductible in determining taxable profit	18,628	4,756
Utilisation of tax losses	-	(19)
Fixed asset differences	(362)	-
Exempt ABGH distributions	(336)	-
Net tax adjustments and transfers	1,472	-
	<u> </u>	<u> </u>
Taxation charge for the year	626,636	611,309
	<u> </u>	<u> </u>

12 Dividends

	2022	2021
	€	€
Final paid	1,408,070	1,994,592
	<u> </u>	<u> </u>

13 Intangible fixed assets

	Software
	€
Cost	
At 1 January 2022 and 31 December 2022	7,385
	<u> </u>
Amortisation and impairment	
At 1 January 2022	785
Amortisation charged for the year	1,494
	<u> </u>
At 31 December 2022	2,279
	<u> </u>
Carrying amount	
At 31 December 2022	5,106
	<u> </u>
At 31 December 2021	6,600
	<u> </u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

14 Tangible fixed assets

	Computer equipment €
Cost	
At 1 January 2022	-
Additions	1,862
At 31 December 2022	<u>1,862</u>
Depreciation and impairment	
At 1 January 2022	-
Depreciation charged in the year	517
At 31 December 2022	<u>517</u>
Carrying amount	
At 31 December 2022	<u>1,345</u>
At 31 December 2021	<u>-</u>

15 Fixed asset investments

	2022 €	2021 €
Investments in government bonds	<u>21,462,131</u>	<u>25,532,520</u>

Fixed asset investments not carried at market value

The investment in government and corporate bonds is measured at amortised cost over the period to maturity.

Movements in fixed asset investments

	Investments (Client Money) €	Investments (Own Money) €	Total €
Cost or valuation			
At 1 January 2022	25,532,520	-	25,532,520
Additions	-	504,170	504,170
Transfer to current investments	(4,508,595)	-	(4,508,595)
Disposals	(65,964)	-	(65,964)
At 31 December 2022	<u>20,957,961</u>	<u>504,170</u>	<u>21,462,131</u>
Carrying amount			
At 31 December 2022	<u>20,957,961</u>	<u>504,170</u>	<u>21,462,131</u>
At 31 December 2021	<u>25,532,520</u>	<u>-</u>	<u>25,532,520</u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Debtors	2022	2021
	€	€
Amounts falling due within one year:		
Amounts owed by group undertakings	1,005,278	-
Other debtors	146,092	204,545
Prepayments and accrued income	485,822	311,743
	<u>1,637,192</u>	<u>516,288</u>
	<u><u>1,637,192</u></u>	<u><u>516,288</u></u>
17 Current asset investments	2022	2021
	€	€
Client money investments in government bonds	4,508,595	506,984
Own money investments in corporate bonds and listed shares	165,941	-
	<u>4,674,536</u>	<u>506,984</u>
	<u><u>4,674,536</u></u>	<u><u>506,984</u></u>
18 Cash and cash equivalents	2022	2021
	€	€
Own cash and cash equivalents	8,207,600	5,991,967
Restricted cash held at banks in respect of customers	112,363,732	143,384,027
	<u>120,571,332</u>	<u>149,375,994</u>
	<u><u>120,571,332</u></u>	<u><u>149,375,994</u></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 31 December 2022, the amount of assets included is €74,466,556 (31 December 2021: €60,645,556), which presents their amortised cost. Of these amounts, €25,466,556 consists of government bonds (see note 14, 15, 17) and €49,000,000 consists of deposits included above in cash.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Creditors: amounts falling due within one year

	Notes	2022 €	2021 €
Bank loans and overdrafts	20	-	12,414
Trade creditors		1,216,733	5,943
Corporation tax		293,288	611,309
Other creditors		42,229	3,957
Customer liabilities		137,922,313	168,943,311
Accruals and deferred income		354,751	408,790
		<u>139,829,314</u>	<u>169,985,724</u>

20 Loans and overdrafts

	2022 €	2021 €
Bank overdrafts	-	12,414
	<u>-</u>	<u>12,414</u>
Payable within one year	-	12,414
	<u>-</u>	<u>12,414</u>

21 Deferred taxation

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

	Liabilities 2022 €	Liabilities 2021 €	Assets 2022 €	Assets 2021 €
Balances:				
Accelerated capital allowances	336	-	-	-
	<u>336</u>	<u>-</u>	<u>-</u>	<u>-</u>

	2022 €
Movements in the year:	
Liability at 1 January 2022	-
Charge to profit or loss	336
	<u>336</u>
Liability at 31 December 2022	<u>336</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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

22 Share capital

	2022	2021	2022	2021
Ordinary share capital Issued and fully paid	Number	Number	€	€
Ordinary shares of €1 each	5,952,662	4,544,592	5,952,662	4,544,592

During the period, the company issued the following shares:

1,408,070 ordinary shares of the nominal value of €1 each in April 2022 for a total consideration of €1,408,070.

23 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:

	2022	2021
	€	€
Within one year	-	5,799

During the year, total lease payments amounted to €42,954.

24 Events after the reporting date

On 30 March 2023, the company declared dividends of €2,569,330, 50% of which will be used to purchase 1,284,665 ordinary shares, which will be issued at par in April 2023.

25 Related party transactions

Transactions with related parties

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

	Services received	
	2022	2021
	€	€
Other related parties	2,010,000	1,228,900

The following amounts were outstanding at the reporting end date:

	2022	2021
Amounts due from related parties	€	€
Other related parties	1,005,278	-

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

26 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.

27 Cash generated from operations

	2022	2021
	€	€
Profit for the year after tax	2,569,330	2,581,177
Adjustments for:		
Taxation charged	626,636	611,309
Finance costs	70,511	42,871
Investment income	(909,770)	(121,514)
Amortisation and impairment of intangible assets	1,494	785
Depreciation and impairment of tangible fixed assets	517	-
Loss/(gain) on sale of investments	84,787	(4,013)
Other gains and losses	338,051	16,026
Movements in working capital:		
Increase in debtors	(1,120,904)	(265,084)
Increase in creditors	864,588	51,389
Cash generated from operations before changes in customer balances	<u>2,525,240</u>	<u>2,912,946</u>
Changes in E-money in issue	(31,020,998)	168,943,311
Net cash generated from operations	<u>(28,495,758)</u>	<u>171,846,603</u>

28 Analysis of changes in net funds

	1 January 2022	Cash flows	31 December 2022
	€	€	€
Cash at bank and in hand	149,375,994	(28,804,662)	120,571,332
Bank overdrafts	(12,414)	12,414	-
	<u>149,363,580</u>	<u>(28,792,248)</u>	<u>120,571,332</u>

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