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Paysend Group Limited  
Annual report and financial statements  
For the year ended 31 December 2021





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**Company information:**

**Directors of the company:**

- Abdul Abdulkerimov – Executive Director
- Ronald Millar – Executive Director
- Michael Fazio – Non Executive Director
- Mark Evans – Non Executive Director
- Humbert de Liedekerke Beaufort – Non Executive Director: (appointed 9 April 2021)
- Francisco Javier Perez Sanchez – Non Executive Director: (appointed 13 January 2022)

**Registered Office:**

C/O MBM Commercial LLP  
Suite 2 Orchard Brae House  
30 Queensferry Road  
Edinburgh  
EH4 2HS

**Auditors:**

Grant Thornton UK LLP  
Statutory auditors  
Level 8  
110 Queen Street  
Glasgow  
G1 3BX

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## Directors' report for the year ended 31 December 2021

The Directors present their report and financial statements of Paysend Group Limited (the "company") for the year ended 31 December 2021. The company holds investments in wholly owned subsidiaries as listed in note 12 to the financial statements (the "group").

The group reported a loss after taxation for the year of \$31.9million (2020: loss of \$15.6million).

### Directors of the company

The Directors who have served during the year and up to the date the financial statements were signed were;

- Abdul Abdulkerimov
- Ronald Millar
- Michael Fazio
- Mark Evans
- Humbert de Liedekerke Beaufort: (appointed 9 April 2021)
- Francisco Javier Perez Sanchez (appointed 13 January 2022)

### Dividends

No dividend was paid or declared during the year or post year end for the year ended 31 December 2021 (2020: \$Nil).

### Events since the statement of financial position date

Information relating to events since the end of the year is given in the note 25 to the financial statements.

### Going concern

In line with FRS 102 guidance on going concern, the Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

The forecasts prepared cover a period of 12 months from the date of approval of the financial statements, which together with the supporting assumptions are reviewed by the Board. The current forecast shows that the company is able to operate within its banking facilities during this period and the Directors believe that the assumptions underpinning this forecast are both prudent and reasonable. The forecasts have been prepared and considered taking into account a number of different scenarios including sensitivity analysis and management levers available to mitigate identified risks, together with the impact of the Covid-19 and sanctions imposed on Russia as a result of the Ukraine invasion.

The sanctions imposed on Russia reduced the ability for entities to do business with Russian companies and individuals. Paysend has historically provided services to the Russian market but all services were voluntarily halted in March 2022. In addition Paysend performed an in-depth strategic, tactical and operational review of the business and implemented several changes including, but not limited to;

- Maintaining a conflict risk assessment to identify and mitigate new or changing risks or sanctions
- Operational changes to ensure compliance with the new regulatory sanctions environment
- In 2022 the group completed the sale of its subsidiaries in Russia and is awaiting government approval for its disposal of the minority investment in Payments and Settlements, non-bank Credit Organisation ("NKO")
- Establishing a new subsidiary office in Serbia as a technical development centre

At the time of approving the financial statements, the Directors believe, on the basis of current financial projections and facilities available, that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statement

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**Directors' report for the year ended 31 December 2021 (continued)****Principal risks and uncertainties**

The Directors have chosen to set out certain items in the strategic report as required by Schedule 7 SI 2008/410 to be in the Directors' report.

The company's principal risks and management thereof are discussed in the Strategic Report.

**Streamlined Energy and Carbon Reporting**

The Streamlined Energy and Carbon Reporting ("SECR") covers the reporting period 1 January 2021 to 31 December 2021.

This report sets out the Group's statement of carbon emissions in compliance with the groups (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. Those reporting requirements also known as UK governments' streamlined energy and carbon reporting cover energy used and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions. The scope of the report includes the Group's operations in the U.K.

SECR KPI	2021
<b>Scope 1</b>	
Natural Gas (kWh)	N/A
Natural Gas (kgCO <sub>2</sub> e)	N/A
Owned/leased vehicles (kgCO <sub>2</sub> e)	N/A
<b>Total - Scope 1 (kgCO<sub>2</sub>e)</b>	<b>N/A</b>
<b>Scope 2</b>	
Electricity consumption (kWh)	3,528
Electricity emissions (location - based) (kgCO <sub>2</sub> e)	749
<b>Total Scope 2 location based (kgCO<sub>2</sub>e)</b>	<b>749</b>
<b>Scope 3</b>	
Business related car travel	110
Air Travel - total (kgCO <sub>2</sub> e)	47,647
Rail travel (kgCO <sub>2</sub> e)	188
<b>Total Scope 3 (kgCO<sub>2</sub>e)</b>	<b>47,945</b>
<b>Total - Scope 1,2 &amp; 3 location based (kgCO<sub>2</sub>e)</b>	<b>48,694</b>
<b>Total - Scope 1,2 &amp; 3 location based emissions per FTE (kgCO<sub>2</sub>e/FTE)</b>	<b>601</b>
<b>Full-time Equivalent( FTE)</b>	<b>81</b>

**Political donations**

No political contributions were made in the year (2020: \$Nil).

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## **Directors' report for the year ended 31 December 2021 (continued)**

### **Appointment and reappointment of auditors**

Grant Thornton UK LLP were appointed as auditors of the company for the year. Following a tender process, the directors have identified MacIntyre Hudson to be appointed following Grant Thornton's resignation at the end of the audit.

### **Disclosure of information to auditors**

The Directors confirm that;

- So far as each Director is aware, there is no relevant audit information of which the company's auditor is unaware;
- The Directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the Board on 23 December 2022.

*Ronnie Millar*

**Ronald Millar**

**Director**

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## **Statement of Directors' responsibilities for the year ended 31 December 2021**

The Directors are responsible for preparing the strategic report and Directors' 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 financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws, including FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland). 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 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.

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## Strategic report for the year ended 31 December 2021

### Principal activities

Paysend is a next generation global payment platform enabling consumers and businesses to pay and send money instantly, anywhere, anyhow in any currency. These services are provided to consumers (B2C services) and businesses (B2B services) on a digital basis. Our vision remains focused on creating money for the future aligning to the core principles of "Instant", "Inclusive" and "Frictionless" to solve the problems of cross-border payments.

### Business review

Paysend had a highly successful 2021 by all of the core metrics we use to monitor the performance of the business. The financial resources needed to fund our high growth were secured by a Series B funding round in April 2021, that also involved the conversion of the convertible loan note issued to existing shareholders. A total of \$112 million in equity funding was secured. The Series B was led by One Peak Partners and supported by Infravia Capital and Hermes GPE.

In January 2022 Javier Perez joined our Board. Javier is a payments industry veteran and was for 15 years President of MasterCard Europe, and recently founded Global PayTech Ventures.

We have invested the money raised in building up our product development and software development teams along with the necessary support functions to deliver on the growth in the business. In addition, we have increased our investment in marketing.

These investments have delivered revenue for us in 2021 of \$76 million, up from \$44 million in 2020. Our customer base increased from 2.9 million at the end of 2020 to 5.5 million at the end of 2021. Other financial metrics are set out below in the financial review.

The investments we have made have also allowed us to develop our product set, with two key product launches happening in 2022. We developed our own B2B platform for online acquiring and payments, and this has been launched to the SME online market in the UK and will be rolled out globally from 2023. We have created a new division and product – Enterprise – which provides API based access to our global payments network to large corporations.

The 24 February 2022 invasion of Ukraine by Russia has had a material impact upon our business, as we operated on a global basis, including Russia. Our activities in Russia were both of a revenue generating nature and as a source of employees. Detail is provided in the section on Sanctions on Russia, but in summary we took the decision to withdraw from the Russian market entirely and disposed of all our subsidiaries there. Whilst this had an immediate adverse effect upon our revenues and financial performance, the continued strong growth in the business globally gives the management confidence that for 2022 we will be able to replace the revenue that was associated with the Russian market.

### Product development

We have continued to develop our B2C product, expanding our American focus by launching with VISA Direct and Mastercard in the USA, the world's biggest payments market, entering into a partnership with Alipay to expand our reach into China and completing activation of payouts in South America. Key markets of expansion for 2022 are Australasia, Indonesia and the Middle East. Our B2B product launched on our own platform in Q2 2022.



## Strategic report for the year ended 31 December 2021 (continued)

### Financial review

The business has continued to expand in the year, with revenue increasing to \$75.8 million (2020: \$44.4 million), which represents a 70% increase on 2021. Despite the increased scale of the business, trading costs have reduced in relative terms allowing the business to deliver a gross profit of \$33.9 million (2020: \$16.5 million).

The company incurred administrative expenses of \$67.9 million (2020: \$27.9 million), driven by the strategic investment in staff costs and marketing. The company also saw an increase in the fair value of financial assets of \$1.3m which is a result of the performance of NKO through 2021 and recognised a decrease in the fair value of financial liabilities of Nil (2020: \$3.8 million) resulting in an overall pre-tax loss of \$34.9 million (2020: loss of \$15.4 million). During the Financial year, the company completed a funding round to the value of \$112m, the company also recognised employee share options with a value of \$2.6m taken into the current financial year. The convertible loan held in 2020 converted to equity during 2021.

### Engaging with stakeholders: section 172 statement

The success of Paysend is dependent on many factors but relationships with stakeholders are a core factor when making decisions to promote the success of the business. Their views and needs, as well as the consequences of any decision in the long term are then considered in the business decisions made by the Board and across the entire Company, at all levels. We do this through various methods, including: direct engagement by Board members; receiving reports and updates from members of management who engage with such groups; and coverage in our Board papers of relevant stakeholder interests with regard to proposed plans. Our key stakeholders include:

#### Our customers

Our customers are at the centre of what we do. The vision of Paysend is to deliver a suite of products to cover customers everyday payments requirements. We design our products from the initial analysis of customers needs and then to ensure we deliver customer satisfaction we monitor customer feedback through various communication channels.

#### Partners

Paysend is partnered with some of the leading, most innovative and recognisable payment and banking providers globally. We have dedicated staff managing these relationships to support our customers transactions and drive value for both our business and that of our partners.

#### Investors

As a young, growing company, Paysend truly values the trust and confidence of all our investors. Quite simply, we would not be here without them. Paysend provides regular updates on performance to our shareholders covering key topics including strategy, governance and financial performance.

#### Employees

Our employees are our most valuable resource. We actively seek to attract, retain and develop talented and motivated people and promote a culture of diversity and inclusion. This is evidenced via the many nationalities employed globally across the Paysend group in multiple locations. With this diversity and geographical spread we foster a culture of engagement and collaboration via regular cross team meetings and group wide townhalls to communicate understanding of group activities and results and actively ask our employees for ways in which we can improve our business.

Paysend is committed to a hybrid working model mixing office and remote working. This policy allows employees flexibility in their location to ensure maximum efficiency and effectiveness for both the business and its staff. This approach also allows us to search beyond geographical office limitations to find and recruit the best talent worldwide to support our global expansion.

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**Strategic report for the year ended 31 December 2021 (continued)****Regulation and compliance**

The Directors ensure they can understand the risks related to payment processing and e-wallet operations and have identified and implemented processes to manage and mitigate those risks in accordance with the Companies Act 2006, the Electronic Money Regulations Act 2011 and Payment Services Regulations 2017 and Financial Reporting Standards 2012. There are dedicated personnel in post to understand and monitor the regulatory requirements and set strategies accordingly.

The company monitors, on a daily basis, key performance indicators and metrics in relation to business delivery.

**Principal risks and uncertainties**

The Directors set policies and manage financial risks to enable the company to achieve its long-term growth targets within a prudent risk management framework. The main business risk is maintaining its relationship with the major card providers. Relationships with these providers are maintained on a regular basis.

Paysend plc, a 100% owned subsidiary of the company, is an authorised electronic money institution with the Financial Conduct Authority (FCA). Dedicated resources are in place to ensure continued compliance with the FCA regulatory requirements, and to understand emerging regulatory requirements.

The main risks arising from the group's financial instruments are foreign currency risk, credit risk, liquidity risk and political risk. The Directors review exposure to each of these risks on a regular basis, and assess whether or not it is appropriate to adopt relevant financial instruments to mitigate the risk.

**Foreign currency risk**

As a provider of global money transfers, Paysend receives and makes payments in multiple currencies. Any timing variance in receiving funds in one currency and making payment in another currency could expose Paysend to a foreign exchange gain or loss. We mitigate this risk by effectively managing cash flows to minimise variance between receipt and payment of funds. In addition, we ensure our customer pricing accurately reflects market currency movements to prevent Paysend being exposed to significant fluctuations in currency spreads.

**Credit risk**

This is the risk that our counterparties will not meet their obligations. We manage credit risk by working closely with recognised market participants including banks and non-bank financial institutions, and ensuring our risk management framework includes appropriate third-party due diligence.

**Liquidity risk**

This is the risk that Paysend is unable to meet its obligations to partners or that partners are unable to meet their obligations to Paysend. We manage this risk by spreading cash flows across a number of partners and by aligning as closely as possible incoming and outgoing funds to ensure cash is received for the majority of transactions before it is paid out to ensure there are sufficient capital resources to meet cash flow liabilities.

**Political risk**

Due to the international nature of our business we are exposed to geopolitical risk, especially in eastern Europe where a lot of our receiving countries are located, we have assessed the impact of the war in Ukraine and expect to be impacted in the years to come. Please see sanctions on Russia for further information.

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**Strategic Report for the year ended 31 December 2021 (continued)****Sanctions on Russia**

Post year end, on 24th February, Russia invaded the Ukraine, which resulted in a number of wide-reaching sanctions imposed on Russia and numerous Russian entities and individuals from various nations around the world. These sanctions included the restriction of cash and currency movements in and out of Russia and the ability to carry on business with Russian entities or individuals.

While there was no impact of sanctions on the 2021 results, Paysend reacted swiftly to ensure it was and remains compliant with all sanction requirements in 2022. The Company decided in March 2022 to cease all transfers to and from Russia. Revenue from this market in 2021 were \$34m, and the Company forecasts that the loss of this in 2022 (c.\$25m) will be offset by increased revenue across other geographies from both the Consumer and Business segments.

The sanctions imposed on Russia reduced the ability for entities to do business with Russian companies and individuals. Paysend has historically provided services to the Russian market but all services were voluntarily halted in March 2022. In addition Paysend performed an in-depth strategic, tactical, and operational review of the business and implemented several changes including, but not limited to;

- Maintaining a conflict risk assessment to identify and mitigate new or changing risks or sanctions
- Operational changes to ensure compliance with the new regulatory sanctions environment
- In 2022 the group completed the sale of its subsidiaries in Russia and is awaiting government approval for its disposal of the minority investment in NKO
- Establishing a new subsidiary office in Serbia as a technical development centre

In our strategy we are extending our commercial footprint in other geographies like the United States.

This report was approved by the Board on 23 December 2022.

*Ronnie Millar***Ronald Millar****Director**

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## Independent auditor's report to the members of Paysend Group Limited

### Opinion

We have audited the financial statements of Paysend Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the group and the parent 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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 group's and the parent 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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

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## Independent auditor's report to the members of Paysend Group Limited (continued)

### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report and consolidated statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the 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.

### Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the group and the parent 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.

### Matters on which we are required to report by exception

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### Responsibilities of directors for the financial statements

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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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**Independent auditor's report to the members of Paysend Group Limited (continued)****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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Group and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the management and the compliance officer. We determined that the most significant laws and regulations were the Payment Services Regulations 2017 and the Electronic Money Regulations 2011 and those that relate to the financial reporting framework, being United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006;
- We enquired of the directors and management including compliance officer to obtain an understanding of how the Group is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Group's board meetings, inspection of the complaints register and breaches register, inspection of legal and regulatory correspondence;
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
  - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
  - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
  - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

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## Independent auditor's report to the members of Paysend Group Limited (continued)

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
  - knowledge of the industry in which the Group operates; and
  - understanding of the legal and regulatory frameworks applicable to the Group
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Group's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement;
  - the rules and interpretative guidance issued by the Financial Conduct Authority applicable to the Group and the scope of its authorization; and
  - the Group's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, internal review procedures over the Group's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

### 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.



**James Chadwick**  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Level 8, 110 Queen Street  
Glasgow G13SX

23 December 2022

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**Consolidated statement of comprehensive income  
for the year ended 31 December 2021**

	Note	2021 \$'000	2020 \$'000
Turnover	3	75,827	44,444
Cost of sales		(41,915)	(27,984)
<b>Gross profit</b>		<b>33,912</b>	<b>16,460</b>
Administrative expenses	4	(66,457)	(27,910)
Other operating income		35	26
<b>Operating loss</b>		<b>(32,510)</b>	<b>(11,424)</b>
Change in the fair value of the financial instruments		1,343	(3,854)
Interest receivable		90	31
Interest payable	7	(952)	(162)
<b>Loss on ordinary activities before taxation</b>		<b>(32,029)</b>	<b>(15,409)</b>
Tax on loss on ordinary activities	8	144	(171)
<b>Loss for the year</b>		<b>(31,885)</b>	<b>(15,580)</b>
<b>Other comprehensive income</b>			
Exchange Difference on translating foreign operations		891	(781)
Merger Reserve		-	(11)
<b>Loss and total Comprehensive loss for the year</b>		<b>(30,994)</b>	<b>(16,372)</b>

There were no recognised gains or losses for the year ended 31 December 2021 other than those included in the statement of comprehensive income. The accompanying notes on pages 23-44 are an integral part of the financial statements.

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**Statement of financial position: group  
as at 31 December 2021**

	Note	2021 \$'000	2020 \$'000
<b>Non-current assets</b>			
Tangible assets	9	2,436	853
Intangible assets	10	895	1,689
Goodwill	11	5,006	6,970
Investments	12	797	212
Financial assets at fair value	13	1,910	802
		<u>11,044</u>	<u>10,526</u>
<b>Current Assets</b>			
Stock	14	20	35
Debtors	15	23,698	13,787
Cash and cash equivalents	16	85,851	25,555
		<u>109,569</u>	<u>39,377</u>
<b>Creditors: amounts falling due within one year</b>	17	(16,523)	(26,719)
		<u>93,046</u>	<u>12,658</u>
<b>Net current assets</b>			
		104,090	23,184
<b>Total assets less current liabilities</b>			
<b>Creditors: amounts falling due over one year</b>	18	(5,172)	(8,153)
		<u>98,918</u>	<u>15,031</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Share capital	20	5	4
Share premium	21	165,980	54,510
Profit & loss account		(70,845)	(43,261)
Merger Reserve		3,778	3,778
		<u>98,918</u>	<u>15,031</u>
<b>Total equity</b>			
		<u>98,918</u>	<u>15,031</u>

The accompanying notes on pages 23-44 are an integral part of the financial statements.

Approved by the Board on 23 December 2022.

*Ronnie Millar*

**Ronald Millar**  
Director

**PAYSEND**

Money for the future

**Statement of financial position: company  
as at 31 December 2021**

	Note	2021 \$'000	2020 \$'000
<b>Non-current assets</b>			
Tangible assets	9	269	248
Intangible assets	10	6,293	1,892
Investments	12	26,634	24,474
Financial assets at fair value	13	<u>1,910</u>	<u>802</u>
		35,106	27,416
<b>Current Assets</b>			
Debtors	15	35,902	18,683
Cash and cash equivalents	16	<u>52,188</u>	<u>5,459</u>
		88,090	24,142
<b>Creditors: amounts falling due within one year</b>	17	(5,160)	(16,549)
		<u>82,930</u>	<u>7,593</u>
<b>Net current assets</b>			
		118,036	35,009
<b>Total assets less current liabilities</b>			
		118,036	35,009
<b>Creditors: amounts falling due over one year</b>	18	(5,172)	(8,153)
		<u>112,864</u>	<u>26,856</u>
<b>Net assets</b>			
		112,864	26,856
<b>Capital and reserves</b>			
Share capital	20	5	4
Share premium	21	165,980	54,510
Profit & loss account		(56,899)	(31,436)
Merger Reserve		<u>3,778</u>	<u>3,778</u>
<b>Total equity</b>		<u>112,864</u>	<u>26,856</u>

The company has taken advantage of section 408 of the Companies Act 2006 and has not included its own profit and loss account in these financial statements. The company's loss for the year was \$29,055,000 (2020: \$15,956,000). The accompanying notes on pages 23-44 are an integral part of the financial statements.

Approved by the Board on 23 December 2022.

*Ronnie Millar*

**Ronald Millar**  
Director

**PAYSEND**

Money for the future

**Statement of changes in equity: group  
for the year ended 31 December 2021**

	Share capital \$'000	Share premium \$'000	Profit & loss: Owners \$'000	Merger Reserve** \$'000	Total \$'000
At 1 January 2020	3	48,623	(26,900)	3,789	25,515
Net loss for the year			(15,580)		(15,580)
Total Comprehensive income			(781)	(11)	(792)
<b>Transactions with owners</b>					
Shares issued	1	5,887			5,888
<b>At 31 December 2020</b>	<b>4</b>	<b>54,510</b>	<b>(43,261)</b>	<b>3,778</b>	<b>15,031</b>
At 1 January 2021	4	54,510	(43,261)	3,778	15,031
Net loss for the year			(31,885)		(31,885)
Total Comprehensive income			891		891
<b>Transactions with owners</b>					
Shares issued	1	112,241			112,242
Employee Share Option Expenses*		(771)	3,410		2,639
<b>At 31 December 2021</b>	<b>5</b>	<b>165,980</b>	<b>(70,845)</b>	<b>3,778</b>	<b>98,918</b>

\*Adjusted to reflect reclassification of employee share based payment expense to Profit &amp; Loss reserve

\*\*Merger reserve was created in the financial year 2019 during the purchase of the remaining non-controlling interest in Robokassa LLC

**PAYSEND**

Money for the future

**Statement of changes in equity: company  
for the year ended 31 December 2021**

	Share capital	Share premium	Profit & loss: Owners	Merger Reserve**	Total
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2020	3	48,623	(15,420)	3,789	36,995
Net loss for the year			(15,955)		(15,955)
Total Comprehensive income			(61)		(61)
<b>Transactions with owners</b>					
Shares issued	1	5,887			5,888
<b>At 31 December 2020</b>	<b>4</b>	<b>54,510</b>	<b>(31,436)</b>	<b>3,778</b>	<b>26,856</b>
At 1 January 2021	4	54,510	(31,436)	3,778	26,856
Net loss for the year			(29,055)		(29,055)
Total Comprehensive income			183		183
<b>Transactions with owners</b>					
Shares issued	1	112,241			112,242
Employee Share Option Expenses*		(771)	3,410		2,639
<b>At 31 December 2021</b>	<b>5</b>	<b>165,980</b>	<b>(56,898)</b>	<b>3,778</b>	<b>112,864</b>

\*Adjusted to reflect reclassification of employee share based payment expense to Profit &amp; Loss reserve

\*\*Merger reserve was created in the financial year 2019 during the purchase of the remaining non-controlling interest in Robokassa LLC

**PAYSEND**

Money for the future

**Consolidated statement of cash flows  
for the year ended 31 December 2021**

	2021 \$'000	2020 \$'000
<b>Operating activities</b>		
Operating loss	(32,510)	(11,424)
<b>Adjustments for:</b>		
Unrealised foreign exchange	2,528	(53)
Share-based payment expense	2,639	771
Interest received	-	31
Goodwill amortisation	871	871
Goodwill impairment	1,093	-
Depreciation of tangible assets	693	456
Amortisation of intangible assets	1,211	1,651
	<b>(23,475)</b>	<b>(7,697)</b>
Decrease/(increase) in stock	15	(5)
(Increase) in debtors	(9,898)	(12,232)
(Decrease)/increase in creditors	2,241	8,753
<b>Net cash used in operating activities</b>	<b>(31,117)</b>	<b>(11,181)</b>
<b>Financing activities</b>		
Interest received	90	-
Interest paid	(952)	(161)
Corporation tax paid	137	(139)
Proceeds from the issue of shares	97,736	5,000
Proceeds from Loans	-	19,000
Settlements of Loan	(2,570)	(767)
<b>Net cash generated from financing activities</b>	<b>94,441</b>	<b>22,933</b>
<b>Investing activities</b>		
Payments to acquire intangible assets	(417)	(703)
Payments to acquire tangible assets	(2,276)	(379)
Payments to acquire investments	(335)	(982)
<b>Net cash used in investing activities</b>	<b>(3,028)</b>	<b>(2,064)</b>
<b>Net cash (used)/generated</b>		
Cash used in operating activities	(31,117)	(11,181)
Cash generated from financing activities	94,441	22,933
Cash used in investing activities	(3,028)	(2,064)
<b>Net cash generated</b>	<b>60,296</b>	<b>9,688</b>
Cash and cash equivalents at 1 January	25,555	15,867
<b>Cash and cash equivalents at 31 December</b>	<b>85,851</b>	<b>25,555</b>
Cash and cash equivalents comprise:		
<b>Cash at bank</b>	<b>85,851</b>	<b>25,555</b>

**PAYSEND**

Money for the future

**Statement of cash flows  
for the year ended 31 December 2021 (continued)****Reconciliation of net debt**

	01 Jan 21	Cash	FV mvmt in CLNs	Other	31 Dec 21
	\$'000	\$'000	\$'000	\$'000	\$'000
Cash at bank and in hand	25,555	60,296	-	-	85,851
Loans*	(22,908)	2,570	-	12,854	(7,484)
<b>Net debt</b>	<b>2,647</b>	<b>62,866</b>	-	<b>12,854</b>	<b>78,367</b>

\*Movement in the other balances comprises of loans converted to equity.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021****1. Significant accounting policies****Company information**

Paysend Group Limited is a private company limited by shares and was incorporated on 4 April 2017 in Scotland. The registered office is Orchard Brae House, 30 Queensferry Road, Edinburgh, EH4 2HS. The group consists of Paysend Group Limited ("the company") and all of its subsidiaries ("the group") as listed in note 12.

**Statement of compliance and basis of preparation**

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

The company has taken advantage of section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The company's loss for the year was \$29,055,000.

The financial statements have been prepared on the historic cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The financial statements are prepared in US dollar which is the reporting currency of the company. Monetary amounts in the financial statements are rounded to the nearest thousand US dollar.

**Basis of consolidation**

The consolidated financial statements incorporate the results of the company and all its subsidiaries. All intra-group transactions, balances and unrealised gains on transactions between group undertakings are eliminated on consolidation.

**Going concern**

In line with FRS 102 guidance on going concern, the Directors have undertaken an exercise to review the appropriateness of the continued use of the going concern basis.

The forecasts prepared cover a period of 12 months from the date of approval of the financial statements, which together with the supporting assumptions are reviewed by the Board. The current forecast shows that the company is able to operate within its banking facilities during this period and the Directors believe that the assumptions underpinning this forecast are both prudent and reasonable. The forecasts have been prepared and considered taking into account a number of different scenarios including sensitivity analysis and management levers available to mitigate identified risks, together with the impact of the Covid-19 and sanctions imposed on Russia as a result of the Ukraine invasion.

The sanctions imposed on Russia reduced the ability for entities to do business with Russian companies and individuals. Paysend has historically provided services to the Russian market but all services were voluntarily halted in March 2022. In addition Paysend performed an in-depth strategic, tactical and operational review of the business and implemented several changes including, but not limited to;

- Maintaining a conflict risk assessment to identify and mitigate new or changing risks or sanctions
- Operational changes to ensure compliance with the new regulatory sanctions environment
- In 2022 the group completed the sale of its subsidiaries in Russia and is awaiting government approval for its disposal of the minority investment in NKO
- Establishing a new subsidiary office in Serbia as a technical development centre

At the time of approving the financial statements, the Directors believe, on the basis of current financial projections and facilities available, that the company has adequate resources to continue in operation for the foreseeable future. Accordingly, the Directors continue to adopt the going concern basis in preparing the financial statements.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****Turnover**

Turnover represents the value of services provided, net of discounts and value added taxes. Turnover is earned from charging fixed and variable fees to customers on money transfer transactions along with a margin on currency conversion. Revenues are recognised at the time of the transaction taking place.

**Administrative expenses and group recharges**

Administrative expenses are recognised by the legal entity which incurs the obligation. Where expenses are incurred by the group but which relate to more than one legal entity, it is the policy of the group to recharge on an appropriate arm's length basis.

**Intangible fixed assets**

Intangible fixed assets are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets comprise software and software development.

Amortisation is provided at rates calculated to write off the costs, less estimated residual value, of each asset evenly over its expected useful life (3 years).

**Tangible fixed assets**

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

- Fixtures and fittings: 3 years
- IT and computer equipment: 3 years

**Impairment of intangible and tangible assets**

At each reporting period end date, the group reviews the carrying amounts of its intangible and tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash generating unit to which the asset belongs.

**Goodwill**

Goodwill is recognised on the acquisition of subsidiary companies to the extent that the consideration exceeds the fair value of the assets and liabilities acquired. Any goodwill recognised will be amortised over a basis of 10 years, (2019: 10 years), which is assessed as appropriate based on the type of business acquired and the long term intentions of the group. Any change in expected life in the year is based on a revised assessment of the longevity of the goodwill acquired.

At each reporting date the carrying value of goodwill is assessed and any impairment is taken to the income statement. As of 31 December 2021, no impairment was identified on this balance.

**Financial instruments**

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. When recognizing a new financial instrument, the company will perform an assessment to determine whether the instrument should be recognised under FRS 102 section 11 (basic financial instruments) or section 12 (other or non-basic financial instruments).

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****Financial assets**

Financial assets are initially measured at transaction price including transaction costs and subsequently carried at amortised cost using the effective interest rate method. The financial assets are classified as falling due within one year and are not amortised.

Financial assets are derecognised only when the contractual rights to the cash flows from the assets expire or are settled or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity that is able to sell the asset in its entirety to an unrelated third party.

The financial assets include cash at bank, debtors falling due within one year and investments.

**Impairment of financial assets**

The group assesses on an on-going basis whether each financial instrument is impaired. If there is objective evidence that any impairment loss on financial instruments has arisen, the amount of the loss is measured as the difference between the carrying amount of the asset and the present value of estimated future cash, discounted at the financial asset's original effective interest rate. The carrying amount of the financial instrument is reduced through the use of a loss provision.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

**Investments****Investments in subsidiaries**

This includes investments in subsidiaries, which are initially recognised at cost.

**Other equity investments**

This includes a 9.9% holding in the Payments and Settlements, non-bank Credit Organisation ("NKO"), a non banking payments and settlements institution resident in Russia.

This includes a 9.9% holding in the Easy Payment and Finance EP, S.A.U., a non banking payments and settlements institution resident in Spain.

At each reporting date an assessment is made as to the fair value of the investment. Any change to the recognised fair value in the year is taken to the income statement.

**Derivatives**

The financial instrument represents an option, but not an obligation to purchase the remaining 91.1% shareholding in NKO.

The company is not yet able to exercise the option and as such does not hold control or significant influence over NKO and the company does not intend to exercise the option.

**Debtors**

Short term debtors are measured at transaction price less any impairment losses for bad and doubtful debts. Monies held with partners in support of settlement activity are included within the debtors balance. These do not represent cash balances as the Company does not have control of these amounts.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****Cash and cash equivalents**

Cash comprises cash at bank that is readily available and which is not at risk of significant changes in value. Cash equivalents comprise secure deposits held at settlement partners of the Company in support of business activities.

Restricted cash comprises cash held as collateral with partners as contingent support for delivery of money transfer services plus that cash held separately in a recognised safeguarding account. The company maintains this safeguarding account, which is segregated from operating funds and which contain funds held on behalf of customers (Wallet holders). The balance in the segregated account is maintained at a sufficient level to fully offset amounts owing to the company's customers in line with FCA guidelines for e-Money institutions.

**Wallet holder's cash**

The company maintains a bank account which is segregated from operating funds and which contains funds held on behalf of customers (Wallet holders). The balance in the segregated account is maintained at a sufficient level to fully offset amounts owing to the company's customers.

**Segregated accounts**

The company maintains bank accounts, which are segregated from operating funds. The balances in the segregated accounts are maintained at a sufficient level to fully offset amounts owing to the company's customers and partners.

**Financial liabilities**

Financial liabilities include creditors, an interest bearing loan and convertible loans. Financial liabilities are initially recognised at transaction price and are subsequently measured at amortised cost using the effective interest rate method. The financial liabilities classified as falling due within one year are not amortised. Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

**Creditors**

Short term creditors are measured at transaction price (which is usually the invoice price). The creditors are treated as basic financial instruments, are classified as falling due within one year and therefore are not amortised. Monies owed to partners to support settlement activity are included within the creditors balance.

**Interest bearing loans and borrowings**

The loan is classified as a basic financial instrument and is initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, the interest bearing loan is subsequently measured at amortised cost using the effective interest rate method.

**Convertible loans**

Loans classed as convertible loans are assessed to be a debt liability under FRS 102 sections 22.3 as non basic financial instruments under section 12. The convertible loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, the loans are subsequently measured at fair value with any change in fair value taken to the income statement.

**Offsetting of financial instruments**

The financial assets and liabilities are offset and 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 net basis or to realise the asset and settle the liability simultaneously.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. This includes ordinary, preference and deferred shares issued including shares issued under employee share option schemes. All shares have equal voting rights to vote at general meetings and receive dividends except for deferred shares which do not carry dividend or voting rights.

**Employee share based payments**

The company operates an ongoing scheme from 1 May 2020, under which the company received services from employees as consideration for equity instruments (options) of the company. The fair value of the employee services received in exchange for the grant of options and awards is recognised as an expense. The total amount is determined by reference to the fair value of the options granted. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total amount expensed is recognised over the vesting period, which is the period over which all of the specified conditions are to be satisfied.

**Foreign currency translation**

Transactions in foreign currencies are initially recognised at the rate of exchange ruling at the date of the transaction. At the end of each reporting period foreign currency monetary items are translated at the closing rate of exchange. Non-monetary items that are measured at historical cost are translated at the rate ruling at the date of the transaction. All differences are charged to the profit and loss statement.

**Stock**

Stock are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first in first out method. The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

**Taxation**

A current tax liability is recognised for the tax payable on the taxable profit of the current and past periods. A current tax asset is recognised in respect of a tax loss that can be carried back to recover tax paid in a previous period.

Deferred tax is recognised in respect of all timing differences between the recognition of income and expenses in the financial statements and their inclusion in tax assessments.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Current and deferred tax assets and liabilities are not discounted.

**Leased assets**

Operating lease payments are recognised as an expense on a straight line basis over the lease term.

**2. Critical accounting estimates and judgements**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amount reported for assets and liabilities at the reporting date. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (including those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2020 (continued)****2. Critical accounting estimates and judgements (continued)****Expected useful life and impairment of intangible assets including goodwill**

The estimated useful lives of intangible assets including goodwill are based on management's estimate of the period during which the assets will be used. The group conducts an annual review of the expected pattern of consumption of the future economic benefits embodied in the asset and if there has been a change, the appropriate change is made to the amortization method.

At each reporting date, the carrying value of intangible assets including goodwill is assessed and any impairment, if identified, taken to the income statement. The assessment is carried out based on the present value of future cash flows attributable to the underlying cash generating unit. The movement in 2021 reflects the impairment of the intellectual property of the Wilson Corporation.

**Investments**

The fair value of investments in equity instruments is measured based on the present value of future cash flows generated from the earnings of the underlying investment. For investments other than subsidiary undertakings, an independent valuation was used to determine the purchase price. An assessment was carried out by the company at the reporting date to determine if there was any change in the fair value of the investment. Any movement is taken to the income statement. This assessment involved the use of estimates and the actual value could vary.

**Financial assets held at fair value**

Assets held at fair value comprise a derivative option to acquire the remaining shares in NKO, in which the company holds a 9.9% investment. The option was initially recognised at fair value which was the transaction price. After initial recognition, the option was subsequently measured at fair value. As a level 3 derivative under FRS 102, management assessed non markets indicators of the value of the underlying asset such as market and company trading conditions and performance. This assessment involved the use of judgements and estimates and the actual value could vary.

The fair value adjustment for 2021 included examining the performance of the investment throughout the year and increasing the fair value to align with performance. Post year end following the invasion of Ukraine and the relating sanctions on Russian businesses, the company has moved to dispose of its investment which is pending government approval.

**Convertible loans**

In accordance with the accounting policy, the convertible loan arrangements entered into during the prior year were assessed to determine the split between debt and equity components. The management judgement was that the convertible loans should be accounted for as debt on the basis that any conversion to equity would be for a variable number of shares which could not be fully determined at the reporting date. The assessment of the loan value was determined with reference to contractual rights under the loan agreements and with reference to the potential market value of the shares of the company into which the loans could be converted. During the year this convertible loan was converted to equity as part of the fundraising.

**Preference equity shares**

The preference shares issued by the company contain a right to convert to ordinary shares. Per the current Articles of the company, any conversion takes place on a one for one basis. The management judgement is therefore that the preference shares are accounted for as equity.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2020 (continued)****2. Critical accounting estimates and judgements (continued)****Share based payments**

The company used an independent market valuation to determine the fair value of the options granted. Due to the low number of employees involved and the short period the scheme remained in place post year end, a 5% change in the value of the group would not have a material impact on the share based payment compensation expense.

**3. Analysis of turnover**

	2021 \$'000	2020 \$'000
<b>Analysis of turnover</b>		
Services rendered	<b>75,827</b>	<b>44,444</b>
By geographical market:		
UK	3,358	1,466
Europe	25,406	24,776
America	1,376	758
Russia	20,949	13,920
Rest of world	24,738	3,524
	<b>75,827</b>	<b>44,444</b>

**4. Operating loss**

	Note	2021 \$'000	2020 \$'000
<b>Operating loss</b>			
<u>This is stated after charging:</u>			
Depreciation of tangible assets	9	693	456
Amortisation of intangible assets	10	1,211	1,651
Amortisation of goodwill	11	871	871
Goodwill impairment	11	1,093	-
Operating lease costs: office rents		849	963
Employee share option expense	22	2,639	771
Fees payable to the company's auditors for the audit of financial statements	Group	207	137
Fees payable to the company's auditors for the audit of financial statements	Subsidiaries	299	122
Fees payable to the company's auditors for tax compliance services		20	19
Unrealised foreign exchange		2,528	(53)
		<b>10,410</b>	<b>4,937</b>

Fees for non audit services comprise fees charged for tax compliance services. The audit fees are exclusive of VAT and out of pocket expenses.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****5. Directors' emoluments**

	2021 \$'000	2020 \$'000
<b>Directors' emoluments</b>		
Emoluments	351	242
<u>Highest paid director</u>		
Emoluments	186	99

**6. Staff costs**

	2021 \$'000	2020 \$'000
<b>Staff costs</b>		
Wages and salaries	20,650	9,827
National Insurance	2,073	1,003
Other pension costs	121	40
	<b>22,844</b>	<b>10,870</b>

Staff costs include employee share option expenses amounting to \$2,639,000 (2020: \$771,000).

<u>Average no. employees during the year</u>	No.	No.
Administration	407	279

**7. Interest**

	2021 \$'000	2020 \$'000
<b>Interest received</b>	90	31
	2021 \$'000	2020 \$'000
<b>Loan interest payable</b>	952	162

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****8. Taxation**

	2021 \$'000	2020 \$'000
<b>Taxation</b>		
<u>Analysis of charge in year</u>		
<i>Current tax:</i>		
UK Corporation tax at 19% (PY: 19%)	-	-
Adjustment in respect of prior periods	(985)	
Foreign taxation	841	171
<i>Deferred tax:</i>		
Origination and reversal of timing differences	-	-
Tax on ordinary activities	<u>(144)</u>	<u>171</u>
The group had total carried forward losses of \$54,806,000 (2020: \$39,483,000) against which the Directors have chosen not to recognise a deferred tax asset.		
Group deferred tax asset not recognised: \$'000	(14,168)	(5,854)
	2021 \$'000	2020 \$'000
<u>Reconciliation of tax charge</u>		
Loss on ordinary activities before tax	(32,029)	(15,956)
Tax on loss on ordinary activities at standard CT rate of 19% (PY: 19%)	(6,086)	(3,032)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	3,250	1
Non taxable income	(1,330)	-
Deferred tax not recognised	5,067	3,202
Adjustments in respect of prior periods	(985)	-
Difference due to overseas tax rate	(60)	-
<b>Tax (credit)/charge for the year</b>	<u><b>(144)</b></u>	<u><b>171</b></u>

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****9. Tangible fixed assets****Group:**

	2021 \$'000	2020 \$'000
<b>Tangible assets</b>		
<u>Computer and office equipment:</u>		
<u>Cost or valuation</u>		
At 1 January	1,762	1,084
Additions	2,061	379
Currency translation differences	216	(137)
Cost reclassification	-	437
At 31 December	<u>4,039</u>	<u>1,763</u>
<u>Depreciation</u>		
At 1 January	910	100
Charge for the year	620	456
Currency translation differences	73	(79)
Depreciation reclassification	-	433
At 31 December	<u>1,603</u>	<u>910</u>
<u>Carrying amount</u>		
At 31 December	<u>2,436</u>	<u>853</u>

The cost reclassification represents reallocation of assets previously recognised as intangible fixed assets.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****9. Tangible fixed assets (continued)****Company:**

	2021 \$'000	2020 \$'000
<b>Tangible assets</b>		
<u>Computer and office equipment:</u>		
<u>Cost or valuation</u>		
At 1 January	357	288
Additions	122	69
At 31 December	479	357
<u>Depreciation</u>		
At 1 January	109	36
Charge for the year	101	73
At 31 December	210	109
<u>Carrying amount</u>		
At 31 December	<b>269</b>	<b>248</b>

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****10. Intangible fixed assets**

Group:

	2021 \$'000	2020 \$'000
<b>Intangible assets</b>		
<u>Computer software development:</u>		
<u>Cost or valuation</u>		
At 1 January	5,917	7,731
Additions	955	703
Disposals	-	(36)
Currency translation differences	(538)	(258)
Cost reclassification	-	(2,223)
At 31 December	<u>6,334</u>	<u>5,917</u>
<u>Amortisation</u>		
At 1 January	4,228	3,380
Charge for the year	975	1,651
Currency translation differences	236	(148)
Amortisation reclassification	-	(655)
At 31 December	<u>5,439</u>	<u>4,228</u>
<u>Carrying amount</u>		
At 31 December	<u>895</u>	<u>1,689</u>

The cost reclassification represents assets reallocated to tangible fixed assets and other current assets.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****10. Intangible fixed assets (continued)****Company:**

	2021 \$'000	2020 \$'000
<b>Intangible assets</b>		
<u>Computer software development:</u>		
<u>Cost or valuation</u>		
At 1 January	7,288	6,437
Additions	7,654	851
Currency translation differences	(783)	-
At 31 December	<u>14,159</u>	<u>7,288</u>
<u>Amortisation</u>		
At 1 January	5,396	3,295
Charge for the year	2,372	2,101
Currency translation differences	98	-
At 31 December	<u>7,866</u>	<u>5,396</u>
<u>Carrying amount</u>		
At 31 December	<u>6,293</u>	<u>1,892</u>

Company balance includes inter group software costs, eliminated on consolidation.

**11. Goodwill**

	2021 \$'000	2020 \$'000
<b>Goodwill</b>		
<u>Cost</u>		
As at 1st January	8,712	8,712
Additions	-	-
At 31 December	<u>8,712</u>	<u>8,712</u>
<u>Amortisation</u>		
At 1 January	1,742	871
Charge for the year	871	871
Impairment *	1,093	-
As at 31st December	<u>3,706</u>	<u>1,742</u>
<u>Carrying amount</u>		
At 31 December	<u>5,006</u>	<u>6,970</u>

\*The impairment relates to Wilson Corporation subsidiary that in the view of management will not generate any further economic benefit and therefore has been impaired.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****12. Investments**

	Group 2021 \$'000	Group 2020 \$'000
<b>Other equity investment</b>		
Payments and Settlements, non-bank Credit Organisation ("NKO")	462	212
Easy Payment and Finance EP, S.A.U.	335	-
	<u>797</u>	<u>212</u>

The investment in NKO represents a 9.9% holding of ordinary shares in the entity. The valuation was adjusted to reflect the increase value of the entity given the financial performance of NKO in 2021.

The new investment in Easy Payment and Finance EP, S.A.U. represents a 9.9% holding of ordinary shares in the entity.

The principal activities of NKO and Easy Payment and Finance EP, S.A.U are to facilitate B2C or B2B payments and transfers.

	Group 2021 \$'000	Group 2020 \$'000
<b>Investments</b>		
Shares in subsidiary undertakings	<u>26,400</u>	<u>24,474</u>

The company holds the share capital of the following companies:

Company	Shares held	Class	%	Country of incorporation
Paysend plc	Ordinary	100	100	UK
Paysend Processing LLC *	Ordinary	100	100	Russia
Wilson Corporation LLC *	Ordinary	100	100	Russia
Robokassa LLC *	Ordinary	100	100	Russia
Paysend Technology Limited	Ordinary	100	100	UK
Paysend Canada Limited	Ordinary	100	100	Canada
Paysend US LLC	Ordinary	100	100	USA
Robokassa LLP	Ordinary	100	100	Kazakhstan
Payend EU DAC (non trading)	Ordinary	100	100	Ireland
Paysend APAC	Ordinary	100	100	Singapore

\*disinvested entity in 2022

The principal activity for all subsidiaries is to facilitate B2C or B2B payments and transfers.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****12. Investments (continued)****Registered addresses:**

Paysend plc: Suite 2, Ground Floor Orchard Brae House, 30 Queensferry Road, Edinburgh, Scotland, EH4 2HS  
Paysend Processing LLC: 121108, Moscow, Varshavkoe Shosse 47/4  
Paysend Development (formerly Wilson Corporation LLC): 109428, Moscow, Ryazan Avenue, 16 p.4 room 23  
Robokassa LLC: 119334, Moscow, Kanatchikovskiy proezd 3  
Paysend Technology Limited: Suite 2, Ground Floor Orchard Brae House, 30 Queensferry Road, Edinburgh, Scotland, EH4 2HS  
Paysend Canada Limited: 400-906 12 Avenue SW, Calgary, AB T2R 1K7  
Paysend US LLC: 1675 S State Street, Suite B, Dover, Delaware 19901  
Robokassa LLP: 5 Al Farabi Avenue, Office 201, Nurdy Tau Business Centre, 050009, Almaty  
Paysend EU DAC: 25-28 North Wall Quay, D01 H104, Dublin  
Paysend APAC: 23 Hillview Avenue #10-07, Glendale Park, Singapore (669557)

**13. Financial assets at fair value**

	Group 2021 \$'000	Group 2020 \$'000	Company 2021 \$'000	Company 2020 \$'000
<b>Financial assets at fair value</b>				
Payments and Settlements, non-bank Credit Organisation ("NKO")	1,910	802	1,910	802

The financial instrument represents an option, but not an obligation to purchase the remaining 91.1% shareholding in NKO. The valuation was adjusted to reflect the increase value of the option given the financial performance of NKO in 2021.

The company is not yet able to exercise the option and as such does not hold control or significant influence over NKO. Post year end following the invasion of Ukraine and the relating sanctions on Russian businesses, the company has moved to dispose of its investment, this is pending government approval. The company will not look to exercise this option in 2022.

**Fair value hierarchy**

The Group has exposure to level 3 instruments which comprise of investments and financial asset at fair value as disclosed in note 12 and 13. The instruments are measured at fair value using a discounted cash flow model as there is a lack of comparable market data because of the nature of these instruments.

The Board manages the market risk inherent in the Group's exposure in financial instruments by maintaining a level of exposure and by ensuring timely access to relevant information is obtained from its investees. The Board regularly reviews its investees' business performance and financial results.

The Group's investments are not traded, and as such, their prices are more uncertain than those which are regularly traded. It is estimated that a 5% fall in the carrying value of the Group's equity investments would increase the loss before tax for the year by \$135,000 and reduce the Group's net assets by the same amount.

The disclosure is split into the following categories:

Level 1: Unadjusted quoted price in an active market for an identical instrument.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)**

Level 2: Valuation techniques using observable inputs other than quoted prices within level 1.

Level 3: Valuation techniques using unobservable inputs.

The valuation model is used as an appraisal tool. Estimated future free cash flows are profiled over the anticipated life of the underlying asset discounted at a suitable cost of capital to calculate an aggregated present value. Key variables included within the methodology are future earnings and discount rates.

**14. Stock**

	Group 2021 \$'000	Group 2020 \$'000	Company 2021 \$'000	Company 2020 \$'000
<b>Stock</b>				
Inventories	<u>20</u>	<u>35</u>	<u>-</u>	<u>-</u>

Stock represent the value of Paysend Global Account cards which have been pre-purchased and which are distributed to customers when they apply for a physical card.

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****15. Debtors**

	Group 2021 \$'000	Group 2020 \$'000	Company 2021 \$'000	Company 2020 \$'000
<b>Debtors</b>				
Trade debtors	3	928	9	117
Amounts owed by group undertakings	-	-	33,153	17,965
Amounts owed by related entities	70	70	-	-
Deferred tax asset	95	82	-	-
Other debtors	21,111	11,881	876	172
Prepayments	<u>2,419</u>	<u>826</u>	<u>1,864</u>	<u>429</u>
	<b><u>23,698</u></b>	<b><u>13,787</u></b>	<b><u>35,902</u></b>	<b><u>18,683</u></b>

Other debtors represent funds due from partners or held on account with partners to support business operations.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****16. Cash and cash equivalents**

	Group 2021 \$'000	Group 2020 \$'000	Company 2021 \$'000	Company 2020 \$'000
<b>Cash and cash equivalents</b>				
Own cash and cash equivalents	80,091	20,267	52,188	5,459
Restricted cash	5,760	5,288	-	-
	<u>85,851</u>	<u>25,555</u>	<u>52,188</u>	<u>5,459</u>

Own cash and cash equivalents represents cash held at corporate accounts plus funds held with partners in order to facilitate business operations.

Restricted cash represents cash held as collateral with partners and segregated client funds held in nominated safeguarding accounts. The value of client funds held at 31 December 2021 was \$869,044 (2020: \$399,000).

**17. Creditors due within one year**

	Group 2021 \$'000	Group 2020 \$'000	Company 2021 \$'000	Company 2020 \$'000
<b>Creditors: amounts falling due within one year</b>				
Convertible Loans	-	12,854	-	12,854
Loans	2,383	1,902	2,259	1,901
Trade creditors	2,833	912	487	77
Deferred Revenue	3,299	-	-	-
Corporation tax	6	-	-	-
Other creditors	6,294	8,776	201	174
Accruals	1,708	2,275	2,213	1,543
	<u>16,523</u>	<u>26,719</u>	<u>5,160</u>	<u>16,549</u>

**Analysis of convertible loans**

The loan represented convertible loans amounting to \$9 million, issued in July 2020 in exchange for cash. The loan notes carried the right to convert to preference shares with the nominal value of \$0.0001 at the following discounts to any next round of fund raising if any such fund raising closed by:

- 31 March 2021 (30% discount)
- Post 31 March 2021 (at a price as determined by the preferred shareholders with preferred shareholder consent as determined in the shareholder agreement)

In 2020 the company performed an assessment of the loan notes under FRS 102 22.3 and IAS 32, which determined that the loan notes should be accounted for as debt as the financial instrument would be converted to a variable number of shares upon conversion, based on the market value of the shares on the conversion date.

On 31 March 2021 the loan notes were converted at a 30% discount to the determined market value of the shares of the company in the amount of \$9,000,000.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****Analysis of loans:**

The loan represents the current portion of a commercial loan arrangement entered into by the company for \$10 million. The full amount of the loan was drawn by the reporting date. Creditors due within one year includes the portion of the loan which will be repaid within one year, full repayment as per note 18.

Other creditors represent funds owed to partners to support business operations. This also includes PAYE & NI.

**18. Creditors due over one year**

Group 2021 \$'000	Group 2020 \$'000	Company 2021 \$'000	Company 2020 \$'000
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**Creditors: amounts falling due greater than one year**

Loans	<u>5,172</u>	<u>8,153</u>	<u>5,172</u>	<u>8,153</u>
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**Analysis of loans:**

The loan represents a commercial loan arrangement entered into by the company for \$10 million. The full amount of the loan was drawn by the reporting date. The loan carries an interest rate of the greater of 10% or EURIBOR+10% and will be repaid in full by 31 May 2024.

**19. Lease commitments**

Paysend Group had the following lease commitments as at 31 December 2021.

< 1yr 2021 \$'000	1 - 5 years 2020 \$'000	> 5 years 2021 \$'000
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**Lease commitments**

At 31st December 2021	<u>495</u>	<u>916</u>	<u>238</u>
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The total amount committed to at 31 December 2021 was \$1,649,000 (2020: \$1,998,000).

Lease payments recognized as an expense in the year total \$849,000 (2020: \$963,000).

All lease payments related to office rent costs.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****20. Share capital**

	<b>Nominal Value \$</b>	<b>2021 No. 000s</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Share capital</b>				
<u>Allotted, called up and fully paid:</u>				
Ordinary shares	0.0001	18,364	2	2
Preference shares	0.0001	10,103	1	-
Deferred shares	0.0001	64	1	1
Growth shares	0.0001	384	1	1
		<b>28,916</b>	<b>5</b>	<b>4</b>
<u>Shares issued and paid up during the year:</u>				
Preference shares	0.0001	5,247	1	-
Growth shares	0.35	83	-	-
<u>Shares issued and not paid during the year:</u>				
Ordinary shares		-	-	-

The number of shares issued during the year was 5,330,820 at a weighted nominal share value of \$0.01. 451,116 shares were issued but not paid and which relate to shares reserved under employee share option schemes as per note 22.

All issued shares are fully paid, with the exception of those shares, which are reserved under the employee share option scheme and have equal rights to vote at general meetings and receive dividends with the exception of Deferred and Growth shares which do not carry dividend or voting rights.

As defined in the articles, in the advent of a repayment of capital on liquidation, preference shares carry a priority repayment clause ahead of other share classes.

**21. Share premium**

	<b>Group 2021 \$'000</b>	<b>Group 2020 \$'000</b>	<b>Company 2021 \$'000</b>	<b>Company 2020 \$'000</b>
<b>Share premium</b>				
At 1 January	54,510	48,623	54,510	48,623
Shares issued	112,241*	5,887	112,241*	5,887
Reallocation to P&L Reserve	(771)		(771)	
At 31 December	<b>165,980</b>	<b>54,510</b>	<b>165,980</b>	<b>54,510</b>

\*\$99.39m worth of Shares were issued for a cash consideration, \$12.85m worth of shares relate to the conversion of a loan into equity.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****22. Share based employee compensation****Share Based Employee compensation**

The Group issues equity-settled share-based payment awards to certain employees. Equity-settled share-based payments are measured at fair value (excluding the effect of non-market performance vesting conditions) at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of awards that will eventually vest and adjusted for the effect of non-market-based vesting conditions.

**Share option schemes**

In 2021, the Group operated two options schemes awarded across numerous different dates throughout 2021 these are namely Growth Shares and Employee share options

The Movement in shares during the year were as follows:

	2021	2020
Outstanding at the beginning of the year	97,847	-
Exercised during the year	-	-
Issued During the year	451,116	97,847
Outstanding at the end of the year	548,963	97,847
Exercisable at the end of the year	-	-

	Grant 1	Grant 2	Grant 3	Grant 4	Grant 5	Grant 6	Grant 7	Grant 8	Grant 9	Grant 10	Grant 11	Total
Shares	22,631	960	252	409,937	1,299	4,365	407	680	1,005	6,576	3,004	451,116
Date of Grant	May-20	Oct-20	Nov-20	Dec-20	Feb-21	Mar-21	May-21	Jun-21	Jul-21	Aug-21	Sep-21	
Exercise price	2.13	2.13	2.13	2.13	2.13	2.13	2.13	2.13	3.48	3.48	3.48	
Vesting date	May-24	Oct-24	Nov-24	Dec-24	Feb-25	Mar-25	May-25	Jun-25	Jul-25	Aug-25	Sep-25	

**Growth option scheme**

There are 3 growth option scheme plans offered as a long-term incentive to align senior staff to deliver long term shareholder value. Under the plan, certain senior staff were granted share options in the parent company under the following vesting conditions:

- Grants 1 & 2 - 4-year vesting period with the first 25% vested on the 31 January 2022, and the remaining 75% vesting 12,5% every six months after.
- Grants 3 - 4-year vesting period with the first 25% on the 1-year service anniversary (end of the month), 12,5% every six months after.

The options were granted for a exercise as follows:

Grant 1 & 2- \$1.60 per Share

Grant 3 - \$2.13 Pre-June 2021, \$3.48 thereafter

Growth shares do not carry dividend or voting rights.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****22. Share based employee compensation (continued)**

The model inputs for options granted during the year ended 31 December 2021 included:

- Options are granted for no consideration and vest over a four-year period according to the vesting conditions
- Average exercise price of \$2.13
- No dividends payable
- There is an expected price volatility of the Company's shares
- Risk free interest of 2.25%, based on the Bank of England's target inflation rate
- Expected price volatility is based on the historical movements in the Company's non-market share price and in comparison to companies engaged in a similar basis to the Company

**Employee Share option scheme**

The employee share option plan was designed as a way to reduce cash expenditure during the uncertainty of the pandemic whilst creating a long term incentive to align staff to deliver long term shareholder returns. Under the plans, certain employees were granted share options in the parent company, vesting over a four year period. Once vested the options must be exercised within a 10 year period. Options were granted under the plan for no consideration and rank *pari passu* with other ordinary shares.

**Measurement**

In accordance with FRS 102 26.7, equity settled awards should be valued by measuring the fair value of services received directly where possible. In this case the fair value of the options granted during the year was determined by first valuing the total equity of the Group at the grant date and applying a discount rate to reflect the voting rights of these shares. The Black-Scholes option pricing model was then used to value the equity-settled share-based payment awards as the model is internationally recognised as being appropriate to value employee share schemes. The assessed fair value at grant date of options granted during the year ended 31 December 2021 was \$15.81 per option on average. A share-based payment charge of \$2.6m has been recognised in the profit and loss in the year ended 31 December 2021 and held in the profit and loss reserves on the balance sheet in relation to these options.

**PAYSEND**

Money for the future

**Notes to the accounts  
for the year ended 31 December 2021 (continued)****23. Dividends**

No dividend was paid or declared during the year or post year end for the year ended 31 December 2021 (2020: \$Nil).

**24. Related parties**

Ronald Millar is a director of the company. He charged the group for his services as a director. The fees for the year amounted to \$20,000 (2020: \$99,000). Ronald Millar is a director of both Paysend plc and Singula Decisions Limited. The balance owed by Singula Decisions Limited at 31 December 2021 was \$70,000 (2020: \$70,000). There were no transactions during the year.

Dmitry Palchikov is a director of one of the company's subsidiaries, Paysend Processing LLC. He charged Paysend Group Ltd for his services as a director of Paysend Processing LLC. The fees for the year amounted to \$272,000 (2020: \$245,000).

**25. Events after the reporting date**

Post year end, on 24th February, Russia invaded the Ukraine, which resulted in a number of wide reaching sanctions imposed on Russia and numerous Russian entities and individuals from various nations around the world. These sanctions included the restriction of cash and currency movements in and out of Russia and the ability to carry on business with Russian entities or individuals.

While there was no impact of sanctions on the 2021 results, Paysend reacted swiftly to ensure it was and remains compliant with all sanction requirements in 2022. The Company decided in March 2022 to cease all transfers to and from Russia. Revenue from this market in 2021 was \$34m, and the Company forecasts that the loss of this in 2022 (c.\$25m) will be offset by increased revenue across other geographies from both the Consumer and Business segments. In 2022, the group disposed of 100% of its investments in subsidiary undertakings based in Russia, Paysend Processing LLC, Paysend Development (formerly Wilson Corporation LLC) and Robokassa LLC and is awaiting government approval for its disposal of the minority investment in NKO. There is an outstanding option for the Group to purchase the remaining 99.1% of shares in NKO. The Group will not look to exercise this option and as a result in 2022 the Group will impair its investment to \$nil.

**26. Principal place of business**

The address of the company's principal place of business is:

1st Floor  
20 Garrick Street London  
WC2E 9BT

**27. Ultimate ownership of the company**

The Group is majority owned by Digital Space Ventures which is incorporated in Luxembourg. The ultimate controlling party is Elvira Abdulkerimova.