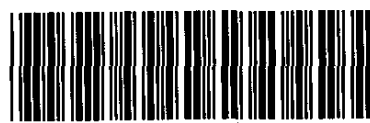


Registered number: 03206476

## **PAYGATE SOLUTIONS LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

FRIDAY



\*ACBNK1U0\*

A03

08/09/2023

#146

COMPANIES HOUSE

**PAYGATE SOLUTIONS LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	D Boxall M Goodwin (appointed 29 April 2022) S McNally K Morgan S Saklad (resigned 29 April 2022)
<b>Company secretary</b>	A Banks
<b>Registered number</b>	03206476
<b>Registered office</b>	Gladstone House Hithercroft Road Wallingford Oxfordshire OX10 9BT
<b>Independent auditors</b>	James Cowper Kreston Audit Chartered Accountants 2 Communications Road Greenham Business Park Newbury Berkshire RG19 6AB

**PAYGATE SOLUTIONS LIMITED**

**CONTENTS**

	Page
<b>Directors' Report</b>	1 - 2
<b>Independent Auditors' Report</b>	3 - 6
<b>Statement of Comprehensive Income</b>	7
<b>Statement of Financial Position</b>	8 - 9
<b>Statement of Changes in Equity</b>	10
<b>Notes to the Financial Statements</b>	11 - 23

## **PAYGATE SOLUTIONS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2022**

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

#### **Directors' responsibilities statement**

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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 judgments and accounting estimates that are reasonable and prudent;
- 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 to 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.

#### **Directors**

The Directors who served during the year were:

D Boxall  
M Goodwin (appointed 29 April 2022)  
S McNally  
K Morgan  
S Saklad (resigned 29 April 2022)

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

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

#### **Auditors**

The auditors, James Cowper Kreston Audit, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

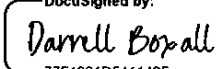
**PAYGATE SOLUTIONS LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**Small companies note**

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

DocuSigned by:  
  
.....77E1091D5A1149E.....  
**D Boxall**  
Director

Date: 21 July 2023

## **PAYGATE SOLUTIONS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAYGATE SOLUTIONS LIMITED**

#### **Opinion**

We have audited the financial statements of Paygate Solutions Limited (the 'Company') for the year ended 31 December 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Auditors' 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.

## **PAYGATE SOLUTIONS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAYGATE SOLUTIONS LIMITED (CONTINUED)**

#### **Opinion 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

#### **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 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

#### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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.

## **PAYGATE SOLUTIONS LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAYGATE SOLUTIONS LIMITED (CONTINUED)**

#### **Auditors' 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The specific procedures for this engagement that we designed and performed to detect material misstatements in respect of irregularities, including fraud, were as follows:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of management and those charged with governance to identify any material instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work to address the risk of irregularities due to management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for evidence of bias
- Review of compliance with FCA registration requirements

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 Auditors' Report.



**PAYGATE SOLUTIONS LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PAYGATE SOLUTIONS LIMITED  
(CONTINUED)**

**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 Auditors' 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.



Jonathan Baillie BA (Hons) FCCA ACA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston Audit**

Chartered Accountants

2 Communications Road  
Greenham Business Park

Newbury

Berkshire

RG19 6AB

Date: 21/07/2023

**PAYGATE SOLUTIONS LIMITED****STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Note</b>	<b>2022 £</b>	<b>2021 £</b>
Turnover		<b>3,550,342</b>	2,211,197
Cost of sales		<b>(172,856)</b>	(128,526)
<b>Gross profit</b>		<b>3,377,486</b>	2,082,671
Administrative expenses		<b>(1,809,993)</b>	(1,281,650)
Exceptional administrative expenses		<b>(793,232)</b>	-
<b>Operating profit</b>	<b>4</b>	<b>774,261</b>	801,021
Interest payable and similar expenses		-	(334)
<b>Profit before tax</b>		<b>774,261</b>	800,687
Tax on profit	<b>6</b>	<b>(146,971)</b>	(156,833)
<b>Profit for the financial year</b>		<b>627,290</b>	643,854

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 11 to 23 form part of these financial statements.

**PAYGATE SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 03206476**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2022**

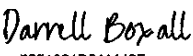
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	8	128,741	120,843
		<u>128,741</u>	<u>120,843</u>
<b>Current assets</b>			
Stocks	9	4,736	1,174
Debtors: amounts falling due within one year	10	5,502,267	5,120,004
Cash at bank and in hand	11	35,519	26,674
		<u>5,542,522</u>	<u>5,147,852</u>
Creditors: amounts falling due within one year	12	<u>(3,853,331)</u>	<u>(3,500,449)</u>
<b>Net current assets</b>		<u>1,689,191</u>	<u>1,647,403</u>
<b>Total assets less current liabilities</b>		<u>1,817,932</u>	<u>1,768,246</u>
Creditors: amounts falling due after more than one year	13	<u>(182,574)</u>	<u>(147,429)</u>
		<u>1,635,358</u>	<u>1,620,817</u>
<b>Provisions for liabilities</b>			
Deferred taxation	14	<u>(12,251)</u>	<u>-</u>
		<u>(12,251)</u>	<u>-</u>
<b>Net assets</b>		<u>1,623,107</u>	<u>1,620,817</u>
<b>Capital and reserves</b>			
Called up share capital	15	1,000	1,000
Profit and loss account		1,622,107	1,619,817
		<u>1,623,107</u>	<u>1,620,817</u>

**PAYGATE SOLUTIONS LIMITED**  
**REGISTERED NUMBER: 03206476**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2022**

The Company's financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

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

DocuSigned by:  
  
77F1091D541149F...  
**D Boxall**  
Director

Date: 21 July 2023

The notes on pages 11 to 23 form part of these financial statements.

**PAYGATE SOLUTIONS LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2022**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	<b>1,000</b>	<b>1,619,817</b>	<b>1,620,817</b>
Profit for the year	-	<b>627,290</b>	<b>627,290</b>
Dividends: Equity capital	-	<b>(625,000)</b>	<b>(625,000)</b>
<b>At 31 December 2022</b>	<b>1,000</b>	<b>1,622,107</b>	<b>1,623,107</b>

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	<b>1,000</b>	<b>2,475,963</b>	<b>2,476,963</b>
Profit for the year	-	<b>643,854</b>	<b>643,854</b>
Dividends: Equity capital	-	<b>(1,500,000)</b>	<b>(1,500,000)</b>
<b>At 31 December 2021</b>	<b>1,000</b>	<b>1,619,817</b>	<b>1,620,817</b>

The notes on pages 11 to 23 form part of these financial statements.

## **PAYGATE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **1. General information**

Paygate Solutions Limited is a private company, limited by share capital and incorporated in England & Wales. Its registered office is Gladstone House, Hithercroft Road, Wallingford, Oxfordshire, OX10 9BT.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Financial Reporting Standard 101 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of Jonas Computing (UK) Limited as at 31 December 2022 and these financial statements may be obtained from Companies House.

## **PAYGATE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. Accounting policies (continued)**

##### **2.3 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

##### **2.4 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends when approved by the shareholders at an annual general meeting.

##### **2.5 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from Direct Debit and card payment collection services is recognised when the service has been performed. Revenue from licence sales is recognised on delivery of the licence to the customer.

Consultancy and training revenues provided on a time and material basis are recognised when the service has been performed. For services performed on a fixed price basis, revenue is recognised proportionately to the percentage of planned costs incurred.

Where a contract consists of various components that operate independently of each other, the Company recognises revenue for each component as if it were one individual contract.

##### **2.6 Finance costs**

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## **PAYGATE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

## **2. Accounting policies (continued)**

### **2.7 Pensions**

#### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### **2.8 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### **2.9 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

### **2.10 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.



## **PAYGATE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. Accounting policies (continued)**

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

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	- 5 years straight line
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

##### **2.12 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### **2.13 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### **2.14 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**PAYGATE SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

**2. Accounting policies (continued)**

**2.15 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**2.16 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

## **PAYGATE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **2. Accounting policies (continued)**

##### **2.17 Financial instruments**

Enter text here - user input

The Company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The Company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

##### **Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

##### **Fair value through profit or loss**

All of the Company's financial assets are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

##### **Impairment of financial assets**

The Company always recognises lifetime ECL for trade receivables and amounts due on contracts with customers. The expected credit losses on these financial assets are estimated based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

##### **Financial liabilities**

##### **Fair value through profit or loss**

Financial liabilities are classified as at fair value through profit or loss, when the financial liability is held for trading, or is designated as at fair value through profit or loss. This designation may be made if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise, or the financial liability forms part of a group of financial instruments which is managed and its performance is evaluated on a fair value basis, or the financial liability forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at fair value through profit or loss. Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

##### **At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**PAYGATE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****2. Accounting policies (continued)****2.18 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The preparation of the financial statements required management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from the estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Estimates are based on historical experience and other assumptions that are considered reasonable in the circumstances. The actual amount of values may vary in certain instances from the assumption and estimates made. Changes will be recorded, with corresponding effect in the Statement of Comprehensive Income, when, and if, better information is obtained.

Information about assumptions and estimation uncertainties that have the most significant effect on recognition and measurement of assets, liabilities, income and expenses is provided below:

**Provisions**

In recognising provisions, the Company evaluates the extent to which it is possible that it has incurred a legal or constructive obligation in respect of past events and the probability that there will be an outflow of benefits as a result. The judgements used to recognise provisions are based on currently known factors which may vary over time, resulting in changes in the measurement of recorded amounts as compared to initial estimates.

**Financial assets**

The Company makes an estimate of the recoverable value of trade, other debtors and amounts owed by group undertakings. When assessing impairment of trade and other receivables, management considers factors including the credit rating of the receivable, the ageing profile of the receivables and historical experience.

**4. Operating profit**

The operating profit is stated after charging:

	<b>2022</b>	2021
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets	<b>9,196</b>	53,808
Exchange differences	<b>480</b>	(24,465)
Defined contribution pension cost	<b>57,780</b>	44,296

**PAYGATE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****5. Employees**

The average monthly number of employees, including the Directors, during the year was as follows:

	<b>2022 No.</b>	<b>2021 No.</b>
Administration	1	3
Sales and marketing staff	6	2
Development, professional services and support staff	14	12
	<u>21</u>	<u>17</u>

**6. Taxation**

	<b>2022 £</b>	<b>2021 £</b>
<b>Corporation tax</b>		
Current tax on profits for the year	262,043	157,823
Adjustments in respect of previous periods	(129,297)	(1,500)
	<u>132,746</u>	<u>156,323</u>
<b>Total current tax</b>	<b>132,746</b>	<b>156,323</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(4,766)	510
Adjustments in respect of prior period	18,991	-
	<u>14,225</u>	<u>510</u>
<b>Total deferred tax</b>	<b>14,225</b>	<b>510</b>
<b>Taxation on profit on ordinary activities</b>	<b>146,971</b>	<b>156,833</b>

# **PAYGATE SOLUTIONS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

### **6. Taxation (continued)**

#### **Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2021 - higher than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Profit on ordinary activities before tax	<b>774,261</b>	800,687
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	<b>147,110</b>	152,131
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>150,714</b>	3,121
Capital allowances for year in excess of depreciation	<b>(982)</b>	-
Adjustments to tax charge in respect of prior periods	<b>(110,306)</b>	(1,500)
Short-term timing difference leading to an increase (decrease) in taxation	<b>14</b>	-
Group relief	<b>(39,579)</b>	-
Change in tax rate	<b>-</b>	3,081
<b>Total tax charge for the year</b>	<b>146,971</b>	156,833

#### **Factors that may affect future tax charges**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. As a result the deferred tax arising at the year end is measured at 25%.

### **7. Exceptional items**

	<b>2022</b> <b>£</b>	<b>2021</b> <b>£</b>
Write off intercompany balance	<b>793,232</b>	-
	<b>793,232</b>	-

During the year an amount owed by another group company was written off as it was no longer considered to be recoverable.

**PAYGATE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****8. Tangible fixed assets**

	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 January 2022	<b>926</b>	<b>173,725</b>	<b>174,651</b>
Additions	<b>-</b>	<b>17,094</b>	<b>17,094</b>
At 31 December 2022	<b>926</b>	<b>190,819</b>	<b>191,745</b>
<b>Depreciation</b>			
At 1 January 2022	<b>926</b>	<b>52,882</b>	<b>53,808</b>
Charge for the year on owned assets	<b>-</b>	<b>9,196</b>	<b>9,196</b>
At 31 December 2022	<b>926</b>	<b>62,078</b>	<b>63,004</b>
<b>Net book value</b>			
At 31 December 2022	<b>-</b>	<b>128,741</b>	<b>128,741</b>
At 31 December 2021	<b>-</b>	<b>120,843</b>	<b>120,843</b>

**9. Stocks**

	<b>2022 £</b>	<b>2021 £</b>
Raw materials and consumables	<b>4,736</b>	<b>1,174</b>
	<b>4,736</b>	<b>1,174</b>

**PAYGATE SOLUTIONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022****10. Debtors**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>446,377</b>	643,572
Amounts owed by group undertakings	<b>4,777,415</b>	4,410,818
Corporation tax repayable	<b>278,475</b>	-
Prepayments and accrued income	-	63,640
Deferred taxation	-	1,974
	<b><u>5,502,267</u></b>	<b><u>5,120,004</u></b>

**11. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Cash at bank and in hand	<b>35,519</b>	26,674
Less: bank overdrafts	-	(109,308)
	<b><u>35,519</u></b>	<b><u>(82,634)</u></b>

**12. Creditors: Amounts falling due within one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	-	109,308
Trade creditors	<b>17,729</b>	63,067
Amounts owed to group undertakings	<b>1,788,582</b>	1,594,254
Corporation tax	-	19,533
Other taxation and social security	<b>209,257</b>	207,111
Accruals and deferred income	<b>1,837,763</b>	1,507,176
	<b><u>3,853,331</u></b>	<b><u>3,500,449</u></b>

Jonas requires that the Company is party to a central corporate treasury function which allows the group to centrally manage its liquidity and financial risks whilst ensuring capital is deployed globally in the most effective manner. However, this can mean that locally the financial strength of the Company is not necessarily conveyed by the net current asset position when reading these financial statements in isolation. To fully understand the size and strength of the corporate group of which the Company is a part, these financial statements should be read in conjunction with those of Constellation Software Inc.



## PAYGATE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2022**13. Creditors: Amounts falling due after more than one year**

	2022 £	2021 £
Accruals and deferred income	182,574	147,429
	<u>182,574</u>	<u>147,429</u>

**14. Deferred taxation**

	2022 £
At beginning of year	1,974
Charged to profit or loss	(14,225)
<b>At end of year</b>	<u><b>(12,251)</b></u>

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(13,420)	744
Other short term timing differences	1,169	1,230
	<u>(12,251)</u>	<u>1,974</u>

**15. Share capital**

	2022 £	2021 £
<b>Allotted, called up and fully paid</b>		
1,000 (2021 - 1,000) Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>

**16. Contingent liabilities**

In the event that bank indebtedness arises in the ultimate parent undertaking, Constellation Software Inc., it is secured by means of an unlimited guarantee and debenture over the assets of the Company and other group undertakings.

## **PAYGATE SOLUTIONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022**

#### **17. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amount to £57,780 (2021: £23,286). Contributions of £8,972 were payable to the fund at the balance sheet date (2021: £4,169).

#### **18. Related party transactions**

The company is exempt under FRS 101 from disclosing related party transactions with entities that are part of the group headed by Constellation Software Inc., where 100% of the voting rights are controlled within the group.

#### **19. Controlling party**

The immediate parent company is London & Zurich Finance Limited, a company incorporated in England and Wales.

The smallest group in which the results are consolidated is Jonas Computing (UK) Limited, a company incorporated in England and Wales. These financial statements can be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ. The largest group in which the results are consolidated is that headed by Constellation Software Inc. Constellation Software Inc. is also the ultimate controlling party of the Company. The consolidated accounts of Constellation Software Inc. are available to the public and may be obtained from Gary Jonas Computing Ltd, 8133 Warden Ave, Suite 400, Markham, Ontario, Canada, L6G 1B3.