

Company registration number 09908958 (England and Wales)

BILDERLINGS PAY LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

BILDERLINGS PAY LIMITED

COMPANY INFORMATION

Directors Mr D Polakovs
Ms Svetlana Krasovska (Appointed 17 April 2024)

Company number 09908958

Registered office 13 Regent Street
London
SW1Y 4LR

Auditor Gravita Audit II Limited
Aldgate Tower
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E1 8FA

BILDERLINGS PAY LIMITED

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BILDERLINGS PAY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The Directors of Bilderlings Pay Limited (hereinafter – “the Company”, “we”, or “Bilderlings”) hereby present the strategic report for the year ended 31 December 2023.

The strategic report provides the Company's business model, strategy, risks, development, performance, position, and future prospects, as well as relevant non-financial information.

Directors' Statement

Speaking of the results of 2023, further contribution was made 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 Bilderlings 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 has retained its features of 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 social, economic, and political events, Bilderlings was successful in working its way through and achieving satisfactory performance results, further strengthening the corporate governance, compliance and safeguarding framework, the same time, developing a customer-friendly experience at times of global economic and political turbulence that continued to be the significant factors that contributed to the overall reliability and stability. The financial performance of the Company in 2023 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.

Bilderlings regularly revises its business model to keep it flexible and resilient to external impact. It also takes steps to incorporate environmental, social, and governance (ESG) principles throughout, supporting the success of our customers, people, and other stakeholders. We are focused on operating a strong and sustainable business that puts the customer first, values good governance, and gives our stakeholders confidence in how we do what we do.

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, regardless of the challenges the volatile global economy may pose.

Our mission

Bilderlings' mission is to help customers achieve sustainable economic growth and financial well-being, focusing on affordable price, speed, convenience, and inclusivity. Many financial institutions impose excessive restrictions, apply non-transparent fees, and slow the processing of cross-border payments – our core product - which is unfair. We believe one day within the legal frameworks we will be able to make international payments almost free of charge, absolutely inclusive, instant, transparent, and convenient for all businesses and customers.

The Company's infrastructure comprises multiple products and services, including Bilderlings Account and Bilderlings Business, which allows businesses and customers to receive, save, spend, and send money abroad without borders and limits.

Bilderlings for Fintech allows electronic money, payment institutions, banks, and corporations to streamline their customer experience and introduce international banking features by integrating Bilderlings features into their online banking and mobile applications.

The landmarks that help us to make the right decisions whatever the circumstances are:

- Respect – we respect and value those we work with and the contribution they make.
- Integrity – we act ethically, fairly, and openly in all we do.
- Everything for the customer – customer interests are the focus of all our activities.
- Experience - we always strive to exceed our customers' expectations and improve their experience.
- Excellence - we use our expertise, capabilities, skills, and resources to deliver sustainable results.
- Teamwork – we collaborate and cooperate to achieve our goals.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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, since 2020, Bilderlings has conducted an annual external audit of its safeguarding arrangements with excellent results, with the next Safeguarding audit due to take place in April 2024.

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 during the third quarter of 2022. A further external AML/Sanctions audit will commence in March 2024.

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.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Our strategy

Given the high demand potential and our capacity to effectively exploit opportunities, we have set new goals to grow profitably over the long term, particularly increasing our user number to one million for the next short-medium term period. When we started developing Bilderlings 8 years ago, we believed that many businesses and people inherently strive for entrepreneurial freedom and justice and would support us in our efforts to build international money without borders and restrictions. And it looks like we were right.

Bilderlings continues to follow its strategy of sustainable growth by scaling in its core market – international payments, and broadening its scope into adjacent products and services. To support the growth we'll invest in the business model culture, operating processes, human resources, and organisational design, providing compelling value proposition and customer outcome, and delivering greater operational and cost-efficient service.

To capitalise on the input made into strategy development, we implemented AI in the customer signing-up process in addition to the automated control of transactions.

At the beginning of 2024, we plan to launch an enhanced Customer Help Centre on our website. This will become a self-learning tool that will use all the information available on our site. This is another step towards open and transparent communication with our customers.

The extensive use of AI has already allowed us to scale our business and make our services more accessible to the mass market. We have eliminated account opening and maintenance fees for customers, as well as the opening fee for local businesses.

2024 will be an important year for creating our system to grow consistently:

- Developing an AI-based Fintech platform.
- Launching Bilderlings in the US and EC markets
- Introducing more affordable, inclusive, value-added, and rewarding basic and premium pricing plans
-
- 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.
- Continue investing in organisational design, culture, compliance, risk infrastructure, and customer support.
- Developing modern tech solutions to automate and speed up business processes.
- Increasing social responsibility and participation in charity projects (supporting the environment and vulnerable sections of society); and
- Improving personalised experiences (personalised product recommendations, customised campaigns, and personalised service interactions for customers or customer groups).

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Our progress and performance

In 2023, Bilderlings continued advancement in developing in-house a full-scale digital payment platform architecture, including multi-currency accounts, debit cards, SEPA SCT/SEPA Inst and SWIFT channels, virtual payment cards, back-office infrastructure and automation of internal processes, automated online onboarding and AML systems and access to the banking products and services of third-party through integration with ecosystem partners.

In particular, the Company has introduced:

- introduced an open banking,
- integration platform,
- automated currency conversion service,
- extended embedded payments platform,
- offered payment cards in different currencies,
- introduced regular payments,
- payments via QR codes,
- and offered other features to our customers.

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, particularly offering customers the best benefits and up-to-date technological solutions.

In 2023, Bilderlings continued the cooperation with Mastercard's Priceless Planet Coalition, which started in 2021 and launched the new collaboration project "Saving Smiles" with Charity organisations - Hearts and Minds (UK) and Dr. Klauns (Latvia). The campaign was carried out to support organisations involved in healthcare clowning, helping children in hospitals, and launching an educational project about social responsibility for customers.

All these projects not only produced outstanding results but also redefined the concept of Bilderlings' corporate social responsibility. Beyond the numbers, it became a testament to unity within the Bilderlings team and an inspiring example of how a business can have a profound impact on society by fostering a spirit of community among its customers.

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.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Financial performance and KPIs

Despite the harsh global economic and market conditions, Bilderlings continued to strengthen its profitability and financial stability, generating total revenue (note 4) in 2023 €16,945,613 (2022: €11,822,090) and a net profit of €4,136,323 (2022: €2,559,330).

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 €11,373,650 at the end of 2023 (2022: €8,521,992). In addition, to increase the Company's capital resources even more, the shareholders plan to reinvest €1,000,000 of the profit for 2023 into the new shares, increasing the share capital to €8,232,327 (2023: €7,232,327; 2022: €5,952,662).

Further to our focus on making our services more inclusive and affordable, such as the introduction of new lower pricing plans for domestic businesses and customers, automated online onboarding, virtual payment cards, Apple Pay, and Google Pay, the structure of Bilderlings' customer portfolio has shifted in favour of individuals, increasing its weight in the customer portfolio up to 71% (2022: 55%). MasterCard users grew by 1,6 times against 2022, creating a jump in card transactions by 79% and generating 9% of total revenue. At the end of the year, the customers' money balances increased by 29% YoY, creating a significant volume of € 178,100,217 (2022: €137,922,313).

Key performance indicators (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' key strategic and operational KPIs are presented below, showing the increase in percentage in 2023 against the previous year:

- Total revenue growth: 43%
- Net profit growth: 61%
- Called up share capital growth: 22%
- Equity growth: 33%
- ROE: 60%
- Total client portfolio growth: 90%
- Individual client portfolio growth: 146%
- Client Money growth: 29%
- Client activity growth (volume of payment transactions in&out per year): 46%

Consumer Duty Enhancement

The introduction of the new Consumer Duty signifies a pivotal shift in UK consumer regulation, mandating that firms proactively ensure good outcomes for retail customers. The new rules align seamlessly with Bilderlings' goal to excel as an organisation, providing superior service to our customers. To this end, we have embarked on comprehensive initiatives to incorporate Consumer Duty across the Company, ensuring its principles are firmly integrated into our organisational practices. By utilising and advancing our analytics and perspectives, we strive to ensure that our strategies, products, and services for retail customers meet the intended outcomes.

Our dedication to adhering to the Consumer Duty is an integral aspect of our strategic vision, reinforcing our commitment to building trust, delivering exceptional value, and maintaining our position as leaders in customer-centric service excellence.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Review of the global economic and market conditions

Changes in global economic and market conditions and geopolitical events are determining factors in the Company's business activities and financial results. This year, akin to the last, has been marked by escalating political and economic tensions globally, a weakening of globalisation, and considerable pressure on households and businesses due to inflation and rising interest rates.

The period of stable economic growth, low inflation, and predictable monetary policy was interrupted in 2022, leading central banks to raise interest rates, scale back quantitative easing, and start quantitative tightening. In 2023, global GDP growth faced significant hurdles due to inflationary pressures from tight labour markets, industrial disputes, and increased employment costs; elevated energy prices fuelled by conflicts in Ukraine and the Middle East; and robust consumer spending, especially on services, supported by household savings. These factors contributed to widespread 'cost of living' pressures, including in the UK. Central banks, facing persistent inflation, further tightened monetary policy in 2023.

The intensification of protectionist measures, notably between the US and China through trade tariffs and export bans, poses a risk to economic stability in affected regions. Concurrently, China's economic slowdown, marked by a downturn in the real estate market, declining exports, and currency depreciation, presents systemic threats. These are exacerbated by the property sector's substantial debt burden, amplifying concerns over financial stability.

Market forecasts indicate that interest rates in major economies may have reached or are close to their peak, and inflation appears to be retracting, yet it still significantly surpasses the targets set by central banks. Economies might face challenges in 2024, with the potential for slower growth due to an uncertain geopolitical landscape and fluctuating market conditions, which could temper global economic expansion.

Despite the challenges outlined, Bilderlings has demonstrated remarkable financial and operational resilience in the face of macroeconomic headwinds, including higher interest rates, slowing GDP growth, increased cost of living, elevated energy prices, and widespread inflation.

Bilderlings has sustained its stability and adaptability, ending the year with profitability and strong capital adequacy. This accomplishment highlights the superior performance and competitive advantage of Bilderlings' business services, affirming our commitment to excellence and strategic foresight.

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.

BILDERLINGS PAY LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

On behalf of the board

Ms Svetlana Krasovska

Director

4 June 2024

BILDERLINGS PAY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

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 14.

There were dividends of €2,569,330 paid out during 2023.

The directors have proposed a dividend of €4,136,320 in 2024 based on 2023 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

Ms Svetlana Krasovska

(Resigned 11 December 2023)

(Appointed 17 April 2024)

Auditor

The auditor, Gravita Audit II 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 2023

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

Ms Svetlana Krasovska
Director

4 June 2024

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 2023 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 2023 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.

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.

BILDERLINGS PAY LIMITED

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF BILDERLINGS PAY LIMITED**

Daniel Rose
Senior Statutory Auditor
For and on behalf of Gravita Audit II Limited

4 June 2024

Chartered Accountants
Statutory Auditor

Aldgate Tower
2 Leaman Street
London
E1 8FA

BILDERLINGS PAY LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023**

		2023	2022
	Notes	€	as restated €
Turnover	4	16,945,613	11,822,090
Cost of sales		(4,816,045)	(4,248,505)
		<hr/>	<hr/>
Gross profit		12,129,568	7,573,585
Administrative expenses		(7,105,857)	(4,402,766)
Other operating income		94,446	9,600
		<hr/>	<hr/>
Operating profit	5	5,118,157	3,180,419
Interest receivable and similar income	9	307,145	116,799
Interest payable and similar expenses	10	(5,316)	(9,046)
Fair value (losses)/gains on listed investments	11	(6,009)	(92,206)
		<hr/>	<hr/>
Profit before taxation		5,413,977	3,195,966
Tax on profit	12	(1,277,654)	(626,636)
		<hr/>	<hr/>
Profit for the financial year		<u>4,136,323</u>	<u>2,569,330</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 2023

	Notes	2023		2022	
		€	€	€	€
Fixed assets					
Intangible assets	14		8,884		5,106
Tangible assets	15		1,492		1,345
Investments	16		17,616,959		21,462,131
			<u>17,627,335</u>		<u>21,468,582</u>
Current assets					
Debtors	17	1,432,850		1,637,192	
Financial asset investments	18	4,308,377		4,674,536	
Cash at bank and in hand	19	168,155,426		120,571,332	
		<u>173,896,653</u>		<u>126,883,060</u>	
Creditors: amounts falling due within one year	20	<u>(180,149,965)</u>		<u>(139,829,314)</u>	
Net current liabilities			<u>(6,253,312)</u>		<u>(12,946,254)</u>
Total assets less current liabilities			<u>11,374,023</u>		<u>8,522,328</u>
Provisions for liabilities					
Deferred tax liability	21	<u>373</u>	<u>(373)</u>	<u>336</u>	<u>(336)</u>
Net assets			<u><u>11,373,650</u></u>		<u><u>8,521,992</u></u>
Capital and reserves					
Called up share capital	22		7,237,327		5,952,662
Profit and loss reserves			4,136,323		2,569,330
Total equity			<u><u>11,373,650</u></u>		<u><u>8,521,992</u></u>

The financial statements were approved by the board of directors and authorised for issue on 4 June 2024 and are signed on its behalf by:

Ms Svetlana Krasovska
Director

Company Registration No. 09908958

BILDERLINGS PAY LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023**

		Share capital	Profit and loss reserves	Total
	Notes	€	€	€
Balance at 1 January 2022		4,544,592	1,408,070	5,952,662
Year ended 31 December 2022:				
Profit and total comprehensive income		-	2,569,330	2,569,330
Issue of share capital	22	1,408,070	-	1,408,070
Dividends	13	-	(1,408,070)	(1,408,070)
Balance at 31 December 2022		<u>5,952,662</u>	<u>2,569,330</u>	<u>8,521,992</u>
Year ended 31 December 2023:				
Profit and total comprehensive income		-	4,136,323	4,136,323
Issue of share capital	22	1,284,665	-	1,284,665
Dividends	13	-	(2,569,330)	(2,569,330)
Balance at 31 December 2023		<u><u>7,237,327</u></u>	<u><u>4,136,323</u></u>	<u><u>11,373,650</u></u>

BILDERLINGS PAY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023		2022	
		€	€	€	€
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	28				
		45,541,128		(27,764,252)	
Interest paid		(5,316)		(9,243)	
Income taxes paid		(1,172,451)		(944,321)	
Net cash inflow/(outflow) from operating activities		<u>44,363,361</u>		<u>(28,717,816)</u>	
Investing activities					
Purchase of intangible assets		(6,000)		-	
Purchase of tangible fixed assets		(1,069)		(1,862)	
Proceeds from disposal of (Client E-money) fixed asset investments		4,514,910			
Purchase of (Own-Money) fixed asset investments		-		(438,206)	
Purchase of (Own-Money) listed investments		(507,277)		(671,468)	
Proceeds on disposal of (Own-Money) listed investments		197,689		920,305	
Interest received		307,145		116,799	
Net cash generated from/(used in) investing activities		<u>4,505,398</u>		<u>(74,432)</u>	
Financing activities					
Proceeds from issue of shares		1,284,665		1,408,070	
Dividends paid		(2,569,330)		(1,408,070)	
Net cash used in financing activities		<u>(1,284,665)</u>		<u>-</u>	
Net increase/(decrease) in cash and cash equivalents		<u>47,584,094</u>		<u>(28,792,248)</u>	
Cash and cash equivalents at beginning of year		<u>120,571,332</u>		<u>149,363,580</u>	
Cash and cash equivalents at end of year		<u><u>168,155,426</u></u>		<u><u>120,571,332</u></u>	

As per note 19, cash and cash equivalent includes both company money and customer money which are ringfenced in safeguarding accounts. Total cash equals €168,155,426 of which €11,076,264 relates to own money and €157,079,162 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).

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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 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.

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. 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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies (Continued)

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

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.

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.

1.6 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.

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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

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.

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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.9 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.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Accounting policies

(Continued)

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset 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 Change in accounting policy

During the current year there was a change in the accounting policy to show interest earned on customer money and profit on exchange on customer money transactions in turnover and the respective costs in cost of sales. The prior year comparative figures have been restated to reflect the change in accounting policy..

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

3 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.

4 Turnover and other revenue

	2023	2022
	€	€
Turnover analysed by class of business		
Rendering of services	13,172,717	10,640,824
Interest income from customer balances	3,067,883	792,971
Profit on foreign exchange from customer transactions	705,013	388,295
	<u>16,945,613</u>	<u>11,822,090</u>

BILDERLINGS PAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2023**

4 Turnover and other revenue	(Continued)	
	2023	2022
	€	€
Turnover analysed by geographical market		
UK	1,461,663	1,583,566
EU	12,286,240	7,376,813
Rest of the world	3,197,710	2,861,711
	<u>16,945,613</u>	<u>11,822,090</u>
	2023	2022
	€	€
Other revenue		
Interest income on own deposits and loans	307,145	116,799
	<u>307,145</u>	<u>116,799</u>

During the year the company earned interest generated from client deposits of €3,067,883 (2022: €792,971)

5 Operating profit	2023	2022
	€	€
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	112,065	(78,402)
Depreciation of owned tangible fixed assets	646	517
Loss on disposal of tangible fixed assets	276	-
Amortisation of intangible assets	2,222	1,494
Operating lease charges	25,312	42,954
	<u>143,521</u>	<u>16,563</u>
6 Auditor's remuneration		
	2023	2022
	€	€
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	68,868	55,901
	<u>68,868</u>	<u>55,901</u>

7 Employees

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

	2023	2022
	Number	Number
Directors	2	2
Administration	35	30
	<u>37</u>	<u>32</u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

7 Employees (Continued)

The aggregate remuneration of employees through the period comprised:

	2023	2022
	€	€
Wages and salaries	1,943,614	1,530,476
Social security costs	395,923	315,522
	<u>2,339,537</u>	<u>1,845,998</u>

8 Directors' remuneration

	2023	2022
	€	€
Remuneration for qualifying services	51,292	30,793
	<u>51,292</u>	<u>30,793</u>

9 Interest receivable and similar income

	2023	2022
	€	€
Interest income		
Interest on bank deposits	256,451	86,105
Interest on loans to related parties	50,694	30,694
	<u>307,145</u>	<u>116,799</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	307,145	116,799
	<u>307,145</u>	<u>116,799</u>

During the year the company earned interest generated from own money deposits of €256,451 (2022: €86,105).

10 Interest payable and similar expenses

	2023	2022
	€	€
Interest on financial liabilities measured at amortised cost:		
Other interest on financial liabilities	-	9,087
Other finance costs:		
Other interest	5,316	(41)
	<u>5,316</u>	<u>9,046</u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Fair value gains on listed investments	2023	2022
	€	€
Fair value (loss)/gain on listed investments	-	(7,419)
Loss on disposal of current asset investments	(6,009)	(84,787)
	<u>(6,009)</u>	<u>(92,206)</u>
	<u><u>(6,009)</u></u>	<u><u>(92,206)</u></u>
12 Taxation	2023	2022
	€	€
Current tax		
UK corporation tax on profits for the current period	1,276,485	625,447
Foreign current tax on profits for the current period	1,132	853
	<u>1,277,617</u>	<u>626,300</u>
Total current tax	<u><u>1,277,617</u></u>	<u><u>626,300</u></u>
Deferred tax		
Origination and reversal of timing differences	37	336
	<u>37</u>	<u>336</u>
Total tax charge	<u><u>1,277,654</u></u>	<u><u>626,636</u></u>

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:

	2023	2022
	€	€
Profit before taxation	5,413,977	3,195,966
	<u>5,413,977</u>	<u>3,195,966</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 23.50% (2022: 19.00%)	1,272,285	607,234
Tax effect of expenses that are not deductible in determining taxable profit	4,201	18,628
Effect of change in corporation tax rate	1,111	-
Double tax relief	209	-
Deferred tax adjustments in respect of prior years	2	-
Fixed asset differences	-	(362)
Exempt ABGH distributions	(154)	(336)
Net tax adjustments and transfers	-	1,472
	<u>1,277,654</u>	<u>626,636</u>
Taxation charge for the year	<u><u>1,277,654</u></u>	<u><u>626,636</u></u>

BILDERLINGS PAY LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023**

13 Dividends	2023	2022
	€	€
Final paid	2,569,330	1,408,070
	<u> </u>	<u> </u>
14 Intangible fixed assets		Software
		€
Cost		
At 1 January 2023		7,385
Additions		6,000
		<u> </u>
At 31 December 2023		13,385
		<u> </u>
Amortisation and impairment		
At 1 January 2023		2,279
Amortisation charged for the year		2,222
		<u> </u>
At 31 December 2023		4,501
		<u> </u>
Carrying amount		
At 31 December 2023		8,884
		<u> </u>
At 31 December 2022		5,106
		<u> </u>
15 Tangible fixed assets		Computer
		equipment
		€
Cost		
At 1 January 2023		1,862
Additions		1,069
Disposals		(621)
		<u> </u>
At 31 December 2023		2,310
		<u> </u>
Depreciation and impairment		
At 1 January 2023		517
Depreciation charged in the year		646
Eliminated in respect of disposals		(345)
		<u> </u>
At 31 December 2023		818
		<u> </u>
Carrying amount		
At 31 December 2023		1,492
		<u> </u>
At 31 December 2022		1,345
		<u> </u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Fixed asset investments

	2023	2022
	€	€
Investments in government bonds	17,616,959	21,462,131

Fixed asset investments not carried at market value

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

The investment in 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 €
Cost or valuation			
At 1 January 2023	20,957,961	504,170	21,462,131
Additions	-	507,277	507,277
Transfer to current investments	(4,001,617)	(153,143)	(4,154,760)
Disposals	(44,826)	(152,863)	(197,689)
At 31 December 2023	16,911,518	705,441	17,616,959
Carrying amount			
At 31 December 2023	16,911,518	705,441	17,616,959
At 31 December 2022	20,957,961	504,170	21,462,131

The investments in government and corporate bonds have been made with relevant funds as approved by the FCA as secure and liquid and in accordance with the companies safe guarding policy document.

Relevant funds represent safeguarded funds held on behalf of the customers in relation to regulated e-money services.

As per the company's safeguarding policy document the company has not exceeded the 20% maximum of customer money which can be invested in funds.

17 Debtors

	2023	2022
	€	€
Amounts falling due within one year:		
Amounts owed by group undertakings	1,011,111	1,005,278
Other debtors	164,974	146,092
Prepayments and accrued income	256,765	485,822
	1,432,850	1,637,192

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

18 Current asset investments

	2023	2022
	€	€
Client E-Money investments in government bonds	4,001,617	4,508,595
Own money investments in corporate bonds and listed shares	306,760	165,941
	<u>4,308,377</u>	<u>4,674,536</u>

19 Cash and cash equivalents

	2023	2022
	€	€
Own cash and cash equivalents	11,076,264	8,207,600
Restricted cash held at banks in respect of customers	157,079,162	112,363,732
	<u>168,155,426</u>	<u>120,571,332</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).

Additionally part of relevant funds are placed in assets that are approved by FCA as secure and liquid according to the Approach document. As of 31 December 2023, the amount of assets included is €79,913,134 (31 December 2022: €74,466,556), which presents their amortised cost. Of these amounts, €20,913,134 (2022: €25,466,556) consists of government bonds (see note 15, 17) and €59,000,000 (2022: €49,000,000) consists of deposits included above in cash.

During 2023 the company changed its strategy of holding client cash deposits to generate revenue for the company. As a result it generated interest on customer deposits of £3,067,883 (2022: €792,971) which is included in Turnover.

20 Creditors: amounts falling due within one year

	2023	2022
	€	€
Trade creditors	386,463	1,216,733
Corporation tax	398,454	293,288
Other taxation and social security	862,883	-
Other creditors	10,260	42,229
Customer liabilities	178,100,217	137,922,313
Accruals and deferred income	389,688	354,751
	<u>180,149,965</u>	<u>139,829,314</u>

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Deferred taxation

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

	Liabilities 2023	Liabilities 2022	Assets 2023	Assets 2022
Balances:	€	€	€	€
Accelerated capital allowances	373	336	-	-
	<u>373</u>	<u>336</u>	<u>-</u>	<u>-</u>
Movements in the year:				2023
				€
Liability at 1 January 2023				336
Charge to profit or loss				37
				<u>373</u>
Liability at 31 December 2023				<u>373</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.

22 Share capital

	2023 Number	2022 Number	2023 €	2022 €
Ordinary share capital Issued and fully paid				
Ordinary shares of €1 each	7,237,327	5,952,662	7,237,327	5,952,662
	<u>7,237,327</u>	<u>5,952,662</u>	<u>7,237,327</u>	<u>5,952,662</u>

During the period, the company issued the following shares:

1,284,665 ordinary shares of the nominal value of €1 each in April 2023 for a total consideration of €1,284,665.

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:

	2023 €	2022 €
Within one year	30,911	-
Between two and five years	100,462	-
	<u>131,373</u>	<u>-</u>

During the year, total lease payments amounted to €25,312 (2022 - €42,954).

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

24 Events after the reporting date

In February and May 2024, the company declared dividends of €4,136,320, €1,000,000 of which will be used to purchase 1,000,000 ordinary shares, which will be issued at par in May 2024.

25 Related party transactions

Transactions with related parties

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

	Services received	
	2023	2022
	€	€
Other related parties	3,200,000	2,010,000

During the year the company was provided technical and support services of 3,200,000 (2022: €2,010,000) by Bilderlings Pay SIA, a connected company.

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	2023	2022
	€	€
Entities with control, joint control or significant influence over the company	1,011,111	1,005,278

Other information

The company had loaned the parent company Bilderlings Holdings SIA €1,000,000 on the 22nd May 2022 at a interest rate of 5%pa and the loan is due for repayment on the 12th April 2024.

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 Prior Period Restatement

During the current year there was a change in the accounting policy to show interest earned on client emoney and profit on exchange on client e-money transactions in turnover and the interest payable on client emoney in cost of sales. The prior year comparative figures have been restated and there was no change in the profit for the financial year.

Comparative figures restated Interest on client e-money €792,971, profit on exchange on customer money transactions €388,295 shown as part of turnover and Interest payable on client e-money €61,465 shown as part of cost of sales.

BILDERLINGS PAY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

28 Cash generated from/(absorbed by) operations	2023	2022	
	€	€	
Profit for the year after tax	4,136,323	2,569,330	
Adjustments for:			
Taxation charged	1,277,654	626,636	
Finance costs	5,316	9,046	
Investment income	(307,145)	(116,799)	
Loss on disposal of tangible fixed assets	276	-	
Amortisation and impairment of intangible assets	2,222	1,494	
Depreciation and impairment of tangible fixed assets	646	517	
Loss on sale of investments	6,009	84,787	
Other gains and losses	-	338,051	
Movements in working capital:			
Decrease/(increase) in debtors	204,342	(1,120,904)	
Increase in creditors	37,581	864,588	
Cash generated from operations before changes in customer balances	5,363,224	3,256,746	
Changes in E-money in issue	40,177,904	(31,020,998)	
Cash generated from/(absorbed by) operations	45,541,128	(27,764,252)	
29 Analysis of changes in net funds			
	1 January 2023	Cash flows	31 December
	€	€	2023
			€
Cash at bank and in hand	120,571,332	47,584,094	168,155,426

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