



## ANNUAL REPORT

For the year ended 31 December  
2024

A large, stylized graphic of a globe in the background, composed of a grid of small dots and overlaid with several thin, white, curved lines representing orbits or data paths.

2024

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## Strategic Framework

**Finseta is...**

**A foreign exchange and payments company offering multi-currency accounts to businesses and individuals**

**With a strategy to grow via...**



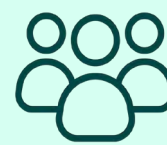
### **Expanding our geographic footprint and capabilities**

- Establishing new counterparty relationships to increase the number of currencies our clients can transact with and countries they can send money to
- Expanding our regulatory capabilities on a global scale to benefit from local payment rails and lower transaction costs



### **Enhancing our product and service offering**

- Expanding our global payments network to cater for further payment methods as well as broaden our offer to additional jurisdictions and industries
- Strengthening our compliance function to be able to serve clients with complex requirements
- Continued product innovation to offer clients more functionality and an improved experience



### **Investing in people**

- Growing our expert team
- Continued professional development of all staff members
- Engaging with our team and being a responsible employer
- Expanding and strengthening our network of introducers

## We will achieve success by adhering to our core values

We always put our  
**clients first**

We treat everyone with  
**respect**

In all of our activities we are  
**transparent**

We work together as  
**one team**

## Our MISSION is...

**to build a global payments capability with a best-in-class multi-currency account, which will...**



allow us to realise our **VISION** of being the go-to digital account for businesses and high-net-worth individuals transacting internationally and...



fulfil our **PURPOSE** of making international payments and foreign currency management available to more types of business and enabling them to pay in or pay out, in any currency, via any payment method anywhere in the world\*.

\* Subject to regulatory restrictions

## Performance Highlights

Revenue

**£11.4m** (2023: £9.6m)

Gross Margin

**65.7%** (2023: 63.4%)

Adjusted\* EBITDA

**£2.0m** (2023: £1.7m)

Cash generated from operations

**£2.2m** (2023: £2.0m)

Profit before tax

**£1.4m**  
(2023: £1.3m)

Cash and cash equivalents

**£2.6m**  
(31 December 2023: £2.3m)

\* Adjusted to exclude other operating income, share-based compensation, profit from the disposal of a subsidiary and transaction costs, and the rental cost of the Group's corporate premises (see the Chief Financial Officer's Review for further detail)



Growth in active customers\*\* to 1,059 (2023: 906); and completed strategic transition to wholly direct sales



New counterparty partnerships established to broaden the number of currencies and countries where the Group can transact – now able to pay out to over 165 countries in 150 currencies



Received regulatory approval to provide payments services in Canada and, post year end, the United Arab Emirates



Signed agreement with Mastercard and, post year end, launched corporate card scheme



Implemented multiple platform enhancements, including introduction of mass payments feature

\*\* Defined as customers who traded through Finseta during the 12-month periods to 31 December 2024 and 2023 respectively





“

WE GENERATED RECORD REVENUE – WITH YEAR-ON-YEAR **GROWTH OF 26%** ON A LIKE-FOR-LIKE BASIS – AS WELL AS AN IMPROVEMENT IN GROSS MARGIN, INCREASE IN EBITDA AND POSITIVE CASHFLOW.”

**GARETH EDWARDS**  
Chairman

## Chairman's Statement

I am pleased to report another year of significant financial and operational progress. We generated record revenue – with year-on-year growth of 26% on an underlying basis<sup>1</sup> – as well as an improvement in gross margin, increased EBITDA and positive cashflows. This is the result of the actions we have taken over the last couple of years to establish a platform that can deliver sustainable growth while also supporting our strategic execution.

Our key strategic initiative was to expand our geographical footprint and regulatory capabilities. In February 2024, we were granted a Money Services Business licence from the Financial Transactions and Reports Analysis Centre of Canada, which allows us to operate as a payments company in Canada and provide payments services to Canadian businesses and individuals. During the year, we worked to establish a full-service office in Toronto, and we are delighted that we have now commenced trading in this major financial capital in North America.

We continued to progress through the approval process with the Dubai Financial Services Authority and were granted, post year end, a Category 3D licence, which authorises us to provide payment services within the United Arab Emirates (“UAE”). This will enable us to significantly expand on our pre-existing activities in the UAE by now being able to service corporate and professional clients as well as to transact locally to benefit from faster, more efficient transaction processing. As one of the world's leading financial hubs, this represents a significant market opportunity for Finseta.

Another significant strategic initiative was the expansion of our payments methods to include corporate cards. We signed an agreement with Mastercard during the year and launched the Finseta Corporate Card post year end. This will provide us with an additional, repeatable revenue stream, which enhances our offering to current customers and enables us to target new corporate customers that have specific card requirements.

Both of these initiatives, which we expect to be important contributors to our future growth, mark steps towards our goal of offering our clients the ability to pay in or pay out, in any currency, via any payment method anywhere in the world (subject to regulatory restrictions). They will also strengthen our business by diversifying our revenue streams.

To support this growth and expansion, we increased our headcount during the year, making several high quality hires. The achievements of 2024 would not have been possible without the contribution of all of our employees. Our people are fundamental to our business, and to our success, and are highly valued by the Board. Nevertheless, we constantly seek to improve our team engagement and ensure that we are a responsible employer, as outlined further in our ESG report on pages 21-23.

The well-functioning Board remained unchanged through 2024, and to date. The Directors bring a range of complementary expertise and experience – both within and outside of payments and FX markets – and the Board is balanced between executive and non-executive roles. This contributes

to a strong stewardship, which is particularly critical during a period of expansion. While our business is evolving, we ensure that we continue to adhere to our core values of always putting our clients first, treating everyone with respect, being transparent in all of our activities and working together as one team.

As we look ahead in 2025, we are excited for our new ventures in the UAE and Canada, and to our corporate card scheme beginning to contribute to our growth. While this will be an important focus and use of resources, we will also continue to pursue our strategy of expanding our regulatory capabilities

and our global payments network. Notwithstanding the macroeconomic backdrop, which is likely to remain volatile, we are well-positioned for another excellent year. On behalf of the Board, I would like to thank our shareholders for their support to date and we look forward to updating them on our progress this year and beyond.

#### GARETH EDWARDS

Chairman

22 April 2025

<sup>1</sup> Defined as total revenue excluding revenue generated by the Group's historic white label business in 2023 and licencing revenue under an exceptional agreement in 2023 and 2024

#### Revenue Growth

# 26%

year-on-year underlying<sup>1</sup> increase

#### New Payment Method

Signed an agreement with **Mastercard** and launched the **Finseta Corporate Card** post year-end



WE HAVE EXPANDED OUR OFFERING, OUR SALES TEAM AND OUR INTRODUCER NETWORK RESULTING IN AN INCREASED NUMBER OF CUSTOMERS. THIS HAS ENABLED US TO ACHIEVE GROWTH IN ALL KEY FINANCIAL METRICS IN 2024.”

**JAMES HICKMAN**  
Chief Executive Officer



## Chief Executive Officer's Review

This has been a milestone year for our company as we progressed several significant strategic initiatives while continuing to deliver strong growth. We have expanded our offering, our sales team and our introducer network, resulting in an increased number of active customers. This has enabled us to achieve growth in all key financial metrics in 2024. At the same time, our agreement with Mastercard, establishing a presence in Canada and adopting 'Finseta' as our new company name have strengthened our business and our ability to deliver value.

### Performance

We delivered another year of significant growth in revenue in 2024. As set out in the CFO's Review below, our underlying revenue increased by 26% to £11.3m (2023: £8.9m) and reported revenue grew by 19% to £11.4m (2023: £9.6m). This growth was driven by an increase in active customers to 1,059 (2023: 906)<sup>1</sup> reflecting the expansion of our sales team and introducer network and sustained focus on providing an exceptional level of service to our corporate and high net worth individual ("HNWI") clients.

We completed our transition to only serving clients directly, with all revenue being generated by direct clients during the year (2023: 95%). By client type, there was an increase in revenue generated by both private clients (primarily HNWIs) and corporate accounts. The proportion of total revenue accounted for by private clients was 59% (2023: 64%) with corporate accounts contributing 40% (2023: 34%). In respect of the majority of private

client revenue, whilst the underlying transaction is with an individual, the relationship is via a corporate that provides services to the individual. In addition, we received £100k (2023: £220k) in revenue, accounting for 1% of total revenue (2023: 2%), as the final income generated under a licencing agreement with the acquirers of Avila House, a former subsidiary.

### Strategic execution

Our growth strategy continues to be founded on the three pillars of product, geography and people – and we made considerable progress on all three in 2024. This contributed to our growth during the year, but also strengthens the drivers of growth for the years to come.

#### Product

A core element of our strategy is to establish a global payments network that will enable clients to be able to pay in from, and pay out to, any jurisdiction (subject to regulatory restrictions) in any currency and via any payment method. While it is still relatively early days, a number of milestones in advancing towards this goal were achieved during the year.

#### Currencies & countries

We continued to expand our global payments network by establishing new counterparty partnerships. This enabled us to broaden the number of currencies and countries where we can transact, as well as expanding the business sectors we can serve. We can now pay out to over 165 countries in 150 currencies compared with over 150



**Payment method**

We made significant progress this year towards expanding our payment method offering with the signing of a long-term agreement with Mastercard to launch a corporate card scheme. The Finseta Corporate Card, which was launched post year end, is available to businesses as virtual or physical cards, has multi-currency capability and can be used in over 210 countries. This new offering will provide us with an additional, high-margin, repeatable revenue stream from business customers and will expand our addressable target market. We have commenced generating initial revenues from the corporate card scheme from existing customers, which we expect to ramp in the second half of 2025.

The introduction of a corporate card scheme is a key element of our strategy to diversify our product offering and expand our payment rails. As a customer-first business, we aim to remove all barriers to expenditure – enabling customers to make payments wherever, whenever and however they want. This additional offering enhances the service that we can provide to our existing customers and expands our target market to corporates where the primary requirement is a corporate card scheme.

**Service**

We continued to undertake development work to enhance the functionality of our platform, which will further improve clients' experience. This included improving the customer onboarding process, which has decreased onboarding times. We implemented real-time transaction monitoring utilising artificial intelligence to allow us to scale and create efficiencies, which is particularly relevant for card payments where the number of transactions are much higher and more instantaneous than in our regular payments business. In the second half of the year, we introduced a mass payments feature, which enables clients to make up to 1,000 multi-currency, multi-market payments in a single transaction. This feature has been well received – making an initial contribution to 2024 revenue – with the number of clients using it continuing to increase.

A key differentiator of our offer at Finseta is the high level of personalised service provided to clients, along with the experience of our team and the strength of our compliance capabilities. Our Finseta Solutions offering, which was established in 2023 and is specifically focused on providing solutions to

**Revenue**

# £11.4m

(2023: £9.6m)

**Active Customers**

# 1,059

(2023: 906)

**Direct Revenue**

# 100%

(2023: 95%)

clients with more complex needs and which require a higher level of service, made good progress during the year.

We have added further counterparty capability to this new offering and have also added further resource as the number of customers and partners has continued to grow.

**Geography**

A core pillar of our strategy is geography – that is, expanding our capabilities to enable clients to transact to and from anywhere in the world (subject to regulatory restrictions). This includes through establishing further counterparty relationships, as noted above, as well as expanding our own geographical footprint and regulatory capabilities.

A significant milestone was achieved when we were awarded a Money Services Business ("MSB") licence from the Financial Transactions and Reports Analysis Centre of Canada, which enables us to operate a payments company in Canada and provide payments services to Canadian businesses and individuals. Having previously received enquiries in Canada for our services through our existing network, the establishment of a regulated business will allow us to fully pursue such opportunities whilst leveraging local payment rails and lowering transaction costs. Following the receipt of the MSB licence, we commenced the process of establishing a full-service office, which was launched post year end, to provide clients in Canada with the high-touch service-led approach that is core to the Finseta offering.

During the year, we continued to progress through the approval process with the Dubai Financial Services Authority and were granted, post year end, a Category 3D licence that authorises Finseta to provide payment services within the United Arab Emirates ("UAE"). This will enable us to significantly expand our existing activities in the UAE by now being able to service corporate and professional clients as well as to benefit from local payment rails. Dubai is one of the world's top financial centres and represents a significant opportunity for Finseta. Our introducer-led go-to-market approach is also particularly well-suited to this business environment with international professional services and advisory firms having a substantial presence. The potential of this market is significant and we are investing in our UAE business to take advantage of the growth opportunity we have.

We also continued to make progress with the regulatory approval process in other jurisdictions where we can leverage opportunities through our existing network and thereby maximise our resources.

### People

As a high-touch, service-led business, the strength of our people is crucial. We continued to invest in our workforce with a fundamental contribution to our growth during the year being the enhancement of our sales team. We also expanded our Finseta Solutions team and appointed a Country Manager for Canada. We understand that the strength of our

business is also the strength of our people and, as such, we remain committed to continuing to foster excellence in our workforce as we look to continue to expand our headcount through 2025.

With client acquisition being predominantly introducer-led, relationships are key to Finseta's ongoing growth. Accordingly, we continued to expand and deepen our network of introducers in order to continue to increase our client base and diversify payment flows across a broader range of currencies.

### Outlook

We have made a strong start to trading in the new financial year, driven by continued growth in active customers. As we progress through 2025, we also expect our new product offerings – in particular, our corporate card scheme and mass payments – as well as our operations in Dubai and Canada, to make an increasing contribution to revenue. As a result, we are on track to report significant revenue growth for 2025, in line with the Board's expectations.

Looking further ahead, our key strategic initiatives are set to substantially accelerate sales growth and increase profitability in the medium term. While our priority is to scale up these operations, we are also continuing to pursue our strategy to further expand our regulatory capabilities and enhance our service offering. With the strong foundations that we have already established, we are confident that these actions will enable us to deliver sustainable growth and generate value for our shareholders. We look forward to reporting on our progress.

<sup>1</sup> Defined as customers who traded through Finseta during the 12-month periods to 31 December 2024 and 31 December 2023 respectively

**JAMES HICKMAN**

Chief Executive Officer  
22 April 2025

# Investment Case

Finseta is committed to delivering long-term, sustainable growth and creating value for its shareholders by providing a high level of service coupled with an excellent online platform experience to solve currency and payment challenges for businesses and individuals.



## Fast-growing with track record of delivery

Three-year revenue growth of 70% CAGR combined with profitability and positive operating cashflow generation. Continued strategic execution includes expanding currencies, countries and payment methods and completing a transition to direct sales.



## Targeting large, high-growth market

Operating in the substantial global market for cross-border payments, with an expanding addressable market for payment specialists such as Finseta, through the structural shift away from traditional banks with legacy systems or FX brokers that lack the resources to keep pace with increasing compliance requirements.



## Low risk operations

Finseta does not engage in speculative trades or trade from its own balance sheet – thereby operating as a Riskless Principal. It has invested significantly in its regulatory and compliance capabilities, which are maintained as a key priority. Finseta's diversified business is not reliant on particular currency pairs or payment corridors.



## Highly cash generative model

Payments are primarily facilitated through counterparty relationships requiring limited use of Finseta's balance sheet, with low working capital intensity enabling high cash conversion. In addition, Finseta's highly scalable technology platform will drive further operating leverage as the Group grows.



## Differentiated commercial strategy

Focused on facilitating corporate customers and HNWLs with high-value, complex, niche or compliance-intensive transactions, with a high-touch service and bespoke solutions offering. Finseta does not compete in the high-volume-low-value retail market.



## Foundations for long-term, sustainable growth

Finseta's high-touch, customer centric culture establishes long-term relationships. The proprietary, scalable platform facilitates future growth and product/service innovation. Investing in expanding internationally and into new markets, with broader capabilities, along with employee development, positions Finseta to deliver sustainable, long-term growth.



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REVENUE FOR THE 12 MONTHS TO 31 DECEMBER 2024 **GREW BY 19% TO £11.4M. ... THIS GROWTH WAS PRIMARILY A RESULT OF AN INCREASE IN ACTIVE CUSTOMERS REFLECTING THE EXPANSION OF OUR SALES TEAM AND INTRODUCER NETWORK.”**

**JUDY HAPPE**

Chief Financial Officer

## Chief Financial Officer's Review

2024 was another year of strong trading performance for Finseta, with growth achieved across all key financial metrics.

Revenue for the 12 months to 31 December 2024 grew by 19% to £11.4m (2023: £9.6m). On an underlying basis<sup>1</sup>, revenue for FY 2024 increased by 26% to £11.3m compared with £8.9m for the previous year. This growth was primarily a result of an increase in active customers, reflecting the expansion of our sales team and introducer network.

Gross margin improved to 65.7% (2023: 63.4%), which primarily reflects the strategic decision to offboard the historic white label business in prior years. The improvement in gross margin combined with the increased revenue resulted in a 21% increase in gross profit to £7.5m (2023: £6.2m).

Operating expenses were £6.3m in 2024 compared with £5.1m for the previous year. This primarily relates to additional sales team hires as the business invests for future growth, increased performance-related bonuses commensurate with the Group's performance and higher depreciation as a result of the Group's move to a new leased corporate premises in the second half of 2023. There was also an increase in marketing expenses to support the Group's rebrand to 'Finseta'; travel expenses in support of the Group's strategic geographic expansion; and licensing costs to support further enhancements to the Group's onboarding and transaction monitoring capabilities.

We recognised other operating income of £0.3m (2023: £0.4m). This comprised £0.2m (2023: £0.4m) of interest based on client cash balances (see note 3 to the financial statements) and £0.1m (2023: £nil) from the reversal of a provision for the final earn-out payment related to the acquisition of Capital Currencies.

Thanks to the strong operating performance, there was an increase in adjusted EBITDA to £2.0m (2023: £1.7m) and in profit from operations to £1.7m (2023: £1.4m). Adjusted EBITDA is stated after the add-back of other operating income, share-based compensation, profit from the disposal of a subsidiary, transaction costs and non-cash based accounting adjustments in respect of the Group's corporate premises (see the statement of comprehensive income for further detail).

Profit before tax was £1.4m in 2024 compared with £1.3m for 2023. Tax expense for the year was £395k compared with a tax credit of £843k in the prior year which primarily arose due to the recognition of a £818k deferred tax asset in 2023 relating to tax losses following our transition to profitability. As a result, net profit was £1.1m (2023: £2.1m).

Basic earnings per share were 1.74 pence (2023: 3.77 pence). On a fully diluted basis, earnings per share were 1.66 pence (2023: 3.76 pence). This reflects an increase in the weighted average number of ordinary shares (due to an issuance of shares during 2023) and in outstanding share options combined with the lower net profit as described above.

Cash generated from operations was £2.2m (2023: £2.0m) based on the strong trading performance. Cash used in investment activities was £1.3m (2023: £0.2m), which primarily consists of the continued investment in developing the Group's proprietary platform, including development of supporting infrastructure for the Group's corporate card scheme. Cash used in financing activities was £0.6m

compared with £0.1m in 2023, reflecting lease payments associated with the move to the new corporate premises as well as the settlement of loan notes and deferred consideration.

As at 31 December 2024, cash and cash equivalents were £2.6m (31 December 2023: £2.3m), with net cash of £0.6m<sup>2</sup> (31 December 2023: £0.2m).

## Key Performance Indicators

We measure our performance using the following key indicators:

### Revenue

**£11.4m**



- *Why it is a KPI:* This is the main source of income to the business and drives our business model.

### Active Clients<sup>3</sup>

**1,059**



- *Why it is a KPI:* It represents the size of our client base – the expansion of which is core to our current strategy – and is an important driver of revenue growth.

### Gross Margin

**65.7%**



- *Why it is a KPI:* An indicator of the quality of our earnings and the amount of profit that could be available.

### Adjusted EBITDA<sup>4</sup>

**£2.0m**



- *Why it is a KPI:* Adjusted EBITDA is a lead indicator of underlying financial performance.

#### Notes

<sup>1</sup> Defined as total revenue excluding revenue generated by the Group's historic white label business in 2023 and licencing revenue under an exceptional agreement in 2023 and 2024

<sup>2</sup> Defined as cash and cash equivalents less loan notes

<sup>3</sup> Defined as customers who traded through Finseta during the 12-month periods to 31 December 2024 and 31 December 2023 respectively

<sup>4</sup> Adjusted to exclude other operating income, share-based compensation, profit from the disposal of a subsidiary, transaction costs and non-cash based accounting adjustments in respect of the Group's corporate premises

**JUDY HAPPE**

Chief Financial Officer  
22 April 2025



# Risk Management

The Group has established a risk framework including a risk register, which is managed by the Chief Financial Officer and reviewed by the Audit Committee, and risk management policies, including anti-bribery, corruption, anti-money laundering and financial crime, financial risk, fraud, information technology and security policies. In addition, the detailed operational and security elements of the risk register are reviewed regularly by the senior management team of the Group, also in line with the ongoing risk and operational resilience reporting requirements of the Financial Conduct Authority (“FCA”). With the addition of regulated subsidiaries in Canada and Dubai, the risk register has been updated to reflect the requirements of the Financial Transactions and Reports Analysis Centre of Canada (“FINTRAC”) and the Dubai Financial Services Authority (“DFSA”).

In providing payment services to its clients, the Group is subject to legal requirements to deter and detect financial crime and is required to maintain a framework with appropriate mitigation measures and control mechanisms to manage the operational and security risks relating to the payment services it provides. Accordingly, the Group has implemented policies, controls and procedures to mitigate and effectively manage the risks of money laundering and terrorist financing. The Group conducts reviews of its anti-money laundering compliance using specialist third party compliance experts. The Group is also required to submit regular reports to the FCA on a range of subject matters in this regard.

## Principal risks and uncertainties

The Directors consider the principal risks and uncertainties facing the Group, and the key measures taken to mitigate those risks, are as follows:

	Risk	How the risk is managed	Risk change
<b>Regulation</b>	<p>The Group is fully regulated, through its wholly-owned subsidiaries, by the FCA as an Electronic Money Institution; by the FINTRAC as a Money Services Business; and by the DFSA under a Category 3D licence.</p> <p>The withdrawal of, or any amendment to, a regulatory approval required by the subsidiaries or any of their directors or employees could result in an adverse change to, or the cessation of, the Group’s business or a material part thereof.</p> <p>The FCA continues to increase its activity, having confirmed in its recent “Dear CEO” letter to firms that it is paying closer attention to firms’ compliance with specific areas of regulation such as consumer duty, wind down planning, operational resilience and more.</p>	<p>The Group employs an experienced UK-based Compliance and Money Laundering Reporting Officer (“MLRO”) who is responsible for monitoring the Group’s activities, managing the Group’s regulatory and reporting obligations and ensuring that all regulatory requirements are adhered to, and is in the process of appointing an MLRO in Dubai. The Group retains the services of specialist regulatory and compliance advisers in the UK and Dubai, to support the MLRO, and has insourced a specialist solution to ensure compliance with FINTRAC’s Electronic Funds Transfer reporting requirements. In addition, John Burns, a Non-executive Director, has significant experience regarding regulation in the payments industry.</p> <p>The Group monitors all regulatory communication and has multiple working groups, consisting of employees from across the business, established to ensure compliance with all regulatory requirements.</p>	—

<b>Macro-economic</b>	International trade is a key driver of demand for foreign exchange services. A slowdown in international trade caused by global macro-economic factors – such as economic and political conditions, natural disasters and epidemics/pandemics – could adversely impact the Group's business transaction turnover.	<p>The Group's experienced management team seeks to adapt to adverse conditions. The cost base is closely monitored, and cost saving measures would be implemented to maintain solvency if required.</p> <p>The Group's strategy is to increase the number of currencies and countries in which it can transact, including niche markets. This diversification reduces the risk of the Group being impacted by a slowdown in a particular market.</p>	↑
<b>Counterparty</b>	There is a risk that the Group's liquidity services providers could terminate their agreements with the Group or that their systems may fail or are not operational for a period of time, which could have a materially adverse impact on the Group's business and operations.	The Group has multiple liquidity providers that it could transfer its business between should one provider choose to terminate their agreement or should its systems fail. The Group is also seeking to enter new relationships with local liquidity partners in Canada and the UAE.	—
<b>Competition</b>	There is a risk that competitors with greater financial resources may develop software that is superior to the Group's technology, and they may also adopt more aggressive pricing models or undertake more extensive advertising and marketing campaigns. Such competitors may also attract the Group's key employees or prospective employees, which could impact the level of service that the Group can give to its clients or the ability to expand its service offering.	<p>The Group has chosen to focus on facilitating corporate clients and HNWLs: it does not compete in the volume-driven retail market, which requires substantial investment in direct-to-consumer marketing and where purchase decisions are primarily based on price. It has also differentiated its offer by focusing on high-value, compliance-intensive transactions, including market niches – which are less competitive markets – with a high-touch service and bespoke solutions offering. This leverages the experience of its management team and its payments network.</p> <p>The Group has established a management team with extensive experience in the foreign exchange payments market, including of designing, building and running IT systems and departments in the financial services sector. It has also significantly invested in enhancing its compliance function, which is a point of differentiation.</p> <p>The Group has an employee share incentive scheme and the majority of its senior management are significant shareholders or option holders, aligning their interests with those of the Group. The Group has measures in place to engage employees and be a responsible employer.</p>	—

<b>Operational</b>	The Group has a small-company profile with limited resources, meaning there is often limited cover for personnel providing key functions. Further failure of an outsource partner, key supplier or system outage can have a material impact on the Group.	The Business Continuity Plan considers both the failure of key systems and the loss of key data and provides for situations where key person dependency is challenged. Due diligence is performed on any prospective outsource partners including review of system availability commitments and history. Finseta also operates key systems across multiple availability zones with automatic failover should an instance become unavailable.	
<b>Cyber</b>	There is a risk that the Group's technology platform may be compromised or breached by cyber-attacks and that it is unable to prevent or detect unauthorised access to, or disclosure of, clients' confidential personal and financial information or payment fraud. Such an event could result in breaches of obligations under applicable laws or clients' agreements and have an adverse impact on the Group's reputation and financial performance.	<p>The Group's platform is entirely deployed on Amazon Web Services (AWS), which is trusted by numerous major organisations that require robust, scalable, secure and cost-effective services. AWS has a number of internationally recognised certifications and accreditations demonstrating compliance with third-party assurance frameworks.</p> <p>All systems operate a role-based policy of least privilege to ensure that users do not have access to data not directly required for their day-to-day role. Further, all staff undergo regular training in Information Security, Anti-Money Laundering and Fraud Awareness.</p> <p>Additionally, the Group enforces two factor authentication utilising standard OAuth2 protocol for both client and employee login and periodically commissions penetration testing of its systems.</p>	—
<b>Partners</b>	A key element of the Group's strategy is to expand its partner network to increase its offering to clients. There is a risk that the Group will be unsuccessful in establishing further partnerships, which would prevent it from delivering on its strategy to accelerate growth.	The Group's management and Board comprise individuals with substantial networks and experience within the payments industry, including previous experience of successfully establishing and maintaining partnerships or integrations in the market.	—
<b>Liquidity</b>	There is a risk that the Group will not have sufficient capital to meet the regulatory capital requirement for an authorised financial services business and that it is unable to meet its financial obligations when due.	The Group has an experienced finance team that provides effective management of the Group's operational financial exposures. This includes ensuring sufficient ring fencing of capital to meet its regulatory obligations. In 2024, the Group generated a net cash inflow, and maintains its strong focus on cash control.	—
<b>Credit</b>	The Group is exposed to credit risk if a client fails to deliver currency at maturity of the contract or fails to deposit margin when a margin call is made.	The Group operates a matched-principal brokerage model, meaning it executes a matching trade with its liquidity providers on receipt of a client order. The Group does not enter into speculative trades or trades funded from its own balance sheet and does not fund client margin calls from its own funds. In addition, the Group has an experienced finance team that provides effective management of the Group's operational financial exposures, with a strong focus on cash control.	—

# Board of Directors



**Gareth Maitland Edwards**

**Non-Executive Chairman**

Gareth has significant public markets experience gained from many years in non-executive roles and during his time as a qualified solicitor and a partner at law firm Pinsent Masons LLP, where he held both the positions of Global Head of Corporate and International Development Partner. He is currently Chairman of Nightcap Group Ltd, recently de-listed from AIM, and a non-executive director on the Board of Various Eateries plc, which is quoted on AIM. He is also a strategic consultant and an Executive Director of London Bridge Capital Limited, an FCA authorised corporate finance boutique.

## Committee Membership

Audit Committee, Remuneration Committee



**James Hickman**

**Chief Executive Officer**

James has over 25 years' experience in financial services, primarily in the FX and payments industries. Prior to joining Finseta, James was Chief Revenue Officer at Dublin-based fintech business, Fire Financial Services Limited. Other roles have included Chief Commercial Officer at formerly AIM-quoted Equals Group and Managing Director at Caxton Payments Limited (formerly Caxton FX Limited), a provider of foreign exchange, international payments and prepaid cards. In each role, James was responsible for growing sales, operations and managing key relationships. At Equals, his role also included investor relations, fundraising and strategic acquisitions. James is currently a Non-executive Director at Payabl, a provider of payment processing products and services.



**Judy Happe, ACA**

**Chief Financial Officer**

Judy is an experienced corporate executive and Chief Financial Officer with a background in fundraising, mergers and acquisitions and post-deal integration. Judy joined Finseta in 2020 from XenZone (now AIM-listed Kooth plc), where she was CFO. Prior to that, Judy was with AVG Technologies for seven years, including a period after its acquisition by Avast Software in October 2016. Starting as finance director, Judy moved through a number of roles giving her responsibility for post-deal integration, management and guidance for AVG's portfolio of acquisitions and acting as joint single point of contact during the \$1.3bn sale of AVG to Avast. Judy commenced her career as a chartered accountant with Saffery Champness.

**William Newton****Chief Information Officer**

William (“Bill”) has extensive operational experience within financial trading companies having worked in the industry for over 30 years. He co-founded ITI Capital Limited (formerly ODL Securities Limited), a derivatives, equities and FX brokerage, where he held a number of senior management roles including IT Director. There, he designed various real-time risk and regulatory reporting systems and was responsible for all back-office development. He was subsequently appointed CIO for London Capital Group Limited and managed a reorganisation of its core systems and infrastructure. Bill co-founded Finseta Payment Solutions Limited, which was acquired by Finseta in September 2020 when trading as ‘FXPress’.

**John Burns****Non-Executive Director**

John has over 40 years’ experience in the payments industry and was involved in legislative policy development at the Financial Services Authority (now FCA). Prior to joining the Financial Services Authority, he spent eight years at the Association for Payment Clearing Services and the Payments Council. Other experience includes various positions with Clydesdale Bank Plc and Lloyds Banking Group. John is currently Senior Advisor, Payment Services at Cosegic Limited.

**Committee Membership**

Remuneration Committee (Chair), Audit Committee

**Simon Bullock, ACMA****Non-Executive Director**

Simon has over 25 years’ executive experience in finance positions in public and private companies operating in the UK and internationally. He has worked in strategic and operational CFO roles across the technology and financial services sectors, including at Caxton FX Limited, a provider of foreign exchange, international payments and prepaid cards. He has significant experience with AIM-quoted businesses, including AurAsian Minerals plc (now Adriatic Metal Services (UK) Limited), Merit Group plc, Bonhill Group plc and OnTheMarket plc. Simon is a Chartered Management Accountant, having qualified in 1996.

**Committee Membership**

Audit Committee (Chair), Remuneration Committee



# Corporate Governance Report

The Board recognises the importance of sound corporate governance and the Group has adopted the Quoted Companies Alliance Corporate Governance Code 2018 (“QCA Code”). The Board considers that the Group complies with the QCA Code in all respects, and details of its compliance can be found on the Corporate Governance page of the Company’s website.

## The Board

The Board is responsible for the management of the business of the Group, setting the strategic direction of the Group and establishing the policies of the Group. It is the Board’s responsibility to oversee the financial position of the Group and monitor its business and affairs on behalf of the shareholders, to whom the Directors are accountable. The Board will also address issues relating to internal control and the Group’s approach to risk management, and it will monitor and promote a healthy corporate culture. The primary duty of the Board is to act in the best interests of the Group at all times.

The Group holds Board meetings monthly and as required whenever issues arise that require the urgent attention of the Board. Director attendance at the Board meetings held during the year can be found in the table on page 20.

Processes are in place to ensure that each Director is, at all times, provided with such information as is necessary for them to discharge their duties.

The Board has adopted Terms of Reference, which have a clear and specific schedule of matters reserved for the Board, including corporate governance, strategy, major investments, financial reporting and internal controls.

## Board Composition

The Board comprises three Executive Directors, a Non-Executive Chairman and two Non-Executive Directors – both of which are deemed to be independent. The Board considers that Simon Bullock and John Burns are independent in character and judgement and that there are no business or other relationships likely to affect, or which could

appear to affect, their judgement. The Board believes that it has an appropriate balance of sector, financial and public markets skills and experience, an appropriate balance of personal qualities and capabilities and an appropriate balance between the Executive and Non-Executive Directors.

The Chairman and Chief Executive Officer have distinct roles. The Chairman’s primary responsibility is the delivery of the Group’s corporate governance and the effective operation of the Board of Directors, whilst the Chief Executive Officer is responsible for the operation of the Group, in order to deliver on its strategic objectives. The Chairman has a clear separation from the day-to-day business of the Group, which allows him to make independent decisions.

The Non-Executive Directors are expected to devote at least two days per month to the affairs of the Group and such additional time as may be necessary to fulfil their roles. Brief biographical details of each of the Directors are set out in the Board of Directors section on pages 17-18.

## Board Committees

The Group has established a remuneration committee (the “Remuneration Committee”) and an audit committee (the “Audit Committee”) with formally delegated duties and responsibilities. Director attendance at the committee meetings held during the year can be found in the table on page 20.

The Remuneration Committee comprises John Burns as Chairman, Gareth Edwards and Simon Bullock. The Remuneration Committee, which meets not less than twice a year, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the shareholders and the performance of the Group.

The Audit Committee comprises Simon Bullock as Chairman, Gareth Edwards and John Burns. The committee, which meets not less than twice a year, is responsible for making recommendations to the Board on the appointment of auditors and the audit fee and for ensuring that the financial performance

of the Group is properly monitored and reported. In addition, the Audit Committee will receive and review reports from management and the auditors relating to the interim report, the annual report and accounts and the internal control systems of the Group. Further details on the Audit Committee's activities can be found in the Audit Committee Report on pages 26-27.

## Board Effectiveness

The Non-Executive Chairman is responsible for ensuring an effective Board and assessing its performance. This assessment includes, but is not limited to, the appropriate level of skill of Board members, the conduct of Board meetings, the decision-making process and the effectiveness of the Board committees. The Board is of the opinion that each of its members has the skills, knowledge, aptitude and experience to perform the functions required of a director of a listed company. The Board comprises Executive and Non-Executive Directors who are all of a high calibre and who enable a well-functioning Board.

## Internal Control & Risk Management

The Board has ultimate responsibility for the Group's control and risk management environment. The Audit Committee monitors and reviews the Group's internal control procedures and reports its conclusions and recommendations to the Board. The Board also reviews the Group's risk register, which is managed by the Chief Financial Officer.

As a payments business, risk management, including cybersecurity, data security and compliance, is a critical area of governance. As outlined in the Risk Management section on pages 14-16 and the Audit Committee Report on pages 26-27, the Group has procedures and systems in place to ensure effective governance in this regard. The Group is also fully compliant with Financial Conduct Authority's ("FCA") Operational Resilience policy, which required firms to identify their important business services, set impact

tolerances for the maximum tolerable disruption and carry out mapping and testing to ensure it can operate within such tolerances by 31 March 2025. Throughout the period, the Group also remained compliant with the FCA's Consumer Duty regulation (introduced in July 2023, setting higher and clearer standards for consumer protection across financial services).

## Stakeholders

The Board believes that its key stakeholders are its employees, clients, investors and partners, and it takes its corporate responsibilities seriously with regards to maintaining effective working relationships with these groups. The Executive Directors, in particular, maintain an ongoing dialogue with stakeholders to inform strategy and the day-to-day running of the business in order to achieve long-term success. Further detail on the Group's stakeholder engagement can be found in the ESG section on pages 21-23.

## Share Dealing Code

The Group has adopted and operates a share dealing code governing the share dealings of the Directors and applicable employees with a view to ensuring compliance with the AIM Rules. The Directors consider that this share dealing code is appropriate for a company whose shares are admitted to trading on AIM. The Group takes proper steps to ensure compliance by the Directors and applicable employees with the terms of the share dealing code and the relevant provisions of the AIM Rules.

## Annual General Meeting

The next Annual General Meeting of the Group will be held at 11.00am on 12 June 2025 at the office of Gracechurch Group, 48 Gracechurch Street, London, EC3V 0EJ.

## Meeting Attendance

The table below details Director attendance at the Board and committee meetings held during the year.

Director	Board	Audit Committee	Rem. Committee
Gareth Edwards, Chairman	14/14	2/2	6/6
James Hickman, CEO	14/14	2*	4*
Judy Happe, CFO	14/14	2*	4*
William Newton, CIO	11/14	-	-
Simon Bullock, Non-Executive Director	14/14	2/2	6/6
John Burns, Non-Executive Director	14/14	2/2	6/6

\* Attended by invitation.

# ESG

Finseta has an established environmental, social and governance (“ESG”) policy, which is published on the Group’s website, and the Chief Operating Officer is responsible for overseeing its implementation while the Chief Executive Officer has overall responsibility for its effective operation. As described further below, a number of initiatives have been introduced to improve the Group’s ESG credentials and the Board and management are committed to continuing to enhance these activities.

The Group’s governance is reported on in the Corporate Governance Report on pages 19-20. This ESG section focuses on environmental and social aspects.

## Environmental

The Group’s operations have inherently low emissions with its environmental impact being largely limited to its offices. The physical cards for the Group’s recently-launched corporate card scheme, supported by Mastercard, are manufactured from recycled plastic. The Group expects two-thirds of its card users will elect to use virtual cards, which will eliminate the need for physical card creation and further enhance the sustainable credentials of its card scheme.

The Group believes in minimising its impact where possible, such as encouraging all employees to reduce their paper usage and providing waste recycling options. The Board conducts half of its scheduled meetings remotely and half in person to reduce the Company’s carbon footprint. The Group seeks to encourage energy-saving practices, such as asking employees to turn off their monitors when they leave and avoid placing them on standby and supporting its employees to cycle to work with the provision (through its building) of indoor bike racks and showers at its UK office. The Group does not have any company vehicles and none of its employees drive to the office. The Group’s fruit supplier plants a tree with every order.



## Social

With regards to social responsibility, the Group's focus is to deepen its relationships with its key stakeholders – namely, its employees, clients, communities, investors and partners.

### Employees

**Engagement** The Group seeks to instil the company values in the workforce and to abide by them as a responsible employer to support company culture. Care is taken to maintain and encourage communication with, and amongst, employees, including the continued use of internal communications platforms as a tool for increasing engagement and facilitating ad hoc, open dialogue – both professional and social. The Group conducts an annual employee survey, with employees encouraged to provide honest feedback. The Group holds quarterly gatherings to exchange ideas and insight into areas of interest. The Group operates an Enterprise Management Incentive Scheme share-based remuneration scheme for employees, which assists with the recruitment and retention of staff.

**Development** The Group seeks to support professional development and encourages career development programmes, including providing

**Inclusion** As a modern, forward-looking company, Finseta is proud of its diversity and the insight that it brings. The Group consists of multilingual employees

careers coaches for some employees. Currently, a member of the finance team is receiving paid leave to study for a Chartered Institute of Management Accountants qualification. Throughout the reporting period, the Group made available additional professional development in the form of professional qualifications to all members of the compliance team, allowing them to bring further specialist knowledge into the Group. Over the period, the Group supported employees with qualifications from the International Compliance Association. Further, the Group supported two members of the senior management team on a 6-month development programme with an executive coach. In addition, all employees are given the opportunity to work with different teams on specific projects to improve cross-team collaboration and understanding as well as personal development.

**Wellbeing** The Group supports employee wellbeing, such as through offering hybrid working. The Group provides all employees with health insurance, which is a premium package and includes features such as discounts for gym membership and a year's subscription to the Headspace mental wellness support app. The Group provides a healthy snack bar in its London office to encourage healthy eating by its employees. The Group also offers a cycle to work scheme and organises five-a-side football, from several nationalities with a range of different backgrounds and strives to create a diverse and inclusive workplace that delivers for both clients and



Ladies European Tour. Ford New South Wales Open, Wollongong Golf Club, Wollongong, New South Wales, Australia. 20-23 March. Mimi Rhodes of England with her trophy. Credit: Tristan Jones / LET

employees. The Group has an established Equality, Diversity and Inclusion policy, which is integrated into its recruitment process. The Group provides visa sponsorship. It has a family leave policy, which is gender agnostic, applies equally whether the new parents are biological parents (including via surrogacy) or adoptive, and offers secondary parental leave at full pay rather than the statutory minimum. As at 31 December 2024, the percentage of the Group's workforce that was female was 35% (2023: 34%) and the percentage that was people from ethnic minorities was 41% (2023: 34%) while the percentages for senior management were 20% and 0% (2023: 22% and 11%) respectively.

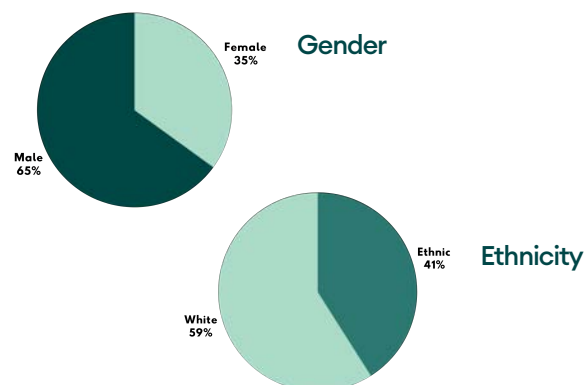
In reflection of its corporate values and focus on advancing female representation and leadership, the Group is a partner of the Ladies European Tour, operated as a joint venture collaboration between the Ladies European Tour and the Ladies Professional Golf Association. The Group also partners with individual players, providing support as they embark on their career.

### Clients

The Group regularly engages directly with clients to ensure that the Group's quality, efficiency and service levels meet both the standard expected by the client and the very high standards the Group sets for itself. The Group also meets with clients or prospective clients via attendance at industry events. As part of its commitment to continuously improving the service that it provides to its clients, during the year, the Group made enhancements to the user interface and user experience of its platform. Development work was undertaken to increase the automation in transactional processes to increase the speed of payments as well as enhance the onboarding process.

### Communities

Given the nature of the Group's business, it has a limited societal impact, however, the Group supports employees in their endeavours to make a positive contribution. This includes participating in the Movember campaign, raising over £900. For 2025, the workforce has nominated and voted for Multi-Cultural Family Base ("MCFB") to be the Group's charity for the year. MCFB aims to enhance the lives of vulnerable and disadvantaged children, young



people and their families both directly and through the education and training of students in the caring professions. The Group also offers internships as well as apprenticeship programmes.

### Investors

The Group seeks to engage with shareholders to understand the needs and expectations of all elements of the shareholder base.

The Board is committed to open and ongoing engagement with the Group's shareholders to understand the needs and expectations of all elements of the shareholder base, and to ensure that the Group's strategy, financials, and business developments are communicated effectively. The Board communicates with shareholders primarily through the annual report and accounts; the interim and full-year results announcements; trading updates (where required or appropriate); annual general meetings; interactive online presentations to retail shareholders and direct meetings with institutional shareholders; and the investor relations section of the Finseta website.

### Partners

The Group's primary partners are its counterparties and referral partners. There is a regular and ongoing dialogue with these business partners, proportional to their scale and importance to the Group.

The Group's principal counterparties, such as its liquidity providers, are some of its longest standing stakeholder relationships and the Group aims to have regular interaction with these partners.



# Section 172 Statement

Section 172 of the Companies Act 2006 requires each Director of the Group to act in the way he or she considers, in good faith, would most likely promote the success of the Group for the benefit of its members as a whole. In this way, Section 172 requires a director to have regard, amongst other matters, to the: likely consequences of any decisions in the long-term; interests of the Group's employees; need to foster the Group's business relationships with suppliers, clients and other material stakeholders; impact of the Group's operations on local communities and the environment; desirability of the Group maintaining a reputation for high standards of business conduct; and need to act fairly between members of the Group. In discharging its Section 172 duties, the Board has considered the factors set out above and the views of key stakeholders.

Details of the key stakeholder engagement undertaken, and intended, by the Group to inform decision-making and enhance Board understanding are set out below and in further detail in the ESG section on pages 21-22.

## Clients

The Directors engage with clients on an ongoing basis to ensure that the Group's quality, efficiency and service levels meet both the standard expected by the client and the very high standards the Group sets for itself.

## Employees

The Directors engage regularly with employees and maintain an open dialogue. Due to the small size of the Group's current workforce, this is currently conducted on a largely ad hoc basis, but the Directors intend to implement a formal structure as the team expands.

## Partners

The Group operates a growing network of partners consisting of counterparties, referral partners and complementary service providers. There is a regular and ongoing dialogue with these business partners, proportional to their scale and importance to the Group.

## Investors

The Board is committed to open and ongoing engagement with the Group's shareholders to understand the needs and expectations of all elements of the shareholder base. The Board communicates with shareholders primarily through the annual report and accounts, announcements issued via the Regulatory News Service, the Annual General Meeting and online webinars.



# Audit Committee Report

Dear shareholder,

I am pleased to present the Audit Committee's report for 2024. I trust that this report will provide you with an insight into our work, the matters handled and the focus of the Audit Committee's deliberations during the year.

## Membership and meetings

The members of the Audit Committee during the year and up to the date of the signing of this report (unless as otherwise indicated) are:

- Simon Bullock, Non-Executive Director – Chairman of the Committee
- Gareth Edwards, Non-Executive Chairman
- John Burns, Non-Executive Director

The Audit Committee members, which includes our two Independent Non-Executive Directors (namely, myself and John Burns), bring relevant financial, commercial and capital markets experience to the committee's activities. In particular, I am a Chartered Management Accountant with over 30 years of finance experience, of which more than 25 years have been at CFO level, including with AIM-quoted businesses. Further biographical details can be found on pages 17-18.

The Audit Committee meets at least twice a year at appropriate intervals in the financial reporting and audit cycle and otherwise as required. Only members of the committee have the right to attend the meetings. However, the Chief Executive Officer, Chief Financial Officer and external audit lead partner are invited to attend on a regular basis and other non-members may be invited to attend as and when appropriate and necessary. During the year, the Audit Committee met on two occasions, with all members present.

The Company Secretary is secretary to the Audit Committee.

## Governance and effectiveness

Outside of the formal meeting programme, the Chairman of the Audit Committee and, as appropriate, the other committee members, maintain a dialogue with key individuals involved in the Group's governance, including the Chairman of the Board (who is a member of the committee), the Chief Executive, the Chief Financial Officer and the external audit lead partner.

The committee undertakes its duties in accordance with its terms of reference, which are reviewed at least annually to ensure that they remain fit for purpose and in line with best practice guidelines.

## Responsibilities and activities

The Audit Committee's responsibility is to ensure that financial information published by the Group properly presents its activities to stakeholders in a way that is fair, balanced and understandable. The Audit Committee oversees the effective delivery of audit services, including making recommendations to the Board on the appointment of auditors and the audit fee. In addition, the Audit Committee supports the Board in meeting its responsibilities in respect of overseeing the Group's internal control systems, business risk management, arrangements for whistleblowing and related compliance issues.

In its advisory capacity, the Audit Committee has confirmed to the Board that, based on its review of the Annual Report and financial statements and internal controls that support the disclosures, the Annual Report and financial statements, taken as a whole, are fair, balanced and understandable, and provide necessary information for shareholders to assess the Group's position and performance, its business model and strategy.

During the year, the Audit Committee's activities included:

- Examining the Annual Report and financial statements for the year to 31 December 2023 and the half-year report for the six months to 30 June 2024 and discussing them with management and the external auditor to assess whether the reports, taken as a whole, were fair, balanced and understandable prior to recommending these to the Board for approval.
- Monitoring auditor effectiveness and independence.
- Reviewing and challenging areas of significant risks and judgement and the level of disclosure.
- Reviewing the effectiveness of the Group's internal controls.
- Reviewing the Group's risk register and financial position and prospects procedure documents in light of the geographic expansion of the Group.

## Significant judgements

The significant matters that the Audit Committee considered, and made certain estimates and judgements upon, are set out in the 'Basis of Preparation' section of the Notes to the Financial Statements.

## Risk management and internal controls

In supporting the Board in maintaining an effective internal control environment, the Audit Committee keeps under review the Group's internal financial controls systems and other internal control and risk management systems; reviews the methodology for reporting risk to the Board; sets triggers for reporting and escalation of significant emerging risks; reviews the adequacy and security of the Group's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters; and reviews the Group's procedures for detecting fraud and preventing bribery and receive reports on non-compliance. The Audit Committee reviews the risk register, which is managed by the Chief Financial Officer. Further details of the Group's financial risk management are set out under note 21 to the financial statements.

## Internal audit

At present, the Group does not have an internal audit function. The Audit Committee believes that, owing to the Group's size, management is able to derive assurance as to the adequacy and effectiveness of internal controls and risk management procedures without an internal audit function. However, the Audit Committee will keep under review the need for an internal audit function as the business develops.

## External auditor and independence

HaysMac LLP (formerly Haysmacintyre LLP) was appointed as external auditor in April 2021 following a competitive tender process. The auditor confirmed its independence as auditor of the Group through written confirmation to the Group, and the Audit Committee monitors the relationship to ensure that auditor effectiveness, independence and objectivity are maintained. A resolution to reappoint HaysMac LLP as the Group's auditor is being proposed at the forthcoming annual general meeting.

A summary of fees paid to the external auditor, including the breakdown between fees for audit and non-audit services, is set out in note 2 to the financial statements.

**SIMON BULLOCK**

Audit Committee Chairman

22 April 2025



# Directors' Remuneration Report

The Remuneration Committee presents its report on Directors' remuneration for the year ended 31 December 2024. The disclosures comply with the requirement of the Companies Act 2006, the Corporate Governance Code of the Quoted Companies Alliance and applicable AIM Rules.

## Remuneration Committee

The members of the Remuneration Committee during the year and up to the date of the signing of this report (unless as otherwise indicated) are:

- John Burns (Chairman of the committee), Non-Executive Director
- Gareth Edwards, Non-Executive Chairman
- Simon Bullock, Non-Executive Director

The Remuneration Committee met on six occasions during 2024, with all members present. The committee is responsible for the review and recommendation of the scale and structure of remuneration for the Chairman, the Executive Directors and senior management, including any bonus arrangements or the award of share options with due regard to the interests of the shareholders and the performance of the Group. The remuneration of the Non-Executive Directors is a matter for the Board or the shareholders (within the limits set in the articles of association). No director or senior manager shall be involved in any decisions as to their own remuneration.

## Service Agreements

The Executive Directors are employed under service agreements that are subject to notice periods, for both the Group and the individual, of nine months for the Chief Executive Officer and Chief Information Officer, and six months for the Chief Financial Officer. Their service agreements include standard summary termination provisions and post termination restrictive covenants that apply for six months.

For the year under review, the Chief Executive Officer and Chief Financial Officer were entitled to receive an annual salary of £220,000 and £165,000 respectively, with an entitlement to a pension contribution and discretionary bonus. During the year, the Remuneration Committee resolved, which was approved by the Board, to increase the salaries

of the Chief Executive Officer and Chief Financial Officer to £231,000 and £170,000, respectively, with effect from 1 January 2025. The Chief Information Officer is entitled to receive an annual salary of £142,000, which was increased from £131,000 with effect from 1 June 2024, with an entitlement to a pension contribution and discretionary bonus.

## Letters of Appointment

Non-Executive Directors are appointed under letters of appointment with the Company. Non-Executive Director appointments are subject to notice periods of three months for either the Company or the individual.

With effect from 1 January 2024, the Chairman is entitled to receive a fee of £60,000 per annum. This followed the Chairman disapplying the entitlement under his initial letter of appointment to receive a fee of £70,000 per annum once the audited consolidated turnover of the Group exceeded £8 million.

During the year, each Non-Executive Director (excluding the Chairman) was entitled to receive a fee of £30,000 per annum, which was increased to £40,000 with effect from 1 January 2025. In addition, each Non-Executive Director may be eligible for a discretionary allotment of ordinary shares of the Company as determined by the Board or relevant sub-committee thereof annually. Each Non-Executive Director is also paid an additional £2,500 per annum for any committee chairmanship that the Board may delegate to him.



## Directors' Remuneration

The following table details the Directors' remuneration for the years ended 31 December 2024 and 2023:

	Salary/Fees £	Bonus £	Pension £	Benefits £	Total 2024 £	Total 2023 £
<b>Executive Directors</b>						
James Hickman, CEO	220,338 <sup>(1)</sup>	74,360	11,000	1,550	307,248	302,720
Judy Happe, CFO	165,000	54,120	8,250	1,093	228,463	203,905
William Newton, CIO	137,812	0	4,134	0	141,946	134,259
<b>Non-Executive Directors</b>						
Gareth Edwards, Chairman	60,000	-	-	-	60,000	52,000
Simon Bullock	32,500	-	-	-	32,500	32,500
John Burns	32,500	-	-	-	32,500	32,500

<sup>1</sup> Includes commission payment

As at 31 December 2024, a total of £128,480 was owed to Directors with respect to their bonus payment for 2024, which is paid after the completion of the Group's audit (31 December 2023: £148,850 with respect to 2023 service).

## Grant of Options to Directors

There were no grants of options to Directors during the year.

## Directors' Interests

	Number of ordinary shares as at 31/12/24	Number of ordinary shares as at 31/12/23	Options unvested as at 31/12/24	Options vested but not exercised as at 31/12/24
<b>Executive Directors</b>				
James Hickman, CEO	144,059	144,059	-	2,000,000
Judy Happe, CFO	25,516	25,516	139,513	410,487
William Newton, CIO <sup>(1)</sup>	2,192,787	2,530,787	160,000	80,000
<b>Non-Executive Directors</b>				
Gareth Edwards, Chairman	790,846	725,846	-	-
Simon Bullock	125,000	100,000	-	-
John Burns	6,000	6,000	-	-

<sup>1</sup> William Newton's holding includes 81,967 ordinary shares beneficially owned by his wife

Post year end (and as of 22 April 2025, being the last practicable date prior to the signing of the financial statements), James Hickman, Judy Happe and Simon Bullock purchased a further 59,714, 10,000 and 25,000 ordinary shares respectively.

**JOHN BURNS**

Remuneration Committee Chairman

22 April 2025

# Directors' Report

The Directors present their annual report and audited consolidated financial statements for the year ended 31 December 2024.

## Principal Activities

The Group provides international payment, currency management and electronic account services using its proprietary cloud-based multi-currency payments platform. The Group provides these services to businesses and individuals. The Group's subsidiaries that are authorised and regulated by the Financial Conduct Authority ("FCA"), the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") and the Dubai Financial Services Authority ("DIFC") are as follows:

Country of Incorporation	Company Name	Regulatory Permissions
United Kingdom	Finseta Payment Solutions Limited	Authorised Electronic Money Institution under the Electronic Money Regulations of the FCA
Canada	Finseta Payment Corp	Money Services Business authorised by FINTRAC
United Arab Emirates	Finseta Payments (DIFC) Limited	Category 3D licence from DFSA

During the year under review, Capital Currencies Limited, which is an Authorised Payment Institution under the Payment Services Regulations, was a subsidiary of the Group: the Group entered a share purchase agreement to sell Capital Currencies in September 2023, with the transaction completing in June 2024.

## Business Review and Results

The review of the Group's business, strategy, principal risks and uncertainties and outlook are included in the Strategic Report section on pages 3-16.

The consolidated financial statements for the year ended 31 December 2024 are set out on pages 40-44. The Group's profit after tax for the year was £1.0 million.

## Dividends

The Directors do not recommend the payment of a dividend for 2024.

## Directors

The following Directors held office during the year and up to the date of the approval of these financial statements (unless as otherwise indicated):

- Gareth Edwards, Chairman
- James Hickman, CEO
- Judy Happe, CFO
- William Newton, CIO
- Simon Bullock
- John Burns

Biographies of the Directors, including their Board committee memberships, are set out on pages 17-18. Details of the Directors' remuneration and their interests in the share capital of the Group can be found in the Directors' Remuneration Report on pages 28-29.

## Directors' Indemnity

All Directors and officers of the Group have the benefit of the indemnity provision contained in the Group's Articles of Association. The Group also has Directors' and Officers' liability insurance in respect of itself and its directors and officers.

## Share Capital

The Company is a public limited company incorporated in England and Wales and its shares are quoted on the AIM market of the London Stock Exchange. As at 22 April 2025, being the last practicable date prior to the approval of this Directors' Report, the outstanding issued share capital of the Group comprised 57,417,101 ordinary shares of £0.01 each. There are no shares held in treasury. Further detail on the Group's share capital can be found in note 19 to the financial statements.

## Significant Shareholders

As at 22 April 2025, being the last practicable date prior to the approval of this Directors' Report, to the best of the Group's knowledge, the following shareholders had a significant interest in the Group's issued share capital:

Name	Number of shares	% of issued share capital
Robert O'Brien	9,400,000	16.37
Mark Horrocks	5,712,307	9.95
David Ryan*	4,444,000	7.74
Atlantic Partners Asia Holdings (SG) PTE Ltd	4,375,000	7.62
Philip Barry	3,403,407	5.93
Stephen Flynn	2,435,442	4.24
William Newton**	2,192,787	3.82

\* David Ryan's holding includes ordinary shares beneficially owned by his wife

\*\* William Newton's holding includes ordinary shares beneficially owned by his wife

## Subsequent Events

The material post balance sheet events can be found in note 23 to the financial statements, which references the grant of options to employees.

## Financial Instruments

Disclosures regarding financial instruments are provided in note 21 to the financial statements.

## Donations

The Group did not make any political or charitable donations during the year.

## Corporate Governance

A review of the Group's corporate governance is provided in the Corporate Governance Report on pages 19-20.

## Stakeholder Engagement

Details of the Group's engagement with stakeholders can be found in the Section 172 Statement on page 24 and in the ESG section on pages 21-23. This includes details of how Finseta is an equal opportunity employer, with an established Equality, Diversity and Inclusion policy.

## Research and Development

The Group has a continuous programme of development expenditure as part of its focus on evolving its service offering through technological innovation. Capitalised internal development expenditure is disclosed in note 9 to the financial statements. All other development expenditure is recognised in the Group Statement of Comprehensive Income.

## Auditor

On 18 November 2024, the Group's auditors changed their name from Haysmacintyre LLP to HaysMac LLP.

HaysMac LLP have expressed their willingness to continue in office as auditor. A resolution to reappoint HaysMac LLP as the Group's auditor will be proposed at the Annual General Meeting on 12 June 2025.

## Disclosure of Information to Auditor

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditors are unaware; and each Director has taken all the steps they might reasonably be expected to have taken as a Director to make themselves aware of any relevant

audit information and to establish that the Group's auditor is aware of that information.

## Going Concern

The Directors have prepared various scenario planning forecasts alongside their best-estimate forecast assumptions, including a scenario in which sales growth falls below management expectations and various cash mitigation measures are implemented, which all indicate sufficient cash resources to continue to finance the Group's working capital requirements over the forecast period to 31 December 2027. For these reasons, the Directors continue to adopt the going concern basis of accounting in preparing the Group's financial statements. Further detail can be found in the 'Going Concern' section of the Notes to the Financial Statements on page 46.

## Statement of Directors' Responsibilities

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

Company law requires the Directors to prepare Group and Company financial statements for each financial year. The Directors are required by the AIM Rules of the London Stock Exchange to prepare Group financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the United Kingdom ("UK") and have elected under company law to prepare the Company financial statements in accordance with IFRS as adopted by the UK.

The financial statements are required by law and IFRS adopted by the UK to present fairly the financial position and performance of the Group and Company; the Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 Group and the Company and of the profit or loss of the Group for that period.

In preparing each of the Group and Company 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 they have been prepared in accordance with IFRS adopted by the UK, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board.

**JAMES HICKMAN**

Chief Executive Officer

22 April 2025





# Financial Statements

For the year ended  
31 December 2024



# Independent Auditor's Report

## Opinion

We have audited the financial statements of Finseta PLC (the "Parent Company") and its subsidiaries (the "Group") for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Parent Company Statement of Financial Position, the Consolidated and Parent Company Statements of Cash Flows, the Consolidated and Parent Company Statements of Changes in Equity 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 UK adopted International Financial Reporting Standards (IFRS).

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 2024 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; 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 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 as applied to listed entities, 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.

## An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud. We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and the industry in which it operates.

Our audit scope included all components of the Group which are all registered companies in the United Kingdom with limited activities in the United Arab Emirates and Canada.

## Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter Description	How the matter was addressed in the audit
<p><b>Revenue recognition</b></p> <p>Revenue increased from £9.6m in 2023 to £11.4m in 2024.</p> <p>The Group derives revenue from the provision of foreign exchange and payment services. When a contract with a client is entered into, it immediately enters into a separate matched contract with its institutional counterparty.</p> <p>The performance obligations of the Group's revenue streams are satisfied on the transaction date or by the provision of the service for the period described in the contract. Revenue is not recognised where there is evidence to suggest that customers do not have the ability or intention to pay.</p> <p>The Group does not have any contracts with clients where the performance obligations have not been fully satisfied.</p> <p>There is a risk that Revenue has not been recognised in accordance with IFRS 15 during the year.</p>	<p>Our audit work consisted of, but was not limited to:</p> <ul style="list-style-type: none"> <li>• A cash to revenue reconciliation, testing the occurrence of revenue in total for the year;</li> <li>• A review of income processes and testing of the detailed controls in place;</li> <li>• A review of the monthly reconciliations from the trading software to the finance system and performed testing on the information provided by the entity;</li> <li>• Substantive testing on a sample of transactions;</li> <li>• Cut off testing to ensure that revenue has been recognised in the correct period to which it relates.</li> </ul> <p>Our work performed on revenue highlighted no material errors or departures from IFRS 15.</p>
<p><b>Carrying value of intangible assets and goodwill in the Group financial statements.</b></p> <p>The Group's Statement of Financial Position as at 31 December 2024 includes total intangible assets of £2.29m.</p> <p>This includes £0.28m of Goodwill, £0.28m of Customer relationships, £1.31m of Internally developed software, £0.30m of Card expenditure and £0.12m of Trademarks.</p> <p>An impairment charge of £140k has been recognised in respect of the goodwill of Capital Currencies.</p> <p>The Board concluded that there is no further impairment required to the carrying value of those intangible assets, including those in respect of Capital Currencies, based on their assessment of the forecasted future cash flows of the business.</p>	<p>Our audit work considered, but was not restricted to, the following:</p> <ul style="list-style-type: none"> <li>• A review of the Impairment assessment memorandum prepared by the Board in respect of the carrying value of the intangibles in accordance with its forecast performance in the scenarios considered.</li> <li>• A review of the key estimates, assumptions and judgements included in that assessment</li> <li>• Sensitivity analysis of the forecasts supporting the Impairment assessment</li> <li>• A review of post year-end activity of the business.</li> </ul> <p>As noted, impairment indicators existed in respect of the remaining carrying value of Goodwill and Customer relationships for Capital Currencies.</p> <p>We challenged Management on the carrying value of both.</p>

	<p>Specifically in respect of Capital Currencies, our audit work was as follows:</p> <ul style="list-style-type: none"> <li>• A review of the Impairment assessment memorandum prepared by the Board in respect of the carrying value of the intangible assets arising from the acquisition of Capital Currencies in accordance with the forecast performance of the Capital Currencies' business.</li> <li>• Review and challenge of the key estimates, assumptions and judgements included in that assessment.</li> <li>• Sensitivity analysis of the forecasts supporting the Impairment assessment to identify headroom.</li> </ul> <p>In respect of intangible assets overall, our audit work was as follows:</p> <ul style="list-style-type: none"> <li>• A review of the Impairment assessment memorandum prepared by the Board in respect of the carrying value of the intangible assets in accordance with the forecast performance of the CGU in the scenarios considered.</li> <li>• A review of the key estimates, assumptions and judgements included in that assessment.</li> <li>• Sensitivity analysis of the forecasts supporting the Impairment assessment.</li> </ul> <p>Our work performed on the carrying value of intangible assets, including those in respect of Capital Currencies, highlighted no material errors.</p>
<p><b>Carrying value of investments in the Parent Company's financial statements</b></p> <p>The Parent Company's Statement of Financial Position as at 31 December 2024 includes a total investment of £6.7m in 100% of the ordinary share capital of Finseta Payment Solutions Limited, Cornerstone Middle East FZCO, Finseta Payments (DIFC) Limited, Pangea FX Limited and Finseta Payments Corp.</p> <p>There is a risk that this investment might be impaired.</p> <p>The Board concluded that there is no further impairment required to the carrying value of those investments, based on their assessment of the forecasted future cash flows of the business.</p>	<p>Our audit work considered, but was not restricted to, the following:</p> <ul style="list-style-type: none"> <li>• A review of the Impairment assessment memorandum prepared by the Board in respect of the carrying value of investments in accordance with its forecast performance in the scenarios considered.</li> <li>• A review of the key estimates, assumptions and judgements included in that assessment</li> <li>• Sensitivity analysis of the forecasts supporting the Impairment assessment</li> <li>• A review of post year-end activity of the business</li> </ul> <p>Our work performed on the carrying value of investments in the parent company highlighted no material errors.</p>

## Our application of materiality

We apply the concept of materiality both in planning and performing our audit, in evaluating the effect of misstatements and in forming an opinion. For the purpose of determining whether the financial statements are free from material misstatement, we define materiality as the magnitude of a misstatement or an omission from the financial statements, or related disclosures, that would make it probable that the judgment of a reasonable person, relying on the information would have been changed or influenced by the misstatement or omission. We also determine a level of performance materiality, which we used to determine the extent of testing need, to reduce to an appropriately low level the risk that the aggregate of uncorrected and undetected misstatement exceeds materiality for the financial statements as a whole.

The materiality for the Group financial statements as a whole was set at £201,000. This was determined with reference to 10% of the adjusted EBITDA for the Group, being the main Key Performance Indicator ("KPI").

On the basis of our risk assessment and review of the Group's control environment, performance materiality was set at 75% of materiality, being £151,000.

The reporting threshold to the Audit and Risk Committee was set as 5% of materiality, being £10,100. If in our opinion, errors below this level warranted reporting on qualitative grounds, these would also be reported.

The materiality for the Parent Company financial statements was £134,000. This was based on 1.5% of gross assets since the Parent Company is a holding company and its value is driven by the value of the investments it holds in its subsidiary undertakings.

On the basis of our risk assessment and review of the Parent Company's control environment, performance materiality was set at 75% of materiality, being £100,000 and the reporting threshold was £6,690.

## 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.

Our audit procedures to evaluate the directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included, but were not limited to:

- Undertaking an initial assessment at the planning stage of the audit to identify events or conditions that may cast significant doubt on the Group and the Parent Company's ability to continue as a going concern;
- Evaluating the methodology used by the directors to assess the Group and the Parent Company's ability to continue as a going concern;
- Reviewing the directors' going concern assessment and evaluating the key assumptions used and judgements applied;
- Reviewing the liquidity headroom and applying a number of sensitivities to the base forecast assessment of the directors to ensure there was sufficient headroom to adopt the going concern basis of accounting;
- Reviewing the appropriateness of the directors' disclosures regarding going concern in the financial statements.

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 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and the Parent Company's ability to continue as a going concern.

## Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, 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.

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

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.

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

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.

## 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.



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:

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations including the Financial Conduct Authority (“the FCA”) and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, income tax, payroll tax and sales tax.

We evaluated Management’s incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with the Financial Conduct Authority and HM Revenue and Customs;
- Discussions with Management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating Management’s controls designed to prevent and detect irregularities;

- Identifying and testing journals, in particular journal entries posted with unusual account combinations, or with unusual descriptions; and
- Challenging assumptions and judgements made by Management in their critical accounting estimate

Because of the inherent limitation of 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 increase 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 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 auditor’s report.

### Use of our report

This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an Auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the Company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

### SIMON WILKS

(Senior Statutory Auditor)  
For and on behalf of HaysMac LLP  
Statutory Auditors  
Date: 22 April 2025

10 Queen Street Place  
London  
EC4R 1AG

# Group Statement of Comprehensive Income

For the year ended 31 December 2024

		2024	2023
	Notes	£	£
<b>REVENUE</b>	1	<b>11,354,451</b>	<b>9,649,233</b>
Cost of sales		(3,895,145)	(3,533,897)
<b>GROSS PROFIT</b>		<b>7,459,306</b>	<b>6,115,336</b>
<b>ADMINISTRATIVE EXPENSES</b>	2		
Share-based compensation	19	(263,395)	(333,061)
Further adjustments to adjusted EBITDA (see below)		(554,131)	(357,348)
Other administrative expenses		(5,444,467)	(4,415,113)
<b>TOTAL ADMINISTRATIVE EXPENSES</b>		<b>(6,261,993)</b>	<b>(5,105,522)</b>
Other operating income		315,861	350,143
Adjusted EBITDA		2,014,839	1,700,223
Stated after the add back of:			
- other operating income (interest earned on client funds)	3	(176,221)	(350,143)
- other operating income (release of deferred consideration liability)		(139,640)	-
- share-based compensation	19	263,395	333,061
- transaction costs		-	4,500
- profit on disposal of subsidiary	2	(150,000)	(207,480)
- amortisation of intangible assets		571,090	533,649
- impairment of goodwill		139,640	-
- IAS 17 rent reversal		(317,244)	(61,613)
- depreciation of property, plant and equipment and right-of-use assets		310,645	88,292
<b>PROFIT FROM OPERATIONS</b>		<b>1,513,174</b>	<b>1,359,957</b>
Finance and other income	4	75,316	21,363
Finance costs	4	(196,460)	(90,635)
<b>PROFIT BEFORE TAX</b>		<b>1,392,030</b>	<b>1,290,685</b>
Income tax (charge)/credit	7	(395,483)	843,168
<b>PROFIT FOR THE YEAR</b>		<b>996,547</b>	<b>2,133,853</b>
<b>TOTAL COMPREHENSIVE PROFIT FOR THE YEAR</b>		<b>996,547</b>	<b>2,133,853</b>
Profit per ordinary share – basic (pence)	8	1.74	3.77
Profit per ordinary share – diluted (pence)	8	1.66	3.76

All amounts are derived from continuing operations.

The notes to the financial statements form an integral part of these financial statements.

# Group and Company Statement of Financial Position

As at 31 December 2024

	Notes	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
<b>ASSETS</b>					
NON-CURRENT ASSETS					
Intangible assets	9	2,287,816	1,514,519	1,431,606	692,022
Tangible assets	11	63,916	34,356	-	-
Investments	13	-	-	6,719,646	7,351,660
Right-of-use assets	10	506,862	796,498	-	-
Deferred tax	12	302,381	697,864	393,872	607,568
		3,160,975	3,043,237	8,545,124	8,651,250
CURRENT ASSETS					
Trade and other receivables	14	1,654,424	1,359,641	133,928	902,919
Cash and cash equivalents		2,580,609	2,343,417	28,128	14,553
		4,235,033	3,703,058	162,056	917,472
<b>TOTAL ASSETS</b>		<b>7,396,008</b>	<b>6,746,295</b>	<b>8,707,180</b>	<b>9,568,722</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Share capital	19	574,171	574,171	574,171	574,171
Share premium		6,191,748	6,191,748	6,191,748	6,191,748
Share-based payment reserve		1,043,784	780,389	1,043,784	780,389
Merger relief reserve		5,557,645	5,557,645	5,557,645	5,557,645
Reverse acquisition reserve		(3,140,631)	(3,140,631)	-	-
Retained earnings		(7,311,240)	(8,307,787)	(11,869,403)	(8,967,643)
<b>TOTAL EQUITY</b>		<b>2,915,477</b>	<b>1,655,535</b>	<b>1,497,945</b>	<b>4,136,310</b>
<b>LIABILITIES</b>					
NON-CURRENT LIABILITIES					
Loan notes	15	2,000,000	2,000,000	2,000,000	2,000,000
Obligations under leases	17	246,117	543,555	-	-
Deferred consideration	18	-	111,323	-	111,323
		2,246,117	2,654,878	2,000,000	2,111,323
CURRENT LIABILITIES					
Trade and other payables	16	1,936,975	1,882,771	5,209,235	3,031,335
Loan notes	15	-	172,578	-	172,578
Obligations under leases	17	297,439	263,357	-	-
Deferred consideration	18	-	117,176	-	117,176
		2,234,414	2,435,882	5,209,235	3,321,089
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,396,008</b>	<b>6,746,295</b>	<b>8,707,180</b>	<b>9,568,722</b>

A separate profit and loss account for the parent Company is omitted from the Group's financial statements by virtue of section 408 of the Companies Act 2006. The Company loss for the year ended 31 December 2024 was £2,901,760 (year ended 31 December 2023: loss of £1,085,030). The financial statements were approved by the Board of Directors and authorised for issue on 22 April 2025 and are signed on its behalf by:

**JAMES HICKMAN**

Chief Executive Officer

The notes to the financial statements form an integral part of these financial statements.

Annual Report and Accounts 2024

# Group Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital	Share premium	Share-based payment reserve	Deferred consideration reserve	Merger relief reserve	Reverse acquisition reserve	Retained earnings	Total
	£	£	£	£	£	£	£	£
<b>Balance at 1 January 2023</b>	<b>480,362</b>	<b>5,496,829</b>	<b>1,489,765</b>	<b>950,920</b>	<b>5,557,645</b>	<b>(3,140,631)</b>	<b>(10,924,791)</b>	<b>(89,901)</b>
Issue of shares	35,299	194,143	-	-	-	-	-	229,442
Share-based payments (note 19)	-	-	333,061	-	-	-	-	333,061
Settlement of equity-based incentives	58,510	500,776	(1,042,437)	-	-	-	483,151	-
Remeasurement of deferred consideration on acquisition	-	-	-	(810,102)	-	-	-	(810,102)
Unwind of discount factor	-	-	-	87,681	-	-	-	87,681
Transfer to deferred consideration liability	-	-	-	(228,499)	-	-	-	(228,499)
Profit and total comprehensive income for the year	-	-	-	-	-	-	2,133,853	2,133,853
<b>Balance at 31 December 2023</b>	<b>574,171</b>	<b>6,191,748</b>	<b>780,389</b>	<b>-</b>	<b>5,557,645</b>	<b>(3,140,631)</b>	<b>(8,307,787)</b>	<b>1,655,535</b>
Share-based payments (note 19)	-	-	263,395	-	-	-	-	263,395
Profit and total comprehensive income for the year	-	-	-	-	-	-	996,547	996,547
<b>Balance at 31 December 2024</b>	<b>574,171</b>	<b>6,191,748</b>	<b>1,043,784</b>	<b>-</b>	<b>5,557,645</b>	<b>(3,140,631)</b>	<b>(7,311,240)</b>	<b>2,915,477</b>

The notes to the financial statements form an integral part of these financial statements.

# Company Statement of Changes in Equity

For the year ended 31 December 2024

	Share capital	Share premium	Share-based payment reserve	Deferred consideration reserve	Merger relief reserve	Retained earnings	Total
	£	£	£	£	£	£	£
<b>Balance at 1 January 2023</b>	<b>480,362</b>	<b>5,496,829</b>	<b>1,489,765</b>	<b>950,920</b>	<b>5,557,645</b>	<b>(8,365,764)</b>	<b>5,609,757</b>
Issue of shares	35,299	194,143	-	-	-	-	229,442
Share-based payments (note 19)	-	-	333,061	-	-	-	333,061
Settlement of equity-based incentives	58,510	500,776	(1,042,437)	-	-	483,151	-
Remeasurement of deferred consideration on acquisition	-	-	-	(810,102)	-	-	(810,102)
Unwind of discount factor	-	-	-	87,681	-	-	87,681
Transfer to deferred consideration liability	-	-	-	(228,499)	-	-	(228,499)
Loss and total comprehensive loss for the year	-	-	-	-	-	(1,085,030)	(1,085,030)
<b>Balance at 31 December 2023</b>	<b>574,171</b>	<b>6,191,748</b>	<b>780,389</b>	<b>-</b>	<b>5,557,645</b>	<b>(8,967,643)</b>	<b>4,136,310</b>
Share-based payments (note 19)	-	-	263,395	-	-	-	263,395
Loss and total comprehensive loss for the year	-	-	-	-	-	(2,901,760)	(2,901,760)
<b>Balance at 31 December 2024</b>	<b>574,171</b>	<b>6,191,748</b>	<b>1,043,784</b>	<b>-</b>	<b>5,557,645</b>	<b>(11,869,403)</b>	<b>1,497,945</b>

The notes to the financial statements form an integral part of these financial statements.



# Group and Company Cash Flow Statement

For the year ended 31 December 2024

		Group	Group	Company	Company
		Year ended 31 December 2024	Year ended 31 December 2023	Year ended 31 December 2024	Year ended 31 December 2023
Notes	£	£	£	£	£
<b>Profit/(loss) before tax</b>		<b>1,392,030</b>	<b>1,290,685</b>	<b>(3,372,559)</b>	<b>(2,067,319)</b>
Adjustments to reconcile profit before tax to cash generated from operating activities:					
Other operating income		(12,478)	(27,167)	-	-
Finance income	4	(75,316)	(21,363)	-	-
Finance costs	4	196,460	90,635	143,475	73,847
Share-based compensation	19	263,395	333,061	263,395	333,061
Depreciation and amortisation	2	881,735	621,941	447,939	410,499
Profit on disposal of subsidiary		(150,000)	(207,480)	-	-
Loss on disposal of PPE		1,180	-	-	-
Write-off of property, plant and equipment		-	519	-	-
Impairment of investment in Group entity		-	-	729,132	-
Release of deferred consideration liability	18	(139,640)	-	(139,640)	-
Impairment of goodwill	9	139,640	-	-	-
(Increase)/decrease in accrued income, trade and other receivables	14	(250,281)	67,344	768,989	177,935
(Decrease)/increase in trade and other payables	16	(54,741)	(194,021)	2,540,273	1,121,397
<b>Cash generated from operations</b>		<b>2,191,984</b>	<b>1,954,154</b>	<b>1,381,004</b>	<b>49,420</b>
Income tax	7	-	-	-	-
<b>Cash generated from operating activities</b>		<b>2,191,984</b>	<b>1,954,154</b>	<b>1,381,004</b>	<b>49,420</b>
Investing activities					
Purchases of property, plant and equipment		(55,150)	(11,081)	-	-
Internally generated intangible expenditure		(1,439,020)	(491,013)	(1,142,517)	(491,013)
Proceeds from disposal of subsidiary		150,000	300,000	150,000	-
Proceeds from disposal property, plant and equipment		1,900	-	-	-
<b>Cash used in investment activities</b>		<b>(1,342,270)</b>	<b>(202,094)</b>	<b>(992,517)</b>	<b>(491,013)</b>
Financing activities					
Interest and similar income	4	78,732	10,587	-	-
Interest and similar charges	4	(96,903)	(39,963)	(96,903)	(39,481)
Lease payments		(316,342)	(61,613)	-	-
Settlement of loan note		(172,578)	-	(172,578)	-
Settlement of deferred consideration		(105,431)	-	(105,431)	-
<b>Cash used in financing activities</b>		<b>(612,522)</b>	<b>(90,989)</b>	<b>(374,912)</b>	<b>(39,481)</b>
Increase/(decrease) in cash and cash equivalents		237,192	1,661,071	13,575	(481,074)
Opening cash and cash equivalents		2,343,417	682,346	14,553	495,627
<b>Closing cash and cash equivalents</b>		<b>2,580,609</b>	<b>2,343,417</b>	<b>28,128</b>	<b>14,553</b>

The notes to the financial statements form an integral part of these financial statements.

# Notes to the Financial Statements

For the year ended 31 December 2024

## BASIS OF PREPARATION

Finseta is a public limited company, incorporated and domiciled in England. The Company was admitted to AIM, London Stock Exchange's market for small and medium size growth companies, on 6 April 2021. The registered office of the Company is 14-18 Copthall Avenue, London, EC2R 7DJ. These consolidated financial statements comprise the Company and its subsidiaries (together referred to as the "Group"). The main activities of the Group are set out in the Strategic Report on pages 3-16.

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the United Kingdom ("IFRS") for the years ended 31 December 2023 and 31 December 2024, and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared in sterling, which is the Group's presentation currency and the functional currency of each Group entity. They have been prepared using the historical cost convention except for the measurement of certain financial instruments.

The parent Company accounts have also been prepared in accordance with IFRS (as adopted by the United Kingdom) and using the historical cost convention. The accounting policies set out below have been applied consistently to the parent Company where applicable.

Monetary amounts in these financial statements are rounded to the nearest pound.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. These estimates and assumptions are based upon management's knowledge and experience of the amounts, events or actions. Actual results may differ from such estimates.

The critical accounting estimates are considered to relate to the following:

*Fair values of assets acquired in business combinations:* The Group recognises the fair value of customer relationships acquired through business combinations reflecting discounted future cash flows from the acquired customers and incorporating an estimated rate of attrition of the customer base.

*Deferred consideration:* Total compensation for acquisitions includes an element of deferred consideration payable, subject to the revenue performance post-acquisition. Management use historical information and management forecasts to estimate a liability, using the discounted cashflow methodology, to derive a fair value of the deferred consideration payable.

*Intangible assets:* The Group recognises intangible assets in respect of software development costs as well as development costs related to its new debit card product offering. This recognition requires the use of estimates, judgements and assumptions in determining whether the carrying value of such assets is impaired at each year end.

*Investments in subsidiary undertakings (Company financial statements only):* The Company's statement of financial position includes investments stated at cost in its subsidiary undertakings. The continuing recognition at cost requires judgements and estimates including an assessment of whether the carrying value of such investments is impaired at each year end.

## NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS ADOPTED FROM 1 JANUARY 2024

The following amendments are effective for the period beginning 1 January 2024:

- Amendments to IAS 1 - Classification of Liabilities as Current or Non-current; and
- Amendments to IAS 7 and IFRS 7 - Supplier Finance Arrangements.

The amendments had no impact on the Company's financial statements.

## NEW AND REVISED IFRS STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates; and
- IFRS 18 Presentation and Disclosure in Financial Statements.

## BASIS OF CONSOLIDATION

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary undertakings. Entities are accounted for as subsidiary undertakings when the Group is exposed to or has rights to variable returns through its involvement with the entity and it has the ability to affect those returns through its power over the entity.

All subsidiary undertakings have an accounting reference date ended 31 December.

## BUSINESS COMBINATIONS

The Group financial statements recognise business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities. The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not re-measured and settlement is accounted for within equity. Otherwise, other contingent consideration is re-measured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

## GOING CONCERN

At 31 December 2024, the Group balance sheet showed a cash balance of £2,580,609 (31 December 2023: £2,343,417). The Group balance sheet also showed a liability of £2,000,000 (31 December 2023: £2,172,578) related to a loan note held by Robert O'Brien, the Company's largest shareholder, that is due for repayment on 31 July 2026.

The Directors have prepared cash flow forecasts covering a minimum term time horizon through to 31 December 2027, due to the significant loan note balance that is due for repayment beyond the usual 12-month review period. The Directors have derived forecast assumptions that are their best estimate of the future development of the Group's business taking into account projected increase in revenues, operationalisation of the new overseas regulated entities, the commercial launch of the card programme, as well as the continued investment in the development of the software platform, organic sales, marketing efforts and the repayment of the £2,000,000 loan note payable on 31 July 2026 to Robert O'Brien, the Company's largest shareholder.

The Directors have prepared various scenario planning forecasts alongside their best-estimate forecast assumptions, including a scenario in which sales growth falls below management expectations, which all indicate sufficient cash resources to continue to finance the Group's working capital requirements over the forecast period.

For these reasons, the Directors continue to adopt the going concern basis of accounting in preparing the Group's financial statements.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### REVENUE

The Group applies IFRS 15 Revenue from Contracts with Customers for the recognition of revenue. IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It affects the timing and recognition of revenue items, but not generally the overall amount recognised.

The performance obligations of the Group's revenue streams are satisfied on the transaction date or by the provision of the service for the period described in the contract. Revenue is not recognised where there is evidence to suggest that customers do not have the ability or intention to pay. The Group does not have any contracts with customers where the performance obligations have not been fully satisfied.

The Group derives revenue from the provision of foreign exchange and payment services. When a contract with a client is entered into, it immediately enters into a separate matched contract with its institutional counterparty.

Spot and forward revenue is recognised when a binding contract is entered into by a client and the rate is fixed and determined. Revenue represents the difference between the rate offered to clients and the rate received from its institutional counterparties.

### INVESTMENTS

Investments in subsidiary undertakings are accounted for at cost less impairment.

### FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group statement of financial position when the Group has become a party to the contractual provisions of the instrument.

#### *Derivative financial instruments*

Derivative financial assets and liabilities are carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are included in the income statement. The Group's derivative financial assets and liabilities at fair value through profit or loss comprise solely of forward foreign exchange contracts.

#### *Trade, loan and other receivables*

Trade and loan receivables are initially measured at their transaction price. Trade and loan receivables are held to collect the contractual cash flows which are solely payments of principal and interest. Therefore, these receivables are subsequently measured at amortised cost using the effective interest rate method. The Directors have considered the impact of discounting trade and loan receivables whose settlement may be deferred for lengthy periods and concluded that the impact would not be material.

An impairment loss is recognised for the expected credit losses on trade and loan receivables when there is an increased probability that the counterparty will be unable to settle an instrument's contractual cash flows on the contractual due dates, a reduction in the amounts expected to be recovered, or both.

Impairment losses and any subsequent reversals of impairment losses are adjusted against the carrying amount of the receivable and are recognised in profit or loss.

#### *Trade payables*

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

#### *Equity instruments*

Equity instruments issued by the Group are recorded at the proceeds received, net of direct issue costs.

### Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into. An instrument will be classified as a financial liability when there is a contractual obligation to deliver cash or another financial asset to another enterprise.

### Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

For the purposes of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of any outstanding bank overdraft that is integral to the Group's cash management.

### GOODWILL

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets and liabilities of a subsidiary, associate or jointly controlled entity at the date of acquisition. Goodwill on acquisition of subsidiaries is separately disclosed in note 9.

Goodwill is not amortised; it is recognised as an asset, allocated to cash generating units for the purpose of impairment testing and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

### OTHER INTANGIBLE ASSETS

An intangible asset, which is an identifiable non-monetary asset without physical substance, is recognised to the extent that it is probable that the expected future economic benefits attributable to the asset will flow to the Group and that its cost can be measured reliably. The asset is deemed to be identifiable when it is separable or when it arises from contractual or other legal rights.

Amortisation is charged on a straight-line basis through the profit or loss within administrative expenses. The rates applicable, which represent the Directors' best estimate of the useful economic life, are as follows:

Customer relationships	– 5 years
Internally developed software	– 3 years
Cards	– 3 years
Software costs	– 3 years
Other intangible assets	– 3 years

Trademarks are recognised as intangible assets and are expected to generate future economic benefits in perpetuity. Trademarks are not amortised. They are allocated to a cash generating unit and tested for impairment annually.

### PROPERTY, PLANT AND EQUIPMENT

All property, plant and equipment is initially recorded at cost and is subsequently measured at cost less accumulated depreciation and any recognised impairment loss.

Depreciation, which is charged through the profit or loss within administrative expenses, is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Computer equipment	– 25% straight line
Leasehold improvements	– in line with the term of the underlying leased asset

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.



**LEASES*****The Group as lessee***

The Group assesses whether a contract is, or contains, a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (determined to be those with an initial discounted total obligation of less than £5,000). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If that rate cannot be readily determined, the Group uses its incremental borrowing rate.

The incremental borrowing rate depends on the term, currency and start date of the lease and is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; a credit risk adjustment based on bond yields; and an entity-specific adjustment when the risk profile of the entity that enters into the lease is different to that of the Group and the lease does not benefit from a guarantee from the Group.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date
- The amount expected to be payable by the lessee under residual value guarantees
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used)
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the right-of-use asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated balance sheet.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the “Impairment of property, plant and equipment and intangible assets excluding goodwill” policy.

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line “Administrative expenses” in profit or loss.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

Rent free concessions granted during the COVID-19 pandemic have been credited to the income statement in the year they were granted, with a resulting reduction in the lease obligation.

### ***The Group as lessor***

The Group enters into lease agreements as a lessor for some of its property included within its right-of-use assets.

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Subsequent to initial recognition, the Group regularly reviews the estimated unguaranteed residual value and applies the impairment requirements of IFRS 9, recognising an allowance for expected credit losses on the lease receivables.

Finance lease income is calculated with reference to the gross carrying amount of the lease receivables, except for credit-impaired financial assets for which interest income is calculated with reference to their amortised cost (i.e. after a deduction of the loss allowance).

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

### **PROVISIONS**

Provisions are recognised when the Group has a present obligation as a result of a past event which it is probable will result in an outflow of economic benefits that can be reliably estimated.

### **SHARE CAPITAL**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

### **SHARE-BASED COMPENSATION**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to the income statement over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each balance sheet date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted.

As long as all other vesting conditions are satisfied, a charge is made irrespective of whether the market vesting conditions are satisfied. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to the income statement over the remaining vesting period. Where equity instruments are granted to persons other than employees, the income statement is charged with fair value of goods and services received.

Cancelled or settled options are accounted for as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The proceeds received net of any attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Fair value is measured by use of the Black-Scholes pricing model which is considered by management to be the most appropriate method of valuation.

### **EMPLOYEE BENEFITS**

The Group operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contribution payable by the Group during the year.

The costs of short-term employee benefits are recognised as a liability and an expense in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

### **TAXATION**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity and not in the consolidated statement of comprehensive income.

Deferred income tax is provided on all temporary differences at the reporting date arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Deferred tax assets have been recognised in respect of the Group's tax losses carried forward.

Research and Development tax credits are recognised as receivables when they have been submitted to HMRC. The amount recognised is based on the expected value of the credit.

## CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting judgements will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

### IMPAIRMENT

At each accounting reference date, the Group reviews the carrying amounts of its intangibles, property, plant & equipment and investments 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 the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### DEFERRED CONSIDERATION

Total compensation for acquisitions includes an element of deferred consideration payable, subject to the revenue performance post-acquisition. Management use historical information and management forecasts to estimate a liability, using the discounted cashflow methodology, to derive a fair value of the deferred consideration payable.

### SHARE-BASED COMPENSATION

The fair value of share-based awards is measured using the Black-Scholes model which inherently makes use of significant estimates and assumptions concerning the future applied by the Directors. Such estimates and judgements include the expected life of the options and the number of employees that will achieve the vesting conditions. Further details of the share option scheme are given in note 19.

## ALTERNATIVE PERFORMANCE MEASURES

The Group uses the alternative performance measure of adjusted EBITDA. This measure is not defined under IFRS, nor is it a measure of financial performance under IFRS.

This measure is sometimes used by investors to evaluate a company's operational performance with a long-term view towards adding shareholder value. This measure should not be considered an alternative, but instead supplementary, to profit/(loss) from operations and any other measure of performance derived in accordance with IFRS.

Alternative performance measures do not have generally accepted principles for governing calculations and may vary from company to company. As such, the adjusted EBITDA quoted within the Group statement of comprehensive income should not be used as a basis for comparison of the Group's performance with other companies.

### ADJUSTED EBITDA

The Group uses adjusted EBITDA, defined as profit/(loss) from operations, adding back share-based compensation, transaction costs associated with the Group's acquisitions, impairment, depreciation & amortisation charges, profit on the disposal of Capital Currencies Limited, operating income related to interest on client balances, deferred consideration and IFRS 16 accounting transactions.

## 1. REVENUE AND SEGMENTAL REPORTING

All of the Group's revenue arises from its activities within the UK (although a proportion of revenue is derived from customers incorporated or residing outside of the UK). Management considers there to be only one operating segment within the business based on the way the business is organised and the way results are reported internally.

Revenue is as follows:

	Group Year ended 31 December 2024 £	Group Year ended 31 December 2023 £
Total revenue	11,354,451	9,649,233

## 2. PROFIT/(LOSS) FROM OPERATIONS

	Group Year ended 31 December 2024 £	Group Year ended 31 December 2023 £
Profit from operations is stated after charging/(crediting):		
Share-based compensation	263,395	333,061
Transaction costs	-	4,500
Expensed software development costs	92,594	58,792
Release of deferred consideration liability	(139,640)	-
Depreciation of property, plant and equipment	21,009	15,883
Depreciation of right-of-use assets	289,636	72,409
Amortisation of intangible assets	571,090	533,649
Profit on disposal of subsidiary	(150,000)	(207,480)
Impairment of goodwill (note 9)	139,640	-



Amounts payable to the Group's auditor in respect of both audit and non-audit services:

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
<b>Audit Services</b>		
• Statutory audit	46,250	41,000
<b>Other Services</b>		
The auditing of accounts of associates of the Company pursuant to legislation:		
• Audit of subsidiaries and its associates	52,750	45,000
	99,000	86,000

### 3. OTHER OPERATING INCOME

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Interest receivable from client cash balances	176,221	350,143
Release of deferred consideration liability	139,640	-
	315,861	350,143

Interest receivable from client cash balances relates to interest earned on client funds held in approved safeguarding accounts which are interest bearing. Under the terms of the Group's Electronic Money Licence, the Group is not able to pass any of the interest earned back to its clients.

Whilst the interest stream is a positive inflow for the Group, the Group is mindful that aspects of its dynamics are driven by macroeconomics beyond its control. The Group has therefore chosen to recognise interest income on client balances as 'other operating income', and not revenue on the face of the statement of comprehensive income. For the same reason, interest income has been excluded from the presentation of adjusted EBITDA.

Interest earned on the Group's own cash is recognised within 'finance and other income' in the consolidated statement of comprehensive income.

The Group has recognised other operating income of £139,640 in respect of the release of the deferred consideration liability related to the acquisition of Capital Currencies Limited due to the performance conditions attached to the final earn-out payment not being met.

### 4. INTEREST AND SIMILAR ITEMS

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
<b>Total finance and other income</b>		
Bank interest receivable	75,316	21,363
<b>Total finance costs</b>		
(Release)/unwinding of discount	16,572	(56,459)
Loan note interest	126,903	130,306
Other interest payable and charges	9	483
Interest on lease liabilities (note 17)	52,976	16,305
	196,460	90,635

## 5. EMPLOYEES

The average monthly numbers of employees in the Group (including the Directors) during the year was made up as follows (the Company has no employees other than the Directors):

	Year ended 31 December 2024	Year ended 31 December 2023
	Number	Number
Directors	6	6
Employees	37	28
	43	34

### EMPLOYMENT COSTS

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Wages and salaries	2,796,846	2,349,642
Social security costs	264,486	206,636
Pension costs	93,813	71,408
Share-based compensation	134,345	219,068
	3,289,490	2,846,754

### REMUNERATION OF KEY MANAGEMENT PERSONNEL

The remuneration of the Directors, who are the key management personnel of the Group, is set out below in aggregate. Further information about the remuneration of the individual directors is provided in the Directors' Remuneration Report on pages 28-29.

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Salaries and fees	648,150	559,310
Bonus	128,480	175,981
Share-based compensation charge/(credit)	59,236	152,495
Social security costs	101,467	103,472
	937,333	991,258
	Number	Number
Number of Directors to whom retirement benefits are accruing under a defined contribution scheme	3	3

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
The remuneration in respect of the highest paid Director was:		
Salaries and fees	220,338	170,360
Bonus	74,360	119,981
Share-based compensation charge	26,977	103,629
Pension and other benefits	12,550	12,379
	334,225	406,349

During the year, no (2023: nil) Directors exercised any (2023: nil) share options.

## 6. PENSION COSTS

The Group operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the Group and amounted to £93,813 (2023: £71,408). At 31 December 2024 contributions of £32,641 remained outstanding and are included within other payables (2023: £20,130).

## 7. TAXATION

The tax on the profit on ordinary activities for the period was as follows:

	Group Year ended 31 December 2024 £	Group Year ended 31 December 2023 £
Current Tax:		
Current tax charge/(credit)	-	(45,489)
Deferred tax charge/(credit)	395,483	(797,679)
Income tax charge/(credit)	395,483	(843,168)

	Group Year ended 31 December 2024 £	Group Year ended 31 December 2023 £
Profit before taxation	1,392,030	1,290,685
Profit multiplied by main rate of corporation tax in the UK of 25% (2023: 23.52%)	348,007	303,569
EFFECTS OF:		
Surrender of tax losses for research & development tax credit refund	-	(45,489)
Expenses not deductible for tax purposes	122,391	65,575
Income not taxable	(84,287)	(122,176)
Share-based payments	-	78,335
Tax rate changes	-	(17,550)
Other adjustments in period	-	(2,520)
Disposal of subsidiary	9,372	-
Utilisation of tax losses previously not recognised as a deferred tax asset	-	(377,472)
Recognition of deferred tax asset in respect of tax losses	-	(725,440)
Income tax expense/(credit)	395,483	(843,168)

## FACTORS AFFECTING FUTURE CHARGES

As at 31 December 2024, the Group had tax losses carried forward of £1,588,998 (31 December 2023: £3,272,638) in respect of which it had recognised a deferred tax asset of £397,250 was carried forward (31 December 2023: £818,161). The total net deferred tax asset as at 31 December 2024 was £302,381 (31 December 2023: £697,864) (see note 12).

The tax rate applicable for the year ended 31 December 2024 was 25%.

## 8. EARNINGS PER SHARE

	Year ended 31 December 2024	Year ended 31 December 2023
	£	£
Statutory profit	996,547	2,133,853
Weighted average number of shares used in basic EPS	57,417,101	56,613,145
Effect of dilutive share options	2,779,343	161,510
Weighted average number of shares used in diluted EPS	60,196,444	56,774,655
<b>Earnings per share (pence)</b>		
Statutory total earnings per share		
Basic	1.74	3.77
Diluted	1.66	3.76

## 9. GROUP INTANGIBLE ASSETS

	Goodwill	Customer relationships	Internally developed software	Software costs	Trademarks	Cards	Total
	£	£	£	£	£	£	£
<b>COST</b>							
At 1 January 2024	420,300	615,756	1,515,097	15,611	46,114	-	2,612,878
Additions	-	-	1,117,047	-	70,476	296,503	1,484,026
At 31 December 2024	420,300	615,756	2,632,144	15,611	116,590	296,503	4,096,904
<b>AMORTISATION</b>							
At 1 January 2024	-	213,559	869,189	15,611	-	-	1,098,359
Impairment	139,640	-	-	-	-	-	139,640
Charge for the year	-	123,151	447,939	-	-	-	571,090
At 31 December 2024	139,640	336,710	1,317,128	15,611	-	-	1,809,089
<b>NET BOOK VALUE</b>							
At 31 December 2024	280,660	279,046	1,315,016	-	116,590	296,503	2,287,815
At 31 December 2023	420,300	402,197	645,908	-	46,114	-	1,514,519

The Group has recognised an intangible asset of £296,503 for costs incurred in the development of its new debit card product. No amortisation has been recognised as the product was still undergoing final testing and was not fully ready for use as at 31 December 2024.

For the year ended 31 December 2024, the Group recognised an impairment charge of £139,640 (2023: £nil) against the goodwill recognised on the acquisition of Capital Currencies business in light of the performance conditions attached to the final tranche of the earn-out in respect of Capital Currencies not being met.

## COMPANY INTANGIBLE ASSETS

	Internally developed software	Trademarks	Total
	£	£	£
<b>COST</b>			
At 1 January 2024	1,515,097	46,114	1,561,211
Additions	1,117,047	70,476	1,187,523
At 31 December 2024	2,632,144	116,590	2,748,734
<b>AMORTISATION</b>			
At 1 January 2024	869,189	-	869,189
Charge for the period	447,939	-	447,939
At 31 December 2024	1,317,128	-	1,317,128
<b>NET BOOK VALUE</b>			
At 31 December 2024	1,315,016	116,590	1,431,606
At 31 December 2023	645,908	46,114	692,022

## 10. RIGHT-OF-USE ASSETS

	Leasehold Property
	£
<b>COST</b>	
At 1 January 2024	868,907
Additions	-
At 31 December 2024	868,907
<b>AMORTISATION</b>	
At 1 January 2024	72,409
Charge for the period	289,636
At 31 December 2024	362,045
<b>NET BOOK VALUE</b>	
At 31 December 2024	506,862
At 31 December 2023	796,498

## 11. GROUP PROPERTY, PLANT AND EQUIPMENT

	Computer equipment	Leasehold improvements	Equipment	Total
	£	£	£	£
<b>COST</b>				
At 1 January 2024	61,325	14,583	-	75,908
Additions	48,156	-	6,994	55,150
Disposals	(7,536)	-	-	(7,536)
At 31 December 2024	101,945	14,583	6,994	123,522
<b>AMORTISATION</b>				
At 1 January 2024	31,662	9,890	-	41,552
Charge for the period	16,909	3,954	146	21,009
Disposal	(2,955)	-	-	(2,955)
At 31 December 2024	45,616	13,844	146	59,606
<b>NET BOOK VALUE</b>				
At 31 December 2024	56,329	739	6,848	63,916
At 31 December 2023	29,663	4,693	-	34,356



## 12. DEFERRED TAX

The Group recognised the following movements in deferred tax:

	Acquired intangibles	Fixed asset and other temporary differences	Tax losses	Total
	£	£	£	£
At 1 January 2023	-	-	-	-
(Charge)/credit in the year	(100,549)	(19,748)	818,161	697,864
(Liability)/asset at 31 December 2023	(100,549)	(19,748)	818,161	697,864
(Charge)/credit in the year	30,789	(5,361)	(420,911)	(395,483)
(Liability)/asset at 31 December 2024	(69,760)	(25,109)	397,250	302,381
			Current	302,381
			Non-current	-

The Company recognised the following movements in deferred tax:

	Fixed asset and other temporary differences	Tax losses	Total
	£	£	£
At 1 January 2023	-	-	-
(Charge)/credit in the year	(17,516)	625,084	607,568
(Liability)/asset at 31 December 2023	(17,516)	625,084	607,568
(Charge)/credit in the year	14,136	(227,832)	(213,696)
(Liability)/asset at 31 December 2024	(3,380)	397,252	393,872
		Current	393,872
		Non-current	-

## 13. INVESTMENTS

### Investments in Subsidiaries

£

#### Cost or Valuation

At 1 January 2024	7,351,660
Additions	247,117
Disposal	(762,876)
	6,835,901

#### Accumulated Impairment

At 1 January 2024	-
Impairment	729,132
Disposal	(612,877)
	116,255

#### Net Book Value 2024

**6,719,646**

Net Book Value 2023	7,351,660
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Finseta Payments (DIFC) Limited was incorporated on 2 September 2024 and holds regulatory capital of £247,117. The entity is 100% owned by the Company.

In advance of its disposal on 4 June 2024, the Company recognised an impairment to its investment in Capital Currencies Limited of £612,877.

The Company also recognised an impairment to its investment in Pangea FX Limited of £116,255.

Shares in subsidiary and associate undertakings are stated at cost. As at 31 December 2024, the Company owned the following principal subsidiaries, which are included in the consolidated accounts:

Subsidiary	Principal Activity	Country of Incorporation	Registered Office	Percentage of Ownership
Finseta Payment Solutions Limited	Foreign Exchange and Payment Services	Northern Ireland	14-18 Copthall Avenue, London, England, EC2R 7DJ	100 per cent.
Cornerstone – Middle East FZCO	Consultancy	United Arab Emirates	Dubai Silicon Oasis, DDP, Building A2, Dubai, United Arab Emirates	100 per cent.
Finseta Payments (DIFC) Limited	Foreign Exchange and Payment Services	United Arab Emirates	Unit S301 Level 3 Emirates Financial Towers Dubai International Financial Centre United Arab Emirates	100 per cent.
Pangea FX Limited	Foreign Exchange White Label	England and Wales	14-18 Copthall Avenue, London, England, EC2R 7DJ	100 per cent.
Finseta Payments Corp	Foreign Exchange and Payment Services	Canada	5577 153A street, Suite 207, Surrey BC, V3S 5K7, Canada	100 per cent.

On 4 June 2024, the Company disposed of its 100% shareholding in Capital Currencies Limited for £150,000.

Finseta Payments (DIFC) Limited was incorporated on 2 September 2024 as a financial services provider operating within the Dubai International Financial Centre (DIFC). As at 31 December 2024, the entity's Category 3D Payment Services license was pending approval from the Dubai Financial Services Authority (DFSA).

Cornerstone – Middle East FZCO ceased trading in October 2024 and was in liquidation as at 31 December 2024 following the strategic move of the Group's UAE operations to the Dubai International Financial Centre (DIFC).

## 14. CURRENT TRADE AND OTHER RECEIVABLES

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
Trade receivables	271,481	347,491	-	-
Prepayments and accrued income	295,715	152,281	69,017	19,142
Derivative financial assets at fair value	733,887	340,241	-	-
Other receivables	288,469	147,536	-	53,264
Amounts due from Group undertakings	-	-	-	458,421
Taxes and social security	64,872	372,092	64,911	372,092
	1,654,424	1,359,641	133,928	902,919

For the year ended 31 December 2024, £13,744 was recorded as a bad debt expense (2023: £nil).

## 15. LOAN NOTES

The average monthly numbers of employees in the Group (including the Directors) during the year was made up as follows (the Company has no employees other than the Directors):

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
CURRENT				
Loan notes	-	172,578	-	172,578
NON-CURRENT				
Loan notes	2,000,000	2,000,000	2,000,000	2,000,000

The non-convertible loan note of £2,000,000 issued to Robert O'Brien is repayable on 31 July 2026. The loan note has a 6% coupon rate payable quarterly in arrears. On 31 August 2024, the Company made a payment of £172,578 in full and final settlement of the deferred consideration in relation to the acquisition of Pangea FX Limited.

## 16. CURRENT TRADE AND OTHER PAYABLES

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
Trade payables	293,680	248,493	88,185	87,339
Derivative financial liabilities at fair value	750,049	279,097	-	-
Other tax and social security	205,491	480,612	21,035	2,298
Other payables and accruals	687,755	874,569	198,009	298,720
Amount due to Group undertakings	-	-	4,902,006	2,642,978
	1,936,975	1,882,771	5,209,235	3,031,335

## 17. LEASE LIABILITIES

	Group 31 December 2024 £	Group 31 December 2023 £
Leasehold Property		
At 1 January	806,912	-
Additions	-	868,907
Finance costs	52,976	16,305
Payments	(316,332)	(61,613)
Lease accruals	-	(16,687)
At 31 December	543,556	806,912
Current	297,439	263,357
Non-Current	246,117	543,555
Incremental borrowing rate	7.97%	7.97%

## MATURITY ANALYSIS

	Group 31 December 2024	Group 31 December 2023
Contractual undiscounted cash flows	£	£
Less than one year	328,988	316,332
One to five years	254,068	583,053
More than five years	-	-
Total undiscounted lease liabilities at 31 December	583,056	899,385

## 18. DEFERRED CONSIDERATION

	Group 31 December 2024	Group 31 December 2023
	£	£
At 1 January	228,499	-
Finance cost	16,572	-
Settlement	(105,431)	-
Release of liability	(139,640)	-
Transferred from deferred consideration reserve	-	228,499
At 31 December	-	228,499
Current	-	117,176
Non-current	-	111,323

On 30 April 2024, the Group paid £105,431 in settlement of the first tranche of the earn-out consideration in respect of its 2022 acquisition of Capital Currencies Limited. The performance conditions for the final tranche payment of the earn-out agreement were not met as at 31 December 2024. The Group has recognised other operating income of £139,640 in respect of the release of the deferred consideration liability.

## 19. SHARE CAPITAL AND RESERVES

### Allotted, called up and fully paid

	Ordinary shares No.	Share capital £
Ordinary shares of £0.01 each as at 1 January 2024	57,417,101	574,171
Ordinary shares of £0.01 each at 31 December 2024	57,417,101	574,171

At 31 December 2024 share subscriptions of £nil remained unpaid (31 December 2023: £nil).

All ordinary shares are equally eligible to receive dividends and the repayment of capital and represent equal votes at meetings of shareholders.

The following describes the nature and purpose of each reserve within owner's equity:

**Share capital:** Amount subscribed for shares at nominal value.

**Share premium:** Amount subscribed for share capital in excess of nominal value, less costs of share issue.

**Share-based payment reserve:** The share-based payment reserve comprises the cumulative expense representing the extent to which the vesting period of warrants and share options has passed and management's best estimate of the achievement or otherwise of non-market conditions and the number of equity instruments that will ultimately vest.

**Deferred consideration reserve:** Reflects equity-based contingent consideration on the acquisition of subsidiaries.

**Merger relief reserve:** Effect on equity of the consideration shares issued over their nominal value.

**Reverse acquisition reserve:** Effect on equity of the reverse acquisition of Finseta Payment Solutions Limited.

**Retained losses:** Cumulative realised profits less cumulative realised losses and distributions made, attributable to the equity shareholders of the Company.

## Options

The Company operates an Enterprise Management Incentive (“EMI”) Scheme equity-settled share-based remuneration scheme for employees.

Under the scheme the options are exercisable at any time. The options are also exercisable in the event of a change of control. If the option holder’s employment within the Group is terminated, other than for gross misconduct, any options vested may be exercised within 90 days of such termination (12 months in the case of the option holder’s death), otherwise the options lapse five years after the date of grant. The options also lapse, inter alia, if the option holder is adjudged bankrupt or proposes a voluntary arrangement or other scheme in relation to his/her debts.

	31 December 2024		31 December 2023	
	Number	Weighted average exercise price	Number	Weighted average exercise price
		£		£
Outstanding at the beginning of the year	4,857,736	0.13	1,706,331	0.24
Granted during the year	730,000	0.34	3,919,180	0.13
Forfeited/waived during the year	(790,000)	(0.10)	(767,775)	(0.40)
Total outstanding	4,797,736	0.17	4,857,736	0.13
Total exercisable	3,346,470	0.13	1,357,674	0.11

The Black-Scholes model was used for calculating the cost of options. The model inputs for each of the options issued were:

GRANT DATE	13 January 2023	13 January 2023	16 November 2023	16 November 2023	22 February 2024	24 October 2024
Exercise price (pence)	10.0	20.0	12.0	10.0	31.8	37.0
Share price at grant date (pence)	8.0	8.0	12.0	12.0	31.0	37.0
Risk free rate	2.7%	2.7%	4.2%	4.2%	4.2%	4.3%
Expected volatility	129.5%	129.5%	119.8%	119.8%	117.5%	124.0%
Contractual life (years)	5	5	5	5	5	5

The expected volatility reflects the assumption that historical volatility of comparable quoted companies is indicative of future trends, which may not necessarily be the actual outcome.

The weighted average contractual life of the options is five years (2023: five years).

No options were exercised during the year (2023: nil).

The Group’s share-based compensation charge for the year ended 31 December 2024 of £263,395 (2023: £333,061) consists of £129,049 in relation to warrants granted in the Company (2023: £113,993) and £134,346 in respect of options granted in the Company (2023: £219,065).

No warrants were granted in the year (2023: none).



## 20. RELATED PARTY TRANSACTIONS

Details of key management compensation are included in note 5. Key management are considered to be the Directors of the Group.

### *Transactions with subsidiaries*

During the year, the Company and Finseta Payment Solutions Limited entered into various transactions with each other including software development charges, licences fees and working capital support. The net balance of transactions between the companies are held on an interest-free intra-Group loan, which has no terms for repayment. At the year end, the Company owed £4,881,588 (2023: £2,620,559) to Finseta Payment Solutions Limited and £20,418 (2023: £20,418) to Pangea FX Limited.

During the year ended 31 December 2024, the Company waived intra-Group debts owed to it in the amounts of £58,130 due from Cornerstone – Middle East FZCO and £34,927 due from Capital Currencies Limited, relating to working capital support provided by the Company under interest-free intra-Group loans. As at 31 December 2023, the respective amounts owed to the Company were £92,319 from Cornerstone – Middle East FZCO and £35,899 from Capital Currencies Limited.

### *Other related parties*

At the year end the Company owed Robert O'Brien £2,000,000. This interest-bearing, non-convertible loan note is repayable on 31 July 2026. Robert O'Brien is the largest shareholder in the Company and is the Chief Commercial Officer of the Group.

During the year, a loan of £8,750 owed by Terry Everson to the Company was written off. Terry Everson resigned as director of Finseta Payment Solutions Limited on 3 February 2023.

## 21. FINANCIAL INSTRUMENTS

### FINANCIAL ASSETS

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
DERIVATIVE FINANCIAL ASSETS				
Foreign currency forward contracts with customers	272,736	253,663	-	-
Foreign currency forward contracts with institutional counterparty	461,151	86,578	-	-
	733,887	340,241	-	-
Cash and cash equivalents	2,580,609	2,343,417	28,128	14,553
Trade receivables	271,481	347,491	-	-
Other receivables	584,184	254,328	69,017	485,338
	4,170,161	3,285,477	97,145	499,891

## FINANCIAL LIABILITIES

	Group 31 December 2024 £	Group 31 December 2023 £	Company 31 December 2024 £	Company 31 December 2023 £
DERIVATIVE FINANCIAL LIABILITIES				
Foreign currency forward contracts with customers	301,590	61,367	-	-
Foreign currency forward contracts with institutional counterparty	448,459	217,730	-	-
	750,049	279,097	-	-
Trade payables	293,680	248,493	88,188	87,339
Other payables	687,755	874,569	5,784,512	2,941,698
Loan notes	2,000,000	2,172,578	2,000,000	2,172,578
	3,731,484	3,574,737	7,872,700	5,201,615

All financial assets and liabilities have contractual maturity of less than one year with the exception of loan notes of £2,000,000 (2023: £2,172,578).

### Derivative financial assets and liabilities

#### Derivative financial assets not designated as hedging instruments

	31 December 2024		31 December 2023	
	Fair Value	Notional Principal	Fair Value	Notional Principal
	£	£	£	£
Foreign currency forward contracts with customers	272,736	15,256,180	253,663	8,546,025
Foreign currency forward contracts with institutional counterparty	461,151	18,418,375	86,578	3,799,202
	733,887	33,674,555	340,241	12,345,227

#### Derivative financial liabilities not designated as hedging instruments

	31 December 2024		31 December 2023	
	Fair Value	Notional Principal	Fair Value	Notional Principal
	£	£	£	£
Foreign currency forward contracts with customers	301,590	17,603,836	61,367	2,928,816
Foreign currency forward contracts with institutional counterparty	448,459	15,120,493	217,730	7,912,698
	750,049	32,724,330	279,097	10,841,514

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Foreign currency forward contracts are measured at fair value on a recurring basis.

There are three levels of fair value hierarchy:

- Level 1 – the fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Foreign currency forward contracts with customers generally require immediate settlement on the maturity date of the individual contract and fall into level 2 of the fair value hierarchy above. Level 2 comprises those financial instruments which can be valued using inputs other than quoted prices that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices). The fair value of forward foreign exchange contracts is measured using observable forward exchange rates for contracts with a similar maturity at the reporting date.

The net gain on financial assets at fair value through profit or loss for year ended 31 December 2024 was £175,379 (2023: net loss £58,116).

### **Financial instruments – risk management**

Financial assets primarily comprise trade and other receivables, cash and cash equivalents and derivative financial assets. Financial liabilities comprise trade and other payables, shareholder loans and derivative financial liabilities. The main risks arising from financial instruments are market risk (including foreign currency risk and interest rate risk), liquidity risk, credit risk and counterparty risk.

#### **Market risk**

Market risk for the Group comprises foreign exchange risk and interest rate risk. The Group operates as a riskless matched principal broker for deliverable non-speculative spot and forward foreign currency transactions, with each trade with its clients matched with an identical trade with an institutional counterparty. Therefore, foreign exchange risk is mitigated through the matching of foreign currency assets and liabilities between clients and institutional counterparties which move in parity.

The Group's cash balances are primarily held in Pound Sterling and the Group does not hold significant cash balances in foreign currencies.

Interest rate risk affects the Group to the extent that it implicitly impacts the price of foreign currency forward contracts. However, this risk is mitigated in the same way as foreign currency risk.

#### **Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group has extensive controls to ensure that it has sufficient cash or working capital to meet its cash requirements to mitigate this risk.

As per the 'Going Concern' section above, the Directors have prepared a cash flow forecast taking into account a projected increase in revenues and continued investment in the development of the Group's platform and organic sales & marketing efforts and the inherent risks and uncertainties facing the Group's business to assess the Group's working capital requirements. The Board reviews cash flow projections on a regular basis and has authority controls in place so as not to commit to material expenditure without being satisfied that sufficient funding is available to the Group.

The Group also has systems in place to monitor the margin requirements of its clients and its margin requirement with the institutional counterparty for the back-to-back foreign currency forward contract on a real-time basis and request any necessary top-up payment from the clients. The Group also has the right to close any position if no margin is given.

#### **Credit risk**

Credit risk is the risk that clients do not meet their contractual obligations in respect of the currency spot and forward contracts, which leads to a financial loss. All customers are subject to credit verification checks. Approximately 90% of the Group's trades are spot currency contracts, which are required to be settled within two working days. For forward currency contracts, as noted above, clients are required to provide margin that mitigates credit exposure. Trade limits are applied to all clients. The Group has systems to monitor trade limits and collateral requirements on a real-time basis. The Group does not have any significant concentration of exposures within its client base.

**Counterparty risk**

Each trade between a client and the Group is matched with an identified trade with Velocity Trade International (“Velocity”), which is a global foreign exchange liquidity and trade provider that provides pricing, execution and settlement services for the Group.

The Group also has brokerage accounts with alternative institutional counterparties and could transact with them instead if Velocity is unable to provide liquidity.

Management of settled and open trades are conducted via Currency Cloud, the GV (formerly Google Ventures) backed global payments and FX platform, and Banking Circle. Client funds are safeguarded with Banking Circle in line with the Group’s requirements under the Electronic Money Regulations 2011 for additional protection and to reduce counterparty risk.

**22. CAPITAL MANAGEMENT**

The capital structure of the business consists of cash and cash equivalents, debt and equity. Equity comprises share capital, share premium and retained losses and is equal to the amount shown as ‘Equity’ in the balance sheet. The Group’s current objectives when maintaining capital are to:

- safeguard the Group’s ability to operate as a going concern so that it can continue to pursue its growth plans;
- provide a reasonable expectation of future returns to shareholders; and
- maintain adequate financial flexibility to preserve its ability to meet financial obligations, both current and long term.

The Group sets the amount of capital it requires in proportion to risk. The Group manages its capital structure and adjusts it in the light of changes in economic conditions and the risk characteristics of underlying assets.

The Company is subject to the following externally imposed capital requirements:

- as a public limited company, the Company is required to have a minimum issued share capital of £50,000.

Finseta Payment Solutions Limited, a wholly-owned subsidiary of the Company, is subject to the following capital requirement under the Electronic Money Regulations 2011:

- 2% of the average outstanding e-money issued by the Electronic Money Institution (based on a 6-month rolling average), or the initial capital requirement of €350,000, whichever is the higher.

Capital Currencies Limited, a wholly-owned subsidiary of the Company, is subject to the following capital requirement under the Payment Service Regulations 2017:

- either 10% of fixed overheads for the preceding year or the initial capital requirement of €20,000, whichever is the higher.

Finseta Payment Solutions Limited and Capital Currencies Limited complied with the above requirements for all periods during the year ended 31 December 2024.

**23. EVENTS AFTER THE REPORTING DATE**

On 20 February 2025, the Company granted 190,000 options to staff members over ordinary shares of 1 penny each in the capital of the Company. All options are intended to qualify as Enterprise Management Incentive options pursuant to the Income Tax (Earnings and Pensions) Act 2003.

# Company Information

## Registered Office

14-18 Copthall Avenue  
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England  
EC2R 7DJ

## Auditor

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10 Queen Street Place  
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EC4R 1AG

## Company Registration Number

08367949

## Registrar

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Neville House  
Steelpark Road  
Halesowen  
B62 8HD

## Company Secretary

Judy Happe

## Nominated Adviser & Broker

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London  
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## Financial PR Adviser

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