EBURY PARTNERS LIMITED
REGISTERED NUMBER: 07086058

STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS
For the year ended 30 April 2021

Ebury

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EBURY PARTNERS LIMITED

COMPANY INFORMATION

DIRECTORS	Salvador Garcia Andres Juan Manuel Fernández Lobato Laurel Bowden Stewart Wilkinson Stephen Byrne Rami Aboukhair Hurtado (appointed 28 April 2020) Sergio Lires Rial (appointed 28 April 2020) Dirk Ludwig Marzluf (appointed 28 April 2020)
REGISTERED OFFICE	Third floor 80-100 Victoria Street Cardinal Place London United Kingdom SW1E 5JL
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REGISTERED NUMBER	07086058
INDEPENDENT AUDITOR	BDO LLP 55 Baker Street Marylebone, London W1U 7EU
BANKERS	Barclays Bank PLC 2 Churchill Place Canary Wharf London E14 5HP

BUSINESS INFORMATION

Ebury Partners Limited otherwise referred to as “Ebury”, the “Company” or the “Group”, is a financial services specialist providing foreign exchange products, money transfer services, cash management solutions, trade finance and other currency services to Small and Medium-sized Enterprises (“SMEs”) and our banking and non-banking partners through our 24 operations globally.

Since 2009, our transaction banking solutions have been working across all industries and removing global financial barriers many organisations face, particularly when trading internationally.

Ebury provides a financial services experience and value proposition that our customers and stakeholders find beneficial.

PRINCIPAL ACTIVITIES OF THE COMPANY AND THE GROUP

Ebury Partners Limited provides commercial and deliverable foreign exchange and cash management solutions to SMEs, mid-corporates, banking partners and non-banking financial institution partners throughout its global branch network.

Ebury provides the following financial and other non-financial services to its clients:

- risk management solutions associated with cross-border trading;
- international payment and cash management services;
- tailored currency services and solutions;
- global network coverage and expertise;
- an integrated technological and operational platform that allows for process automation, innovative data and expert analysis;
- Coronavirus Business Interruption Loan Scheme (“CBILS”) trade finance and credit facilities, along with the new Recovery Loan Scheme (“RLS”).

The Group extended its global branch and representative network, opening two new locations during this year-end, bringing the total to 24 operations globally.

For a detailed listing of these operations and locations please see Note 14 - ‘Investments – Company’ to the Financial Statements on Page 82-84.

BUSINESS INFORMATION (CONTINUED)

The Group details below the financial services it provides to its customers:

SOLUTIONS

Businesses face risks and financial barriers within the global economy. Our innovative solutions offer a way to manage this risk, eliminate barriers and borders and, in the process, add value to our clients and their stakeholders. The key solutions we offer to our clients are summarised below:

- international payments;
- risk management;
- trade finance;
- mass payments;
- currency accounts;
- collections; and
- application programming interface ("API").

With us, there are no borders

The key distinguishing features we provide to our clients include:

- **Customer service**
  Customers with an Ebury account have their dedicated Relationship Manager ("RM") who works together to create solutions that meet the business's specific needs.
- **We work with you in mind**
  We have developed our technology and capabilities to be in line with our client's needs over the years.
- **Global flexibility**
  Our multilingual team of over 1,000 employees spanning over 24 operations globally, provides our customers access to local expertise and the opportunity to utilise our global reach.
- **Online platform**
  Our online platform allows customers to perform quick and easy transactions, manage their funds and access our capabilities through our secure portal.

BUSINESS INFORMATION (CONTINUED)

ABOUT EBURY'S SOLUTIONS

We believe that, for businesses to prosper and grow, there needs to be as few boundaries as possible. Our solutions minimise and eliminate boundaries for our clients by providing a competitive value proposition. We discuss Ebury's solutions in more detail below:

INTERNATIONAL PAYMENTS

Pay all over the world, quickly and securely using:

- **Extensive capabilities** - Pay suppliers, employees and business partners all over the world in 140 currencies.
- **Global and local** - We cover both cross-border and domestic payment routes including collections solutions.
- **Fast and reliable** - You can trust that your payments will arrive on time, with most currencies arriving on the same day.
- **Integrated solutions** - Make payments online, through your RM, via API integration with your Enterprise Resource Planning ("ERP") or Treasury Management System ("TMS").

RISK MANAGEMENT

Mitigate Foreign Exchange ("FX") risk with our tailored solutions. We support our clients to protect their business from market fluctuations:

- **Understanding your needs** - We listen to our clients' needs and provide the right information to make informed decisions.
- **A strategy that suits you** - Our range of FX, Trade Finance and cash management solutions can be tailored to our client's structure and goals.
- **Dedicated RM** - We provide our clients with access to their dedicated RM who supports their financial decisions to ensure our solutions work optimally for our clients.

Risk management - Products

Our risk management solution includes several types of products and strategies. We have highlighted three of our most popular products below. These products allow our clients to lock in FX rates to protect their business from future currency market volatility:

- **Fixed Forward Contracts** - Lock in a currency rate up to five years in advance.
- **Window Forward Contracts** - Window Forward Contracts provide our clients the flexibility to lock in a rate and use it whenever required within a given period.
- **Non-deliverable Forwards** - Our clients use Non-deliverable Forwards to manage their exposure to international operations and/or to protect themselves when working with non-deliverable exotic currencies.

BUSINESS INFORMATION (CONTINUED)

TRADE FINANCE

Our trade finance solution, available to both importers and exporters, provides our clients with credit to help finance international trade.

Importers - Pay suppliers earlier and improve liquidity:

- **Pay as you go** - There are no up-front or hidden fees, providing our clients with added flexibility to use the facility whenever they like without incurring unnecessary costs.
- **Pay us back 150 days later** - Our clients can increase their liquidity through lengthening payment terms.
- **Your goods are yours** - We take no collateral, which means our clients see no impact on any existing credit lines they have.

Exporters - Provide your clients buyer's credit to finance international or domestic trades:

- **Pay as you go** - There are no up-front or hidden fees, which provides our clients with added flexibility to use the facility whenever they like without incurring unnecessary costs.
- **Receive payment straight away** - Our clients can receive funds immediately with their buyers repaying when the invoice is due (up to 120 days later). This enhances liquidity for our clients and allows them to trade with a greater range of customers as well as being able to strengthen their liquidity management.
- **Your goods are yours** - We take no collateral from our clients, which means there is no impact on any existing credit lines they have.

MASS PAYMENTS

Send mass payments in multiple currencies at the click of a button expediting the process with fewer resources and a stronger control process:

- **Wide-reaching** - Ebury's worldwide payment capabilities and FX solutions allow our clients to pay the employees and suppliers correctly, timely and in the currency they require.
- **Reduce risk** - Ebury's mass payments solution minimises the risk of manual error by automating clients' processes for high-volume payments.
- **Dedicated team** - Our clients benefit from an experienced team focused on payroll and global disbursements solutions.
- **Save time** - Ebury's mass payments capabilities allow our clients to eliminate fragmented banking relationships and simplify complex reconciliations.

BUSINESS INFORMATION (CONTINUED)

CURRENCY ACCOUNTS

We offer the accounts our clients need, in the currency and countries their customers want. Our clients can use their accounts to collect currencies internationally making the process easier than ever:

- **Get account details in your name** - This includes an account number and other necessary information to make or receive payments in a given currency.
- **Collect and hold money in multiple currencies** - Clients can convert their balances from one currency to another or use them to make payments.
- **Get in-country account details in your name to collect locally** - Our clients can use their currency accounts to receive funds from their customers and business partners without a local presence. This reduces friction and costs of transactions and adds value to our clients and their stakeholders.

COLLECTIONS

Collect through Ebury in 35+ currencies and benefit from cross-border and in-country collections:

- **Simple** – Clients using our service can streamline and simplify their back-office operations by collecting money globally without the need for multiple bank accounts or a local presence.
- **Win customers** – Ebury's collection capabilities allow our clients to gain a competitive advantage and increase customer satisfaction by pricing and accepting payments in the currency of their customers' preference.
- **Easy and secure –** Our clients can view their funds easily online, repatriate funds at competitive FX rates and make payments quickly and securely.
- **Integrated Solution** – Ebury's clients can access FX, financing and payment solutions to manage their finances and grow their business with their dedicated RM.

API

The Ebury API helps our clients fund and manage their international business by making trading and payments easy to integrate into their applications:

- **For our customers** - Ebury's API has the capability to automate clients' accounts receivable and payable processes and enable real-time FX hedging and risk management.
- **For our partners** - By embedding Ebury's API capabilities into their applications our partners can extend their product offering by adding cross-border global transaction banking to their services.

BUSINESS INFORMATION (CONTINUED)

API core functionality

Our clients choose how and where to deploy their application, and we provide the means to integrate foreign exchange functionality into their application. The API is modular with the following core areas of functionality:

- **Quotes** - Get live rates, either estimated or a short-lived quote that you can use to book a trade;
- **Trades** - Use a quote to execute a trade;
- **Payments** - Use trades to fund payments;
- **Multi payments** - Wraps trades, beneficiary management and payments into a bulk operation, allowing many payments to be made across multiple currencies; and
- **Account management** - Profile updates, beneficiary management and other items.

STRATEGIC REPORT

A. CHIEF EXECUTIVE OFFICERS' STATEMENT

Chief Executive Officers ("CEO"s) present their statement to the Group Strategic Report along with the audited Financial Statements of Ebury Partners Limited, the Company and the Group, for the year ended 30 April 2021. The Group comprises the Company and its wholly-owned subsidiaries (detailed in Note 14 'Investments – Company' to the Financial Statements).

With a year of high uncertainty due to the extraordinary situation that the world went through because of the coronavirus pandemic ("COVID-19"), Ebury's business model proved itself to be resilient. Despite a decrease in revenues to £106.9m (2020:£124.5m), and a corresponding impact on the loss for the year, we transacted volumes of more than £14bn in foreign exchange in more than 140 currencies across all service lines and outperformed our competitors to increase our market share in some locations. Furthermore, revenue generation post-year end has rebounded to pre-pandemic levels, and the Group's clear focus now is on delivering the Group's strategy for our clients, partners, employees, shareholders and other stakeholders.

Our goal during the year was to support the morale and wellbeing of all our employees despite the multiple geographical restrictions and challenges that arise due to working from home and changing environment. Ebury has managed to organise teams in a way that Company goals were achieved efficiently.

During the course of the financial year, we continued to build on our investment in people, including strategic hires that strengthen our senior leadership team and corporate governance framework. We take great pride in serving our clients and other stakeholders in an innovative, supportive and engaging environment that is founded upon respect and responsibility. We recognise the value of our people in delivering our strategy and meeting our targets.

In the context of a challenging year for the global economy, many of our offices such as the teams in Portugal, Hong Kong and Australia delivered relatively exceptional commercial performance allowing us to capture greater market share. This proves that even during tough times, Ebury's established model to serve SMEs around the globe continues to work. Our core countries stayed quite resilient despite restrictions.

Our mass payments unit almost doubled in size compared to previous years being an important contributor to our revenue generation.

Following the investment by Santander in the previous year, one of the action points was to start building our business in Brazil. In the last quarter of FY2021 we opened our Brazil office and the team managed to onboard and trade our first Brazilian client. Since then, our team has grown exponentially while we continue to increase our client base in the Brazilian market by replicating our Ebury model.

To support our clients' financing needs through the difficulties brought on by the pandemic, we were approved to offer our Trade Finance product under government guarantee schemes in the United Kingdom of Great Britain and Northern Ireland ("UK") (under CBILS and later under RLS), Spain (under Instituto de Crédito Oficial ("ICO")) and the Netherlands (under Borgstelling MKB-kredieten ("BMKB"). These guarantees were, and continue to be, instrumental in helping our clients grow through these uncertain times.

In September 2020, the Group was successful in obtaining a £10.0m grant from Banking Competition Remedies Ltd ("BCR") through Pool E of the Capability and Innovation Fund ("CIF") to develop our lending products. In May 2021, following a review of our product strategy and in consultation with BCR, we limited the scope of work and reduced the grant to £2.5m.

Our strategic investment in technology enables the Group to deliver global transaction banking products and solutions to our clients in a simple, safe and efficient manner. Our range of services will continue to evolve to meet market demands and client requirements. During the year we continued to partner with a range of exciting organisations, which has enabled us to grow our product offerings in line with our strategic growth plan.

A. CHIEF EXECUTIVE OFFICERS' STATEMENT (CONTINUED)

We are extremely proud of the progress we made and remain committed to our strategy and business model. Despite challenging market conditions, due to the global pandemic, and Brexit, our outlook for the business remains positive. We will continue managing our costs and investment to grow risk-adjusted returns in an appropriate manner that aligns short-term decisions with the long-term interests of the business.

We would like to thank our employees for their relentless hard work and dedication. We are proud of our achievements this year and look forward confidently to the next year and beyond. Finally, we would like to thank our customers, partners, suppliers and all other stakeholders for their continued support and trust in Ebury.

Juan Manuel Fernández Lobato

Chief Executive Officer

Salvador Garcia Andres

Chief Executive Officer

B. BUSINESS REVIEW

The global economic situation has been severely impacted by the outbreak of "COVID-19". Economic activity during FY2021 has been severely curtailed as a result of this outbreak and the associated actions by the UK Government and other jurisdictions contain the virus, including lockdowns and closure of non-essential businesses.

The Group has continued to refine its Business Continuity Plan ("BCP") to ensure it can minimise the potential impact of the ongoing COVID-19 pandemic. Ebury has noticed no significant permanent negative impacts on the operational performance of the business arising from COVID-19 related restrictions since the implementation of the BCP. Remote and hybrid working is operational across the Group and deployed based on Government advice in conjunction with regular consultation with our employees.

Throughout the year new business generation was affected by the changes in onboarding requirements in the different jurisdictions as well as remote working limitations. We have seen a decrease in the number of onboarded accounts during FY2021, but that is now back to normal levels (350+ accounts / month). Although the number of accounts has decreased, Ebury has managed to increase the average value of the accounts from £4k in April 2020 to c.£10k in January 2022 (+ 150%). This is the result of Group efforts to move to high value accounts that eventually will allow the Group to achieve profitability. During FY2021 we managed to onboard more than 3k new customers reaching a total number of active clients of c.16k by end of year.

During FY2021, commercial headcount did not grow, driven mainly by the uncertainty from the COVID-19 pandemic. During Q3 the Group defined a hiring plan to expand the teams in the different countries and foster new business activity, assuming an easing of the pandemic and its impact on commercial activities.

In terms of repeat business, we have seen an impact in activity due to changes in operational processes that have now been fully implemented and are running effectively.

Despite the commercial challenges suffered in FY2021, which led to a reduction in total revenues to £106.9m (2020: £124.5m) and a loss for the year of £58.3m (2020: (£31.2m)),.we are now operating with a healthy core business that is recovering (25% revenue growth comparing May-Sep 21 vs Dec 20 – April 21). This is the result of several initiatives defined by the Commercial team to make Ebury grow again including: stabilisation of the management Commercial teams in the different regions, revenue optimisation and product diversification.

We continue to see significant growth in the use of our online payment facility which increased to 71% of payments made online in FY2021 vs 67% in FY2020.

Our easy-to-use online portal comes as standard for our valued clients, allowing them to manage, visit and use their Ebury accounts 24 hours per day, seven days per week. Clients can execute currency transactions in more than 50 currencies online (more than 140 on the phone), as well as instruct collections and payments to their beneficiaries.

An overview of the business activities of the Group is given in the Business Information section on pages 2 to 7.

C. STRATEGY

The Group's strategy is to provide global transactional banking services to internationally trading SMEs, who otherwise have limited or no access to such services.

The key pillar of the strategy is building a global technology and data-enabled platform to deliver transactional services, coupled with credit provision tailored to the needs of our SME customers.

Investment in services, technology and data enabled the Group to enhance and improve its online, multi-payment and cash management offering as well as expand geographically at the same time. The successful execution of the strategy resulted in strong growth both in underlying revenues and operational metrics.

C. STRATEGY (CONTINUED)

Our strategy is to provide transaction banking solutions to our clients by removing global financial barriers. We operated in the following service categories:

- international payment and cash management services;
- risk management solutions associated with cross-border trading;
- trade finance and supply chain funding;
- tailored currency services and solutions; and
- global network coverage and expertise.

Commercial Strategy

During the last 12 years, Ebury has been one of the Europe's fastest growing Fintech businesses measured by valuation. We believe that in order for a business to prosper and grow there needs to be as few boundaries as possible. Since 2009, our FX solutions have been working across all industries, and removing global financial barriers many organisations face.

With the pandemic situation in FY2021, Ebury's decision was to step back and re-evaluate the commercial strategy to define a plan to make Ebury grow again in the short, medium and long term.

We wanted to build a better Ebury, one that is more sustainable and more successful than ever before. Powered by our people and products, we want to help our clients to do their international business better. We identified the key pillars to be able to reach our objectives:

- **Activity** - We must be proactive and energetic every day. Hustle and bustle are key to contacting more clients and building up our book of business. Commercial teams' strategy and objectives have been reviewed and clearly defined to ensure we boost activity.

  Ensuring well managed and organised teams was a priority during the year to deliver the results, maintain the team's morale and bring activity up to and above historical levels.

- **High Value** - We must prioritise and focus on higher-value clients. The key here was for all of us to take ownership for producing quality files and making sure we bring in profitable clients, within defined thresholds, to grow our business.

- **Cross selling** - We must take every opportunity to match the right product to the right client and their needs. This will help their business and our business grow stronger.

  Ebury has defined a clear roadmap to ensure we are able to improve our product offering to meet our client needs in the next financial year.

- **New segments** - New verticals where banks have not yet focused, to increase our client base, and moving into new sectors where we are still not present and we believe there is a big opportunity.

- **Inorganic growth** - Expand our geographic scope and product offering through Mergers and Acquisitions ("M&A") opportunities to increase revenues, customer retention, efficiencies and increase penetration in the different markets.

These pillars are the key to make Ebury grow again as in the past and we believe that will allow us to retain our existing customers and onboard new business in the next financial year.

D. PRODUCT AND TECH DEVELOPMENTS & ROADMAP

Despite the uncertain economic conditions driven by COVID-19 and Brexit, Ebury has continued investing in product development, technology and customer experience, whilst focusing on delivering to the highest standard to its clients and partners.

The key initiatives for the year (some of which are still in progress) were:

- Trade Finance products, backed by government support schemes in the UK, Spain and the Netherlands, to support SMEs' financing needs through the difficulties brought on by the pandemic. In the UK, a partnership with MarketFinance Limited, a UK lender specialising in Invoice Finance and small business loans, provided our clients with access to CBILS and, later, to RLS.
- As part of the grant we received from the BCR, we enhanced the Trade Finance user experience for our clients by integrating the financing with our FX products on the same platform. The scope of this work began in November 2020 with delivery in August 2021. Further enhancements, including a Self Serve capability, also formed part of the grant's scope and were delivered in November 2021.
- Migration of non-UK European clients and existing products to Ebury Belgium NV/SA, regulated by the National Bank of Belgium ("NBB") and authorised payment institution, ensuring continuity of service past Brexit transition phase.
- Enhancement of payment infrastructure, including SEPA (Single European Payments Area) and additional connectivity to the SWIFT network.
- Investment in our Financial Crime Control Operations product suite including a Client Lifecycle Management tool (CLM) to strengthen all processes related to onboarding, offboarding and monitoring.
- Development of powerful APIs and scalable payment engines to support the growth of the services dedicated to companies engaged in payroll and insurance.

For the year ending in April 2022, Ebury will continue to strengthen its growing presence in the current geographical footprint and it will keep improving its liquidity and cash management offerings for SMEs, developing segment and channel-specific solutions for its clients and partners. Ebury will continue to focus on enhancing its technical infrastructure as well as its product portfolio.

E. OPERATIONS

We have made a material investment in our Client Lifecycle Management function

- The Group made a material investment into setting up a new Client Lifecycle Management function for Know Your Client ("KYC") onboarding, ongoing monitoring and offboarding. The department has been re-structured with a new leadership team based in London and local teams of due diligence analysts located in Ebury offices across Europe, APAC, and North America.

- The decentralisation of the KYC function allowed us to hire experienced staff with knowledge of local due diligence regulations and best practice, managed by supervisors dedicated to each region in alignment with Ebury's operational structure.

- A Quality Control function has been put in place to drive an improvement in standards at the point of client onboarding and throughout the lifecycle of client relationships. We have developed KYC procedures at the Group level, including local requirements, documents and dispensations in each Ebury-relevant jurisdiction. The procedures define standard and enhanced due diligence in line with applicable law and regulation for each Ebury Office, as well as requirements for each client category and risk type.

- As a result of the restructuring we have seen a significant increase in quality and productivity of the function in line with global and local regulatory standards.

We have improved the way we mitigate risk, implement controls and govern our operation

- We are continuing to grow, both in size and complexity. As we do, the expectation of our Board and regulators grow too. So we have been making sure our operation is resilient, our risk appetite is appropriate and our control environment is robust.

- We have increased investment in our financial crime controls by strengthening and growing our team and establishing a number of initiatives and projects designed to meet regulatory expectations in each of the jurisdictions in which we operate.

- We have implemented a robust and resilient governance function through the creation of Committees and Forums attended by relevant Senior Management and accountable Executives whereby decisions are made and escalated according to the Ebury Governance Framework.

- Throughout the year, we have provided training to staff which focussed on key aspects of financial crime and emerging threats to the regulatory landscape. This was supplemented by mandatory e-Learning modules which were designed to enhance the knowledge and application of staff.

We have increased our resources to consume growth and invest in people

- Throughout the financial year, we have grown the Financial Crime Operations divisions to the appropriate resourcing levels to support Ebury's growth. We made sure that we hired the right people who had the skills and knowledge to achieve our goals so that we were less reliant on the use of external contractors.

Our focus for financial year ending April 2022

We will continue to expand our operational capacity to support the business in a sustainable manner. Our leadership team works closely with management at the Group level to ensure our KYC processes, controls and resourcing are aligned to the growth plans and direction of the business. This includes planning for new geographies, new markets and new products which present different financial crime risks to those we face today.

As we grow, we are focused on investing in the right tools and platforms to allow us to perform our roles effectively and efficiently, whilst meeting and exceeding regulatory expectations. Automating and improving processes is a key milestone as we move into the next financial year.

F. COMPLIANCE

In line with international best practice, Ebury adopts a three lines of defence model. Within this model, the 2nd line Compliance function is, and has been, engaged across multiple projects alongside the 1st line Operations team in respect of enhancements to Ebury's policies, procedures, systems and controls.

- The Group made a material investment into setting up a new Client Lifecycle Management function for "KYC" onboarding, ongoing monitoring and offboarding. This has been a key strategic goal driven by the Chief Compliance Officer since Q1 2020.
- The Compliance team continues to grow with increased local presence in subsidiary and branch offices of Ebury globally. The Financial Crime Compliance ("FCC") team has been restructured to streamline decision making and drive efficiency of review without compromising on the detail or quality of risk management.
- Analysis and assessment. This included the creation of distinct teams within FCC (Advisory, Escalations, Investigations, Quality Assurance, Sanctions)
- Engagement with external consultants to drive significant enhancements to the internal governance structures, including appropriate channels for Management Information ("MI") reporting and escalation of exposure to risk from local offices to Group.

The Compliance team is continually assessed by the Chief Compliance Officer in liaison with the wider Executive Committee to ensure that the team is adequately resourced, with the appropriate skills and experience, and with access to the necessary tools, in order to support the business in its growth and ambition in a sustainable manner whilst ensuring that Ebury remains committed to the principles of ongoing compliance with all applicable laws and regulations in the jurisdictions in which it operates.

The delivery of ongoing enhancements to Ebury's policies, procedures, systems and controls will continue throughout 2022 alongside proactive horizon scanning to manage, analyse, interpret and respond to forthcoming and expected regulatory change.

G. RISK MANAGEMENT

Enterprise Risk Management

All activities undertaken by Ebury Partners carry an associated risk. The purpose of managing risk is to allow us to take advantage of potential business opportunities to truly remove borders for our clients while managing potential adverse effects.

We have designed our risk framework and associated policies and procedures to support the business and risk owners to make clear, informed and transparent decisions. Risk is managed using our Enterprise Risk Management Framework, which at its core is designed to enable decision making of our individual leaders and the business as a whole. We believe that this allows us to make decisions on analytical assessments that have been arrived at by using a simple yet effective framework covering risk assessment processes, risk appetite thresholds and a clear process for treating, terminating, transferring or tolerating risk in a way that minimises opportunity cost and maximises protection against adverse events.

Our risk taxonomy is split into four core components of Financial Risks, Operational Risks, Legal and Regulatory Risks, and Growth and Strategy Risks which break down further into 26 Level 1 risks covering:

Financial Risk:

- Credit - Risk of financial loss if a customer doesn't meet its payment obligation in due time;
- Market - Risk of an adverse change in financial markets such as interest rates, foreign exchange environment which may reduce the value of Ebury's assets or increase the value of its liabilities;

G. RISK MANAGEMENT (CONTINUED)

Financial Risk (Continued):

- Liquidity - Risk of having insufficient liquidity to fund resources to meet financial obligations and satisfy regulatory requirements;
- Counterparty - Risk that a financial counterparty (other than clients) defaults on its contractual obligation (a derivative contract not settled, collateral not returned) resulting in financial loss due to loss of principal and/or profit on an underlying contract or investment;
- Capital - Risk of having insufficient capital to ensure we meet all our regulatory requirements and ensure that Ebury is in a position to continue meeting its financial obligations.

Operational Risk:

- Execution, Delivery and Process Management - Risk of losses, incurred for inadequate or failed internal processes;
- Technology - Risk of technology failures, disruptions or service inefficiencies, adversely impacting Ebury and/or our clients;
- Security - Risk that Ebury lacks an effective security programme and controls to sufficiently protect the confidentiality, availability, and integrity of its assets and data which could lead to compromise or unavailability;
- Resilience - Risk that Ebury is not able to provide critical services to our clients, customers, affiliates and counterparties as a result of sustained and significant operations disruption;
- People - Risk of adverse impact due to not having the right people with the right skills doing the right things, including risks associated with employment practices and relations;
- Fraud - Risk of knowingly or unknowingly helping parties to commit fraud or be a victim of internal or external fraud;
- Modelling - Risk of inappropriate or incorrect business decisions arising from the use of models that have been inadequately designed, implemented or used or that models do not perform in line with expectations;
- Third Party - Risk presented to Ebury's employee and customer data, financial information and operations from the Ebury's supply-chain and other outside parties that provide products and/or services and have access to privileged systems;
- Tax - Risk of being fined/sued for mismanaging or misreporting tax and related financial information or of failing to pay tax due;
- Financial Reporting - Risk of being fined/sued for mismanaging or misreporting financial information;
- Governance - Risk of governance failings causing detriment to Ebury due to the Governance framework not being adhered to or being appropriate.

Legal and Regulatory Risk:

- Legal - Risk of financial loss, legal or regulatory action or reputational damage resulting from contractual risk, dispute, legislative risk, non-contractual obligations risk and non-contractual rights risk;
- Regulatory Compliance - Risk that there is a failure to comply with the regulations requirements in a timely manner, resulting in a loss of reputation and a possible financial damage;

G. RISK MANAGEMENT (CONTINUED)

Legal and Regulatory Risk (continued):

- Safeguarding - Risk of failure to have the appropriate procedures to adequately maintain controls over client money, and to protect or report on, client money and assets;
- Duties to Clients - Risk of failure in the duty to clients;
- Regulatory Reporting - Risk in failure of processing or providing timely and accurate reporting to external Regulatory bodies in line with licensing requirements;
- Financial Crime - Risk of failure to fulfil the Group's obligations in preventing financial crimes;
- Conduct - Risk that an action leads to customer detriment, or has an adverse effect on market stability or effective competition.

Growth and Strategy Risk:

- Competition, Innovation and Growth - Risk that a well-informed strategic business decision (M&A, new market entry, new product) is not providing the expected returns;
- Product - Risk that a product is not providing the expected returns;
- Brand - Risk that a marketing / partnering decision has a negative impact on Ebury.

Three Lines of Defence

To mitigate its exposure to Risk the Group operates a three lines of defence ("LoD") model which ensures there is a clear delineation of responsibilities between the ownership and management of risk ("1LoD"), oversight and challenge ("2LoD") and independent validation and assurance ("3LoD").

The first line of defence (1LoD) takes risks and is responsible and accountable for the ongoing management of such risks. This includes identifying, assessing and reporting exposures to risk, taking into account Ebury's risk appetite and policies, procedures and controls.

The second line of defence (2LoD) includes an independent risk management function and an independent and effective compliance function. The risk management function complements the business line's risk activities through its monitoring and reporting responsibilities.

The third line of defence (3LoD) consists of an independent and effective internal audit function. Among other things, it provides independent review and objective assurance on the quality and effectiveness of Ebury's internal control system, the first and second lines of defence and the risk governance framework including links to organisational culture, as well as strategic and business planning, compensation and decision-making processes.

Governance of our risk framework is exercised by our second line committees, providing effective oversight and challenge. The Group Risk Management Office which is the Groups top level risk committee is the key mechanism for this. Each subsidiary has a local Risk Management Office, which is a second line committee that reviews, challenges and supports on incidents and breaches, risks, risk mitigation plans, and internal control effectiveness. Local Risk Management Offices feed into the subsidiaries Board and to Group level Committees. Group Committees consist of: Financial Crime Executive Committee, Non-Financial Risk Committee, Assets and Liability Committee, and Client Money and Safeguarding Committee. The Group level committees feed into the Group Risk Management Office which reports to the Board.

G. RISK MANAGEMENT (CONTINUED)

Our Group operations expose us to a variety of financial and non-financial risks. We provide a summary of the principal risks the Group is managing and emerging areas of interest for the coming financial year.

Regulatory Reporting

The roll-out of the European Anti-Money Laundering Directive 5 ("AMLD5") across our areas of operations have seen a marked increase in the required regulatory reporting including numerous branch reporting across our European entity and branches. The varying European regulators have taken different approaches in their implementation of the directive including a number of different data sets, data presentation and technical implementations to provide them the data required. It is an ongoing challenge to maintain the constantly evolving reporting requirements, including the upcoming enforcement of the 6th directive ("AMLD6"); however, we are implementing robust processes and an ongoing programme of reporting activity that will ensure we are always on top of the required reporting and are making further enhancements to automate this where possible for the future.

Liquidity Risk

A key risk is that Ebury may have insufficient liquidity to fund resources to meet financial obligations. We ensure this is not the case by daily tracking of liquidity, performing a weekly remodelling, and a bi-monthly forecasting of our liquidity position. The different capital adequacy requirements are tracked on a monthly basis during the different Risk Management Offices' meetings. We have stress tested our capital and liquidity requirements and have a defined process to take robust management action should it be required.

Financial Crime

Operating FX services and trade finance brings a risk of criminals abusing our products and services. Our exposure has not changed significantly and we have continued to develop and improve our management of financial crime risk by improving the governance and key risk indicators.

Execution, Delivery and Process Management

There is a risk that we could incur losses due to inadequate or failed internal processes which differ from expected losses. As a high growth firm with a global footprint it requires us to be agile and seize business opportunities when they present themselves. To mitigate the risk of internal processes failing we have built out an internal control framework aligned to the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") model and conduct first, second and third line control testing.

Security

The ever increasing threat landscape of cyber criminals and attempts to compromise the confidentiality, integrity and availability of businesses and their data is a top non-financial risk. Our security team performs ongoing and continuous monitoring of our environments and has built a robust security management framework which seeks to continually improve the control environment and prevent, detect and respond to suspicious events.

Uncertainties

Covid-19

The coronavirus pandemic has continued and will continue to play a significant impact on international business in the short to medium term. A direct impact of this has been a change in how our clients are using our products, such as a reduced use of forward products but increased use of spot trades. However, our credit risk controls have proved robust in the face of economic pressure to our clients and we have not seen a marked increase in default rates. We continue to track any impacts including which sectors are affected and have tailored marketing and sales strategies to take account of the changing conditions.

G. RISK MANAGEMENT (CONTINUED)

Regulatory Changes

Regulators throughout our areas of operations are continuing to increase the amount of regulatory change particularly drawing e-money institutions into the fold of regulatory controls and oversight. This has resulted in further investment and projects to improve our control environment and ensure we meet our regulatory requirements. Key projects for this have included the strengthening of our second line and building out more enhanced processes for operational resilience, third party risk management and outsourcing, and capital requirements. The strengthening of the 2nd line of defence allows Ebury to better assess key and emerging risks by identifying existing risks and monitoring the existing controls and their efficiencies, organising risk forums where the emerging risks are discussed.

Macroeconomic

We are particularly mindful of macroeconomic risks and volatility as major economies worldwide emerge from the COVID-19 pandemic, lockdown and restrictions. Our monitoring and mitigating process have been strengthened and adapted over the last year, and we expect to be able to navigate these uncertainties. In credit, we remain mindful of the effect of the phasing out of state-support programs for SMEs. In addition to our monitoring process, we expect that the short term nature of our credit exposure plus the existence of significant right-way-risk in our FX book should enable us to meet our targets for limiting credit losses. Inflationary pressures are expected to drive the tightening of monetary policy across the currencies we operate, albeit at different speeds in different areas. We have stepped up our monitoring of the swap risk exposure, in particular as it pertains to the EUR/USD interest rate curve to protect against the impact of potential Federal Reserve hikes, and have increased our portfolio-wide hedges against said exposure. The potential for increased volatility in currency markets as a result of these monetary policy changes post COVID-19 means that we are especially vigilant about our liquidity buffer requirements, where to ensure liquidity remains sufficient to sustain our current businesses and future growth plans.

Furthermore, the credit risk team closely monitor the wider macro-economic outlook, to ascertain whether there is any impact on the counterparty Expected Credit Losses, and factor this into their expected credit loss modelling accordingly.

The model incorporates the latest externally available information for each counterparty to calculate the probability of default.

As in prior year the Board took consideration of: the overall economic outlook for the markets in which it operates; the risk of adverse impact on the customers of the Company; and our estimates contained within the ECL model. The Board concluded that based on the available information at the reporting date, as well as up to the date of signing of the financial statements, there were insufficient indicators to warrant creation of a portfolio level adjustment, and as such the model continued to provide the optimal and intended credit loss allowances by counterparty.

H. FINANCIAL PERFORMANCE INDICATORS

The Board of Directors and management use a range of key performance indicators to target, measure and assess the performance of the business. These Key Performance Indicators ("KPIs") not only assist in the performance assessment but also help in evaluating whether the Group is delivering on its strategy and ultimately creating shareholder value.

UK-Adopted International Accounting Standards ("IFRS") v "Adjusted Performance" Alternative Performance measure

Our reported results are prepared in accordance with IFRS as detailed in the Financial Statements starting on Page 34 of this document.

Our internal results are prepared on the basis of IFRS with adjustments reflecting management entries, referred to here as "Adjusted Performance". The Adjusted Performance takes into account items and measurement techniques which do not meet the criteria for recognition and measurement under IFRS. However, these techniques are relevant to how management makes decisions and assesses the overall performance of the global business.

We present non-IFRS Adjusted Performance measures to compare and contrast our internal with external reporting to identify and quantify items management believes to be significant, providing insights into how management assesses period-on-period performance.

'Adjusted performance" results and KPIs' and related data may not sum due to rounding. Percentages are calculating on underlying figures before rounding.

To derive Adjusted Performance we adjust for:

- the portion of the revenue on derivative contracts (Window Forwards) yet to be accounted for under IFRS, which management calculate to be the economic value of the contract as at the reporting date;

- the effect on the commission accrual resulting from reporting the Adjusted Performance net revenue for the reporting period; and

- the effect, if any, from significant items which distort year-on-year comparisons. Adjustment for these items, where made, helps with the understanding of the key drivers and underlying trends in the business.

A reconciliation between the loss and Statement of Financial Position reported under IFRS and management's Adjusted Performance results is shown in the Strategic Report tables below, which forms the basis of how we calculate the performance indicators shown in the tables in this section.

H. FINANCIAL KEY PERFORMANCE INDICATORS (CONTINUED)

Reconciliation between reported IFRS to management's Adjusted Performance measure - Loss for the financial year ended 30 April 2021

The table below reconciles the IFRS reported figures to management's Adjusted Performance measure which the Board of Directors uses to monitor, manage and make decisions:

		2021			2020		
		IFRS	**Adj.***	**Adjusted Performance**	**IFRS**	**Adj.***	**Adjusted Performance**
	Footnotes	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Revenue	(i) (ii)	**106.9**	**3.2**	**110.1**	**124.5**	**(5.4)**	**119.1**
Cost of sales	(iii)	(31.8)	(1.6)	(33.4)	(34.6)	2.9	(31.7)
Gross profit		**75.1**	**1.6**	**76.7**	**89.9**	**(2.5)**	**87.4**
Gross margin (%)	(iv)	**70%**	**51%**	**70%**	**72%**	**46%**	**73%**
Overheads	(v)	(112.6)	-	(112.6)	(95.8)	-	(95.8)
EBITDA**		**(37.5)**	**1.6**	**(35.9)**	**(5.9)**	**(2.5)**	**(8.4)**
EBITDA margin (%)		**(35%)**	**(51%)**	**(37%)**	**(5%)**	**(7%)**	**(7%)**
Depreciation & Amortisation		(11.4)	-	(11.4)	(9.1)	-	(9.1)
EBIT***		**(48.9)**	**1.6**	**(47.3)**	**(15.0)**	**(2.5)**	**(17.5)**
Finance costs		(9.0)	-	(9.0)	(15.8)	1.0	(14.8)
Loss before tax		**(57.9)**	**1.6**	**(56.3)**	**(30.8)**	**(1.5)**	**(32.3)**
Tax on ordinary activities		(0.4)	-	(0.4)	(0.4)	-	(0.4)
Loss for the year		**(58.3)**	**1.6**	**(56.7)**	**(31.2)**	**(1.5)**	**(32.7)**

* *"Adj"* *Adjustments*
** *"EBITDA"* *Earnings Before Interest, Taxation, Depreciation and Amortisation*
*** *"EBIT"* *Earnings Before Interest and Taxation*

Footnotes

Adjusted Performance results are based on IFRS, adjusted for the following:

(i) IFRS fair value adjustment of £3.2m (2020: (£5.4m)) incorporating the full expected economic value of the window forwards, taking into account the expected drawdown behaviour of clients using our internal model,.

These contracts are measured internally using market data as well as inputs that are not observable from the market directly, though can be determined from observable prices via our model calibration which incorporates all historical trades, drawdown behaviour, as well as other internal model inputs, from the inception of the business to date.

(ii) The £3.2m (2020: (£5.4m)) difference is net of the expected additional profit and loss ("P&L") gains less P&L gains from contracts that were open at the beginning of the period.

(iii) 'Cost of sales' adjustment of (£1.6m) (2020: £2.9m), reflects the higher (2020: lower) commission costs associated with the higher (2020: lower) 'Revenue' in the current year, and an adjustment to reflect commission costs relating to contracts open at the year end.

H. FINANCIAL KEY PERFORMANCE INDICATORS (CONTINUED)

Footnotes (continued)

(iv) 'Gross margin' reconciliation between IFRS and Adjusted Performance is the net of the adjustments to net revenue and cost of sales.

(v) 'Overheads' - Administrative expenses as disclosed in the 'Consolidated Statement of Profit or Loss, adjusted for depreciation and amortisation.

Reconciliation between reported IFRS to management's Adjusted Performance measure - Summarised Statement of Financial Position as at 30 April 2021

The table below reconciles the IFRS reported figures to management's Adjusted Performance measure which the Board of Directors uses to monitor, manage and make decisions:

		2021			2020		
		IFRS	**Adj.**	**Adjusted Performance**	**IFRS**	**Adj.**	**Adjusted Performance**
	Footnotes	**£m**	**£m**	**£m**	**£m**	**£m**	**£m**
Total non-current assets		**78.4**	**-**	**78.4**	**100.3**	**-**	**100.3**
Derivative assets	(vi)	119.1	3.2	122.3	177.1	(5.4)	171.7
Total other current assets		458.6	-	458.6	811.7	-	811.7
Total current assets		**577.7**	**3.2**	**580.9**	**988.8**	**(5.4)**	**983.4**
Trade and other payables	(vii)	(400.9)	(1.6)	(402.5)	(770.8)	1.8	(769.0)
Total other current liabilities		(244.2)	-	(244.2)	(238.0)	-	(238.0)
Total current liabilities		**(645.1)**	**(1.6)**	**(646.7)**	**(1,008.8)**	**1.8**	**(1,007.0)**
Total non-current liabilities		**(23.3)**	**-**	**(23.3)**	**(35.1)**	**0.0**	**(35.1)**
Net (liabilities)/assets		**(12.3)**	**1.6**	**(10.7)**	**45.2**	**(3.6)**	**41.6**
Total equity	(viii)	**(12.3)**	**1.6**	**(10.7)**	**45.2**	**(3.6)**	**41.6**

Footnotes

Adjusted Performance results are based on IFRS, adjusted for the following:

(vi) Statement of Financial Position impact of measuring net revenue using an Adjusted Performance measure which normalises for swap and hedging costs and accounts for the full expected economic value of the window forward contracts unlike the current IFRS fair value approach using the market approach.
The £3.2m (2020: (£5.4m)) difference reflects the gross gains from contracts open at year-end.

(vii) Statement of Financial Position impact of measuring 'Cost of sales' using the Adjusted Performance measure, (£1.6m) (2020: £2.9m), which reflects a higher (2020: lower) commission accrual due to higher (2020: lower) Adjusted Performance 'Net revenue', which is offset by the commission methodology adjustment to align the accruals on a like-for-like basis.

H. FINANCIAL KEY PERFORMANCE INDICATORS (CONTINUED)

Footnotes (continued)

(viii) The 'IFRS' change in 'Total equity' from £45.2m as at 30 April 2020 to £(12.3)m as at 30 April 2021 is comprised of:

Changes in total equity	**£m**
30 April 2020 - Total Equity	**45.2**
Equity movements	0.2
Loss for the year	(58.3)
Other movements	0.6
30 April 2021 - Total Equity	**(12.3)**

I. CONVERTIBLE RIGHTS INSTRUMENT

In February 2019, Ebury Partners Limited, issued a Convertible Rights Instrument, for an aggregate subscription price of £22.5m, to new investors and existing shareholders in exchange for cash consideration.

The Convertible Rights Instrument bears nil interest and converted to equity on 3 October 2019 as the terms and conditions contained within the subscription agreement were satisfied.

The net issuance proceeds are being used for general corporate purposes and to strengthen the Group's capital base as it continues to implement its growth strategy.

J. SECTION 172 STATEMENT

Ebury strives to provide a financial services experience and a value proposition that all of our stakeholders find beneficial. We have over 1,000 employees worldwide. We engage with a wide range of suppliers all around the world and have many shareholders, all of which are Ebury stakeholders. The Directors have a responsibility under Section 172 of the Companies Act 2006 to consider the interests of our stakeholders in their strategic decision-making to promote the success of the Company for the benefit of the members as a whole. This is part of their duty to promote the Company's longer-term viability and prospects.

During the financial year ended 30 April 2021 the Board identified the following key stakeholders (third parties whose interests we should take into account when making a decision):

- Employees
- Shareholders
- Customers
- Suppliers
- The environment
- Regulatory bodies (Including auditors)

The Board evaluates all relevant matters to identify the impact on our stakeholders, ensuring that the Executive Directors and Senior Management fully consider stakeholders' interests. Decisions made can result in compromises between our stakeholder groups. However, the Board endeavours to ensure that all stakeholders are treated fairly. Below are examples of how we foster business relationships with, and consider the interests of a number of, our stakeholders.

Employees

Our Executive Directors, senior management and the Board engage with all of our employees regularly. Heads of Departments hold weekly catch-up calls where employees can share updates and raise any questions they may have. Ebury has an open culture and operates a regular engagement survey which gives the leadership team valuable feedback. The feedback contributes to the continuous improvement of our culture.

J. SECTION 172 STATEMENT (CONTINUED)

Shareholders

Shareholders comprise anyone who owns Ebury shares. Shareholders range from large multinational investors to employees and individuals. Our Co-CEOs Juan Lobato and Salvador Garcia Andres have regular interaction with our major shareholders to ensure Ebury fully understands their interests.

Customers

Our customer-based focus is to deliver a high quality service that aims to minimise and eliminate boundaries by providing a competitive value proposition. We aim to engage with our clients through open communication channels and first-class customer service. Customers with an Ebury account have their dedicated RM who work with them to meet the business' specific needs. The continuous dialogue offers customers the opportunity to provide feedback, which we can be used in our strategic decision-making. This accessibility is key to placing our customer's interests at the forefront of our decisions, as well as playing a key role in developing our product offering. We value transparency and provide customers with our online platform to allow customers to view, manage and perform transactions through a secure portal.

Suppliers

We work with in excess of 2,500 suppliers and partners locally and internationally. Our suppliers provide services across a range of jurisdictions and geographies. Integrity is central to our business relationships and we only engage with suppliers who share our values. We have robust systems and processes in place to ensure that we understand their processes and that their interests and values align with our own.

Environment

We recognise the importance of our environmental responsibilities and monitor the impacts of running our business on the environment. We design and implement policies to reduce any negative impact caused by Ebury's activities. We encourage sustainability and introduce initiatives to minimise our net impact on the environment and reduce our carbon footprint. From April 2020, our UK office has been supplied with 100% certified renewable electricity.

Regulators

We are regulated in all countries that we operate. We proactively engage with the local regulators wherever possible to ensure new regulatory requirements are effectively implemented. We are committed to an honest and cooperative relationship with our regulators and have a dedicated regulatory and compliance team to support this. Our team reports to the Board and the Senior Management Team to ensure Ebury maintains the highest standards of regulatory conduct

As an example of how the Board acts in the wider interests of its stakeholders, during the pandemic the Board engaged with it's stakeholders as follows :

Employees: the health and well-being of our employees was a priority, with the Group introducing working from home arrangements across it's global operations, and permitting employees to work flexibly, over and above local mandatory requirements.

Shareholders: the Board maintained a regular dialogue with it's major shareholders, keeping them abreast of the impact of the pandemic on the business and identifying and discussing on a timely basis the implications for capital management.

J. SECTION 172 STATEMENT (CONTINUED)

Customers: the Board Is always customer focused and not only did the Board take all necessary steps to maintain it's existing service levels, despite changes to ways of working as a result of the pandemic levels, it also continued to invest in new products and systems improvements (see the Business Review on pages 12 and 13). Furthermore, the Group engaged with government and related bodies to source and offer new pandemic related streams of funding for our clients, especially SMEs. As a results we were able to offer CBILS trade finance and credit facilities and RLS loans.

Suppliers: despite the challenging conditions the Group continued to pay it's suppliers on a timely basis, recognising their importance to the success of the Group.

Regulators: The Board maintained capital levels across the Group sufficient to meet all regulatory requirements, despite the challenges resulting from the pandemic. In addition, the Board have invested in strengthening the Compliance function during the year (see page 14), enhancing the control environment that drives standards of conduct across the Group.

Approved by the Board of Directors and signed on its behalf by:

Juan Manuel Fernández Lobato
Director

1 February 2022

DIRECTORS' REPORT

The Directors present their report with the Financial Statements of the Company and the Group for the year ended 30 April 2021.

DIRECTORS

The Directors of the Company, who were in office during the year and up to the date of signing the Financial Statements unless otherwise stated, were:

DIRECTORS	Salvador Garcia Andres
	Juan Manuel Fernández Lobato
	Laurel Bowden
	Stewart Wilkinson
	Stephen Byrne
	Jean-Michel Richard (appointed 1 July 2019, resigned 10 November 2020)
	Rami Aboukhair Hurtado (appointed 28 April 2020)
	Sergio Lires Rial (appointed 28 April 2020)
	Dirk Ludwig Marzluf (appointed 28 April 2020)

DIRECTORS' INDEMNITIES

As permitted by the Articles of Association, the Directors and Executive Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors and Executive Directors.

GOING CONCERN

The Directors are confident that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, hence they continue to adopt the going concern basis in preparing the annual Financial Statements

In the financial year ended 30 April 2020, Ebury Partners Limited signed an agreement with Banco Santander who agreed to invest in Ebury Partners Limited. Santander agreed to invest a total amount of £350m for a 50.1% stake in the business. Santander committed to investing a further £35.0m in the last quarter of the year ended 30 April 2021, received in August 2021. Santander has also approved the extension of the existing credit line to 30 June 2022 and, based on correspondence from Santander, the Directors believe that this will be further extended, on similar terms, sufficient to enable the Group to meet its working capital needs and growth ambitions..

Historically, over the course of the past three years, equity injections have taken place each year through various funding rounds. Existing shareholders are keen to maintain a 'lean' equity position to ensure the Board operates in a manner which maintains an optimal resource allocation. The incremental capital injections allow the Group to accelerate its expansion, to maintain on-going investment in infrastructure and technology, and to address more complex global transactional needs of its customers.

If the Group does identify a need for additional capital, the contributions if required would be sought from existing shareholders. Over the course of the Going Concern assessment period, being twelve months from the date of approval of the financial statements, we are not anticipating any further equity contributions, though our equity holders stand ready and available to assist as and when required.

Furthermore, under certain scenarios and where the Board deemed it appropriate alternative actions would be taken prior to any request for additional equity. This includes raising more debt from Santander as well as adopting cost minimisation strategies, and taking cost cutting and other measures.

GOING CONCERN (CONTINUED)

As noted in Section B 'Business Review' on page 10 of the 'Group Strategic Report', The Group has continued to refine its BCP to ensure it can minimise the potential impact of the ongoing Covid-19 pandemic. Ebury has noticed no significant negative impacts on the operational performance of the business arising from COVID-19 related restrictions since the implementation of the BCP. Remote and hybrid working is operational across the Company and deployed based on Government advice in conjunction with regular consultation with our employees. Management believes that the negative impacts of Covid-19 on the global economy are becoming more manageable and the Group is cautiously positive about the recovery of the economy.

We have stress tested and reverse tested our budget, including in light of the Covid-19 situation, and the Directors are confident that the Group has adequate resources to continue in operational existence for the foreseeable future. We have also carried out a sensitivity analysis on the forecasting process, assuming a range of decreases in revenue between 5% and 25%, with prudent assumptions as to the related impact on costs (0% to 15% decrease), which has demonstrated that under reasonably possible and probable outcomes the Group has sufficient capital and available resources to meet its financial obligations and adhere to its regulatory capital requirements over the course of 12 months from the date of approval of the financial statements.

Based on our current 12-month forecast from the date of the approval of the financial statements, the business is expected to remain liquid, based on various sensitivity analyses performed. Ebury is constantly running various credit stress scenarios at the client level using credit ratings mapped to external ratings agencies to assess the potential maximum credit loss, as part of scenario planning. In addition to testing covenants and checking the liquidity position and outlook of the Company and the Group, we are running and analysing credit scenarios on a weekly basis. We believe that these actions allow us to best mitigate adverse market conditions.

Liquidity levels remain robust. Group cash balances as at 30 April 2021 were £413.4m, including safeguarded and other client cash of £348.6m, and Group cash of £61.8m. Ebury Group cash decreased by £383.6m compared to FY2020 and is inclusive of debt facility related cash.

Group borrowings increased from £117m to £161m in FY2021.

Our current capital and liquidity positions were primarily affected by:

i. Santander equity injection in April 2020; and,
ii. Refinancing of the Groups debt facility on significantly improved terms.

In July 2020, Ebury Partners Limited reached an agreement with Banco Santander S.A. to refinance a new one-year €250m facility agreement and this has been extended for a further year to June 2022. Under the arrangement, the Group repaid the Company's remaining facility in full and made additional funds available for investment and working capital requirements. Based on correspondence from Santander, the Directors expect the facility to be renewed on similar terms to continue to support the working capital needs of the Group.

Additionally we anticipate where required, and as applicable, that our existing shareholders, of which Santander is a 50.1% shareholder, would contribute further as and when required, to ensure the operations continue on a going concern basis.

Cash can be used for financing the growth of the business and its assets base, including working capital financing. This allows the entity to continue implementing its growth strategy without significant impediments.

The Company and the Group are fully aware of various risks associated with high growth. These risk factors are well understood and regularly monitored. An excellent oversight of risks allows the management team and Board of Directors of the Group to react and respond in a nimble way and ensure that the business is appropriately funded over the next 12 months horizon. On that basis, the Directors of the Company and Group believe that there is a reasonable expectation that the Company and Group have adequate resources to continue trading for the foreseeable future.

The Directors are of the opinion that the Company and the Group's forecast and projections, that take account of reasonably possible changes in trading performance and its stress testing show that the Company and the Group should be able to operate within its current borrowing facilities and comply with its financing covenants.

RESULTS AND DIVIDENDS

The Directors do not recommend the payment of a dividend (2020 - £Nil).

STRATEGIC REPORT

The Company and the Group have chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Group Strategic Report, which would otherwise be required to be disclosed in the Directors' Report:

- future prospects and developments;
- financial risk management; and
- principal risks and uncertainties.

ENVIRONMENT

The Company and the Group recognise the importance of their environmental responsibilities. The Group monitors its impact on the environment, and looks to design and implement policies to reduce any damage that might be caused by its activities. Initiatives designed to minimise the Company and the Group's net impact on the environment include safe disposal of electronic equipment, recycling and reducing energy consumption. The Group consumes less than 40,000 kWh of energy in the reporting period and is exempt from reporting under Streamlined Energy and Carbon Reporting ("SECR").

EMPLOYEES

The Company and the Group firmly believe that employees should be kept informed on all relevant aspects of the Group's business. The use of email, intranet, blogs, and regular meetings are dedicated to the effective flow of information and ideas facilitating this belief.

There are several activities across the Group, which take place at our various locations, to encourage employee involvement, for example, local and Group level communication activities, health and wellbeing initiatives, gender diversity initiatives and investment into learning and development.

There is a comprehensive employee handbook in place and management guidance documents that provide step-by-step instruction on handling important compliance matters such as the right to work and sponsorship procedures.

EQUAL OPPORTUNITIES

The Company and the Group believe in, and wholeheartedly supports, the principle of providing equal opportunities to all applicants for employment and all colleagues and oppose all forms of discrimination on the grounds of race, colour, nationality, ethnic or national origin, age, religion or philosophical belief, sex, gender reassignment, marital or civil partner status, sexual orientation, pregnancy, maternity or disability. The Company and the Group do not operate differentials in salary or contractual terms based on any of these factors.

EQUAL OPPORTUNITIES (CONTINUED)

The policy applies to every colleague who is involved in any aspect of the management of employment and to all colleagues who make decisions or recommendations concerning recruitment, remuneration, promotion, training, demotion, transfer and other terms, conditions or privileges of employment. It also applies to all colleagues in their relations with other colleagues. This includes giving full and fair consideration (having regard to the person's particular aptitudes and abilities) to applications for employment that disabled persons (as defined in the Equality Act 2010) make to the Group. We are committed to providing reasonable adjustments, training, and development and to continuing to support the career, of those protected by the Equality Act 2010.

The Group fully supports the rights and opportunities of all people to seek, obtain and hold employment without discrimination or harassment and has adapted all employment policies in line with changes in legislation, including age discrimination, flexible working, and harassment in the workplace.

REMUNERATION

The Group's Remuneration Policy links remuneration to achieving the Group's strategic objectives, sustained high performance and creating long-term stakeholder value through a combination of short and long-term rewards.

Total compensation is linked to performance, alignment with Ebury corporate values, behaviour, conduct and long-term stakeholder interests. As such, the Group does not reward inappropriate or excessive risk-taking behaviour and conduct that is not acceptable to our core values and other activities that jeopardise the long-term value and sustainability of the Company and the Group.

The remuneration structure for employees is closely aligned with that of the Executive Directors and Senior Management, the primary exception being the degree of participation in the Group's Management Incentive Plan ("MIP").

A significant proportion of the potential remuneration of the Executive Directors and Senior Management is variable and performance-related in order to ensure alignment with shareholder interests.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors' Report and the Financial Statements in accordance with UK-Adopted International Accounting Standards.

Company law requires the Directors to prepare the Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with UK-Adopted International Accounting Standards. Under Company law the Directors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-Adopted International Accounting Standards have been followed, 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 Company and the Group will continue in business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and enable them to ensure that the Financial Statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's and the Group's auditors are unaware, and each Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Company's and the Group's auditors are aware of that information.

Approved by the Board of Directors and signed on its behalf by:

Juan Manuel Fernández Lobato
Director

1 February 2022

Independent Auditors' Report to the Members of Ebury Partners Limited

Opinion on the financial statements

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 30 April 2021 and of the Group's loss for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-Adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-Adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ebury Partners Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 April 2021 which comprise the consolidated statement of profit or loss, consolidated statement of other comprehensive income, consolidated statement of financial position, Company statement of financial position, consolidated statement of changes in equity, Company statement of changes in equity, consolidated statement of cash flows, Company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-Adopted international accounting standards and, as regards the Parent Company financial statements, as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and 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.

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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting
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.

In the light of the knowledge and understanding of the Group and 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.

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

We have obtained an understanding of the legal and regulatory frameworks applicable to the entity and we have enquired of management to identify how the entity is complying with those frameworks and whether there were any known instances of non-compliance.

We considered the entity's control environment that has been established to prevent, detect and deter fraud. We then assessed the risk of susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

Our assessment of the company's revenue cycle identified that it is largely automated in nature. we tested the reconciliation of trading data to the trial balance on a total basis for all entities and tested a sample of reconciling items. We performed sample testing to agree trades back to source documentation and market data.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger.

We consider the following to be risk areas for potential fraudulent financial reporting given the high level of judgement and estimation involved: carrying value of investments, impairment of financial assets, fair value of financial instruments, capitalisation of development costs and leases. Our audit procedures have focused on significant judgements made by management and we have evaluated whether there was any evidence of bias that represented a risk of material misstatement due to fraud.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditors' Report to the Members of Ebury Partners Limited

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Peter Smith
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Peter Smith (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK
1 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

EBURY PARTNERS LIMITED

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 30 April 2021

	Notes	2021 £'000	2020 £'000
Continuing operations			
Revenue	3 (a)	106,933	124,497
Cost of providing services		(31,812)	(34,549)
Gross profit		**75,121**	**89,948**
Administrative expenses	5, 6	(124,001)	(104,413)
Operating loss	**5**	**(48,880)**	**(14,465)**
Finance income	8 (b)	314	1,066
Finance expense	8 (a)	(12,158)	(11,739)
Net profit / (loss) on financial instruments held at fair value through profit and loss		1,866	(5,139)
Other income		926	-
Loss before income tax		**(57,932)**	**(30,277)**
Income tax expense	9 (a)	(338)	(420)
Loss for the year from continuing operations		**(58,270)**	**(30,697)**
Discontinued operation			
Loss from discontinued operations (Net of tax)	28	-	(534)
Loss for the year		**(58,270)**	**(31,231)**

The Notes on pages 44 to 114 form part of these Financial Statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

Year ended 30 April 2021

	2021 £'000	2020 £'000
Loss for the year	**(58,270)**	**(31,231)**
Other comprehensive income		
Exchange differences on translation of foreign operations	639	307
Other comprehensive income for the period, net of tax	**639**	**307**
Total comprehensive loss for the period	**(57,631)**	**(30,924)**

The Group elected to disclosure the post-tax loss of discontinued operations for the year ended 30 April 2020 within the Consolidated Income Statement and Consolidated Statement of Other Comprehensive Income in a single amount. See Note 28 for a detailed breakdown of the amount.

The Notes on pages 44 to 114 form part of these Financial Statements.

EBURY PARTNERS LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	Notes	30 April 2021 £'000	30 April 2020 £'000
NON-CURRENT ASSETS			
Intangible assets	10	26,946	26,709
Property, plant and equipment	11	2,051	2,867
Right-of-use assets	12	11,575	13,567
Investments	13	5,687	7,746
Derivative financial instruments	15	32,145	49,415
TOTAL NON-CURRENT ASSETS		**78,404**	**100,304**
CURRENT ASSETS			
Derivative financial instruments	15	119,032	177,055
Trade and other receivables	16	45,237	14,734
Cash and cash equivalents	17	413,420	797,048
TOTAL CURRENT ASSETS		**577,689**	**988,837**
TOTAL ASSETS		**656,093**	**1,089,141**
NON-CURRENT LIABILITIES			
Derivative financial instruments	19	(10,322)	(20,327)
Lease liabilities due after one year	12	(9,733)	(11,249)
Deferred tax	9	(3,236)	(3,553)
TOTAL NON-CURRENT LIABILITIES		**(23,291)**	**(35,129)**
CURRENT LIABILITIES			
Trade and other payables	18	(400,920)	(770,804)
Derivative financial instruments	19	(79,447)	(116,339)
Borrowings	20	(161,139)	(117,372)
Lease liabilities due within one year	12	(3,613)	(4,336)
TOTAL CURRENT LIABILITIES		**(645,119)**	**(1,008,851)**
TOTAL LIABILITIES		**(668,410)**	**(1,043,980)**
NET (LIABILITIES) / ASSETS		**(12,317)**	**45,161**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	21	29	29
Share premium		156,361	156,208
Retained earnings		(169,868)	(111,598)
Foreign exchange translation reserve		1,161	522
TOTAL EQUITY		**(12,317)**	**45,161**

EBURY PARTNERS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	Notes	30 April 2021 £'000	30 April 2020 £'000
NON-CURRENT ASSETS			
Investments	14	167,279	86,007
Right-of-use assets		-	4
TOTAL NON-CURRENT ASSETS		**167,279**	**86,011**
CURRENT ASSETS			
Trade and other receivables	16	137,400	33,625
Cash and cash equivalents		139	37,901
TOTAL CURRENT ASSETS		**137,539**	**71,526**
TOTAL ASSETS		**304,818**	**157,537**
NON-CURRENT LIABILITIES			
Lease liabilities due after one year		-	(1)
TOTAL NON-CURRENT LIABILITIES		**-**	**(1)**
CURRENT LIABILITIES			
Trade and other payables	18	(17,038)	(17,530)
Lease liabilities due within one year		-	(3)
Borrowings	20	(161,139)	-
TOTAL CURRENT LIABILITIES		**(178,177)**	**(17,533)**
TOTAL LIABILITIES		**(178,177)**	**(17,534)**
NET ASSETS		**126,641**	**140,003**
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT			
Share capital	21	29	29
Share premium		156,361	156,208
Retained earnings		(29,749)	(16,234)
TOTAL EQUITY		**126,641**	**140,003**

EBURY PARTNERS LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

The total comprehensive loss of the Company for the financial year ended 30 April 2021 totalled £13,515k (2020: £16,437k).

The Financial Statements on pages 34 to 114 were approved by the Board of Directors on 1 February 2022 and signed on its behalf by:

Juan Manuel Fernández Lobato
Director
Ebury Partners Limited, Registered Number: 07086058

The Notes on pages 44 to 114 form part of these Financial Statements

EBURY PARTNERS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 30 April 2021

	Share capital	Share premium	Retained earnings	Foreign exchange translation reserve	Total equity
	£'000	£'000	£'000	£'000	£'000
Balance as at 1 May 2019	23	74,438	(80,367)	215	(5,691)
Loss for the financial year	-	-	(31,231)	-	(31,231)
Currency translation differences	-	-	-	307	307
Issue of share capital and share issue costs - Santander	3	77,160	-	-	77,163
Transaction costs arising on share issue	-	(2,109)	-	-	(2,109)
Issue of share capital and share issue costs - FrontierPay	3	6,673	-	-	6,676
Employee shares issued	-	46	-	-	46
Balance as at 30 April 2020	**29**	**156,208**	**(111,598)**	**522**	**45,161**
Loss for the financial year	-	-	(58,270)	-	(58,270)
Currency translation differences	-	-	-	639	639
Employee shares issued	-	153	-	-	153
Balance as at 30 April 2021	**29**	**156,361**	**(169,868)**	**1,161**	**(12,317)**

The Notes on pages 44 to 114 form part of these Financial Statements.

EBURY PARTNERS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

Year ended 30 April 2021

	Share capital	Share premium	Retained earnings	Total equity
	£'000	£'000	£'000	£'000
Balance as at 1 May 2019	23	74,438	203	74,664
Loss for the financial year	-	-	(16,437)	(16,437)
Santander investment	3	77,160	-	77,163
Transaction costs arising on Santander investment	-	(2,109)	-	(2,109)
FrontierPay reinvestment	3	6,673	-	6,676
Employee shares issued	-	46	-	46
Balance as at 30 April 2020	**29**	**156,208**	**(16,234)**	**140,003**
Loss for the financial year	-	-	(13,515)	(13,515)
Employee shares issued	-	153	-	153
Balance as at 30 April 2021	**29**	**156,361**	**(29,749)**	**126,641**

The Notes on pages 44 to 114 form part of these Financial Statements.

EBURY PARTNERS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 30 April 2021

	Notes	2021 £'000	2020 £'000
Cash flows from operating activities			
Loss before tax (including discontinued operation)		(57,932)	(30,811)
Adjustments for:			
Impact on transition to IFRS 16		-	1,676
Depreciation of property, plant and equipment	11	1,124	1,013
Depreciation of right-of-use assets	12	4,157	4,619
Amortisation of intangible assets	10	6,128	3,468
Other non-cash items included in loss before taxation		417	228
Loss on sale of discontinued operation, net of tax	28	-	55
Gain on bargain purchase recognised on acquisition of Frontierpay	30	-	(2,344)
Non-cash movements on borrowings	20	16,696	3,373
Non-cash movement on investments		(526)	1,449
Interest on lease liabilities	12	951	1,268
Net cash used in operating activities before working capital changes		(28,985)	(16,006)
Decrease/(increase) in trade and other receivables		44,790	(99,530)
(Decrease)/increase in trade and other payables		(416,781)	572,955
Tax paid		(667)	(332)
Net cash generated from operating activities		**(401,643)**	**457,087**
Cash flows from investing activities			
Purchase of property, plant and equipment	11	(308)	(1,004)
Decrease/(increase) in investments	13	2,584	(4,577)
Capitalisation of development costs	10	(6,365)	(4,323)
Disposal of discontinued operation, net of cash disposed of	28	-	(227)
Acquisition of subsidiary, net of cash acquired	30	-	(5,062)
Net cash used in investing activities		**(4,089)**	**(15,193)**
Cash flows from financing activities			
Proceeds from issue of share capital		153	77,209
Payment for the issue of share capital		-	(367)
Repayment of borrowings		(150,360)	-
Drawdown of borrowings		178,451	39,775
Borrowing transaction costs	20	(1,020)	(2,005)
Payment of lease liabilities		(5,120)	(5,553)
Net cash generated from financing activities		**22,104**	**109,059**

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

	Notes	2021 £'000	2020 £'000
Net (decrease)/increase in cash and cash equivalents in the year		**(383,628)**	**550,953**
Cash and cash equivalents at the beginning of the financial year		**797,048**	**246,095**
Cash and cash equivalents at the end of the financial year	**17**	**413,420**	**797,048**

The Group has elected to present a Consolidated Statement of Cash Flows that includes an analysis of all cash flows in total including continuing and discontinued operations.

The Notes on pages 44 to 114 form part of these Financial Statements.

EBURY PARTNERS LIMITED

COMPANY STATEMENT OF CASH FLOWS

Year ended 30 April 2021

	Note	2021 £'000	2020 £'000
Cash flows from operating activities			
Loss before tax		(13,515)	(16,437)
Adjustments for:			
Non-cash movements on borrowings	20	5,919	-
Depreciation of right-of-use assets		4	9
Impact on transition to IFRS 16		-	2
Other non-cash items included in loss before taxation		(4)	(1)
Net cash used in operating activities before working capital changes		(7,596)	(16,427)
Decrease/(increase) in trade and other receivables		(49)	(496)
(Decrease)/increase in trade and other payables		(762)	15,139
(Increase) in amounts due from Group undertakings		(103,456)	(9,897)
Net cash (used in)/generated from operating activities		**(111,863)**	**(11,681)**
Cash flows from investing activities			
Increase in investments	13	(81,272)	(27,250)
Net cash used in investing activities		**(81,272)**	**(27,250)**
Cash flows from financing activities			
Proceeds from issue of share capital		153	77,209
Payment for the issue of share capital		-	(367)
Drawdown of borrowings	20	156,170	-
Borrowing transaction costs	20	(950)	-
Payment of lease liabilities		-	(10)
Net cash generated from financing activities		**155,373**	**76,832**
Net change in cash and cash equivalents in the year		**(37,762)**	**37,901**
Cash and cash equivalents at the beginning of financial year		**37,901**	**-**
Cash and cash equivalents at the end of the financial year		**139**	**37,901**

The Notes on pages 44 to 114 form part of these Financial Statements.

1. GENERAL INFORMATION

Ebury Partners Limited ("EPL") is a private limited company, limited by shares incorporated and domiciled in England & Wales. The Company's registered office is Third Floor, 80-100 Victoria Street, Cardinal Place, London, United Kingdom, SW1E 5JL.

The principal activities of the Company and the Group are set out in the Group Strategic Report.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with UK-Adopted International Accounting Standards and in conformity with the requirements of the Companies Act 2006.

The Financial Statements have been prepared on a historical cost basis, except for certain financial instruments carried at fair value.

The summary below details the significant accounting policies applied in the preparation of these Financial Statements. Accounting policies were applied consistently to all the years presented unless otherwise stated.

Judgements made by the Directors in the application of those accounting policies have a significant effect on the Financial Statements and estimates with a substantial risk of material adjustment in the next financial year are disclosed in Note 2(f).

(a) Basis of consolidation

The consolidated Financial Statements comprise the Company and its controlled subsidiaries as at 30 April 2021.

Entities governed by voting rights are consolidated when the Company controls the necessary voting rights either directly or indirectly.

In other cases, IFRS 10 determines control as more complex and requires a degree of judgement in assessing factors such as exposure to or rights to variable returns, exposure to liabilities and obligations associated with control and the ability to use power to affect returns.

Special Purpose Vehicle ("SPV")

In December 2016 the Company, through its wholly-owned subsidiary, Ebury Partners Finance Limited ("EPF") and business partner NIBC, set up an SPV for the purposes of purchasing trade finance loans issued by Ebury Partners Finance Limited using an initial senior loan facility totalling £20.0m.

During the current financial year, it was agreed to changing the financing of the SPV proportions, with NIBC now financing the senior loan of the total facility at 66.5% (2020: 90%). The Group financed the remaining 33.5% of the total loan facility via a subordinated loan.

The initial agreement signed in December 2016 was made between Ebury Partners Finance Limited (as Seller, Subordinated Lender and Servicer), SME Trade Finance B.V (as Borrower and Purchaser), NIBC Bank N.V (as Senior Lender and Facility Agent), TMF Trustee Limited (as Security Trustee), Intrum Justutua Nederland B.V (as back-up servicer), ABN AMRO Bank N.V (as Account Bank) and Stitching Trade Finance (as Borrower Shareholder).

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(a) Basis of consolidation (continued)

The subordinated loan allows the Group to earn revenue through interest income, management fees and loan spreads, whilst paying interest to the senior tranche as well as insurance premiums to manage the risk of the portfolio.

The Group acts as administrator to the SPV as well as selling trade finance loans to the vehicle. The set up of the SPV is within tightly defined terms and conditions which results in Group having no decision-making powers over the vehicle as well as not being exposed to the SPV's risks and rewards.

On the basis that Group has no decision-making power to affect returns, together with the risks/rewards assessment the Group has determined that the SPV is not under its control and is not consolidated. Further details of transactions with the SPV are given in note 25.

Throughout the period incorporated within the Financial Statements, the Company only consolidated wholly-owned entities.

The Company adopted the acquisition method of accounting for its subsidiaries. Under this method, the results of its subsidiary undertakings, acquired or disposed of in the financial year, are included in the Consolidated Statement of Comprehensive Income from the date of acquisition or up to the date of disposal.

Investment in subsidiaries is stated at cost net of impairment losses, and, for both years included within the Financial Statements (2021 and 2020), the total impairment losses were £nil.

(b) Standards adopted during the year ended 30 April 2021

No standards have been adopted in the current financial year. The following standards were adopted in previous years.

On 1 May 2019, the Group adopted the requirements of IFRS 16 'Leases' (replacing International Accounting Standard ("IAS") 17 'Leases', International Financial Reporting Interpretations Committee ("IFRIC") 4, 'Determining whether an arrangement contains a lease', Standard Interpretation Committee ("SIC") 15 'Operating leases-incentives', and SIC-27 'Evaluating the substance of transactions involving the legal form of a lease'). The impact of the adoption of these standards on the Group's results are discussed below.

On adoption of IFRS 16, the Group recognised lease liabilities in relation to leases that had previously been classified in accordance with IAS 17 'Leases', as 'operating leases'. These liabilities have been recognised in 'lease liabilities' and measured at the present value of the remaining minimum lease payments, discounted at the Group's incremental borrowing rate at 1 May 2020, adjusted for a previously recognised rent-free accrual. The associated right of use ('ROU') assets were recognised in 'right-of-use assets' and measured at the present value of the remaining minimum lease payments, discounted at the Group's incremental borrowing rate at 1 May 2020. The Group did not have any onerous leases as at year-end.

The Group adopted the requirements of IFRS 16 using a modified retrospective approach where the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings and comparatives are not restated. The initial adoption of the standard commencing May 1 2019 increased assets by approximately £13.8m and increased financial liabilities by approximately £15.5m in the previous accounting year, with no effect on net assets or retained earnings. The previous difference between the assets and liabilities relates to a previously recognised rent-free accrual, which is netted off against the financial liability.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(c) Business combinations and goodwill

On acquisition of a subsidiary undertaking, the assets, liabilities and contingent liabilities of the subsidiary are measured at their fair values at the acquisition date. Where the fair value of the consideration transferred exceeds the fair value of the identifiable net assets acquired, the excess is recognised as goodwill, as set out in IFRS 3.

Where the fair value of the consideration transferred is less than the fair value of the identifiable net assets acquired, the difference is recognised in the Consolidated Income Statement in the period of the acquisition and is known as a bargain purchase.

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs. The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. 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 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 meets the definition of a financial instrument it is classified as equity, then it is not remeasured and settlement is accounted for within said equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

If share-based payment awards (replacement awards) are required to be exchanged for awards held by the acquiree's employees (acquiree's awards), then all or a portion of the amount of the acquirer's replacement awards is included in measuring the consideration transferred in the business combination. This determination is based on the market-based measure of the replacement awards compared with the market-based measure of the acquiree's awards and the extent to which the replacement awards relate to pre-combination service.

(d) Functional and presentation currency

The Financial Statements are presented in Sterling ("£"), which is also the functional currency of the Company and the Group. All amounts, unless otherwise stated, have been rounded to the nearest thousand pounds. The abbreviations 'bn', 'm' and 'k', represent billions (thousands of millions), millions and thousands, respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Going concern

The Company and the Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' Report.

The Group reported a loss for the year of £58.3m (2020: £31.2m), as well as net liabilities of £12.3m (2020: net assets of £45.2m).

In assessing the going concern status of the Group, the Directors considered the current Statement of Financial Position, working capital requirements, the forecast financial projections and plans for future capital raising. We have conducted sensitivity analysis, stress and reverse testing, assuming a range of decreases in revenue between 5% and 25%, with prudent assumptions as to the related impact on costs (0% to 15% decrease). It was concluded that under both probable and possible scenarios the Company has sufficient and adequate capital to meet its obligations over the course of the next 12 months from the date of approval of the accounts without the need for further capital from shareholders.

Liquidity levels remain robust. Group cash balances as at 30 April 2021 were £413.4m, which includes safeguarded cash of £281.0m, other client money outside of regulatory requirements of £70.6m, and Group cash of £61.8m. Ebury Group cash decreased by £383.6m compared to FY20 and is inclusive of debt facility-related cash.

Group borrowings increased from £117.3m to £161.1m in FY20/21.

Our current capital and liquidity positions were primarily affected by:

i. Santander equity injection in April 2020; and,
ii. Refinancing of the Groups debt facility on significantly improved terms.

In July 2020, Ebury Partners Limited reached an agreement with Banco Santander S.A. to refinance a new one-year €250m facility agreement. Under the arrangement, the Group repaid the Company's remaining facility in full and made additional funds available for investment and working capital requirements.

Cash is used for financing the growth of the business and its assets base including working capital financing. This allows the entity to continue implementing its growth strategy without significant impediments. Liquidity is further protected by the RCF of €250.0m. The new financing arrangement involved Ebury Partners Limited entering into the new facility on behalf of the Group, as well as being facility co-guarantors with EPUK, and on 10 February 2021 and 2 November 2021, EPBE and EPF respectively acceded to the facility agreement as an additional guarantors.

Additionally, we anticipate where required, and as applicable, that our existing shareholders, of which Santander is a 50.1% shareholder, would contribute further as and when required, to ensure the operations continue on a going concern basis.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The Company and the Group, therefore, continue to adopt the going concern basis in preparing its Financial Statements and have the ability to continue as a going concern.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Accounting judgements and estimates

The preparation of the Company's and the Group's Financial Statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and assumptions which resulted in significant judgements by management, and which may impact the carrying amount of assets and liabilities within the next financial year are discussed below:

Fair value of financial instruments

The fair value of financial instruments is determined based on quoted market prices, where available, or on estimates using present values. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows.

Fair value measurements for derivative financial instruments are obtained from quoted market prices ("Level 1") and/or valuation models ("Level 2") as appropriate. Quoted market prices are sourced from well-known price providers. Fair values for over-the-counter derivatives are based on well-established valuation models (e.g. discounted cash flows). Market quotes of the input variables are generally used as the parameters for the models. The main inputs, taken from markets into the models are foreign exchange spot rates and foreign exchange ticks (for foreign currency forwards). Further details of valuation techniques are detailed in our Fair value measurement of derivative financial instruments policy detailed in Note 2 'Significant Accounting Policies'. The movement on financial instruments at fair value is disclosed in 'Net profit / (loss) on financial instruments held at fair value through profit and loss' in the Income Statement.

Expected credit loss and Credit Valuation Adjustment ("CVA")

The provision for credit losses and other credit impairment charges is calculated based on incurred losses for the Group's pool of short-term loans as well as the expected credit losses. Incurred losses were determined by a review of each loan and the expected credit loss on the loan. Expected credit losses were determined in line with our ECL policy detailed in Note 2 'Significant Accounting Policies'. Details of the ECL allowance as at 30 April 2021 are given in Note 27 'Financial Risk Management And Financial Instruments'.

CVA adjustments are made to fair valued financial instruments to reflect counterparty credit risk. A separate CVA was calculated for each financial asset in-scope, for each counterparty. CVAs were determined in line with our financial assets at fair value through profit or loss policy detailed in Note 2 'Significant Accounting Policies'. Details of CVAs as at 30 April 2021 are given in Note 27 'Financial Risk Management And Financial Instruments'.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(f) Accounting judgements and estimates (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by assessing the Group's external financing sources and relevant interest rates to determine a proxy rate based on borrowings for a loan of similar term, and with similar security, to obtain an asset of similar value. Leases were recognised and disclosed in line with IFRS 16 detailed in Note 2 'Significant Accounting Policies'. See Note 12 'Right-of-use assets for details of the value of lease liabiities recognised as at 30 April 2021, and the related interest charge for the year.

Capitalised development costs

Capitalised development costs relate to the costs incurred by the Group in developing the bespoke trading platforms which are utilised within the Group. See Note 10 'Intangible Assets' for details of capitalised software development costs.

Judgement is required in respect to determining which costs are suitable for capitalisation. These have been restricted to internal salaries and other payroll costs incurred in respect of the development of clearly defined projects to enhance the Group's internally generated software. The costs must be separately identifiable in order to meet the criteria for capitalisation.

Impairment reviews

Judgement is required in determining whether tangible and intangible assets, including property, plant and equipment, right-of-use assets, capitalised development costs and acquired customer relationships, have suffered any form of impairment. Management considers a range of factors, including the actual and forecast economic performance of the assets or the businesses to which they relate; customer churn rates; obsolescence due to technological advances; as well as other economic factors which may indicate a contraction in expected demand for the associated services supported by the Group's software platforms. Impairment reviews were determined in line with our impairment policy detailed in Note 2 'Significant Accounting Policies'. There is no impairment arising under IAS 36 'Impairment of assets' during the year ending 30 April 2021.

Judgement is required in determining whether there is any impairment in the Company's investment in subsidiaries. Management reviews its subsidiaries for indicators of impairment, including changes to the macroeconomic environments in which they operate, changes to legislation and regulation impacting their business models and internal factors such as budgets and forecasts. See Note 14 'Investments' for details of gross and net carrying values.

Other key estimates and judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements are included in the following Notes:

Note 29 – recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources; and

Note 30 – acquisition of subsidiary: fair value of the consideration transferred (including contingent consideration) and fair value of the assets acquired and liabilities assumed, measured on a provisional basis.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue and associated cost of sales

The Group has the following revenue streams:

- *Revenue within the scope of IFRS 9*

  i. Foreign exchange
  ii. Trade finance

- Revenue within the scope of IFRS 15

  iii. Payment fees
  iv. Account fees

The Group discusses the revenue streams and associated costs below:

i. Foreign exchange

Revenue is measured as the spread between the cost and the selling price of spot and/or forward contracts entered into by the Group.

Revenue also includes open contract positions as of period-end, which are revalued to market value, being the spot value as at 30 April, including the trading positions entered into by the Group to reduce the exposure risk for these forward contracts.

The Group enters into FX contracts to manage its currency exposure on its Euro-denominated loan financing facility. The gains and losses on these contracts are recorded in the 'Consolidated Income Statement' within the category 'Net gain/(loss) on financial instruments held at fair value through profit and loss' totalling £1.5m gain (2020: £579k loss).

The Group provides its clients the ability to trade FX instruments that are both inside and outside of the scope of Markets in Financial Instruments Directive ("MiFID"), otherwise referred to MiFiD and non-MiFID products.

MiFID products relate to non-deliverable Foreign Exchange ("FX") forwards ("NDFs") and deliverable FX Forwards, where they are purchased by the client other than for the purpose of facilitating payment of identifiable goods or services or foreign direct investment.

Non-MiFID products in the Groups revenue stream include:

- Deliverable FX spot contracts, delivered within a specified number of days.
- Deliverable FX forward contracts, purchased by the client for the purposes of facilitating payment for identifiable goods or services.
- Deliverable FX forward contracts, purchased by the client for the purposes of facilitating payment for identifiable foreign direct investment.
- Open contract positions as of period-end, entered into by the Group to reduce the risk exposure to forward contracts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Revenue and associated cost of sales (continued)

Any clients who wish to trade a MiFID product are required to be on-boarded by Ebury Partners Markets Limited, a wholly-owned subsidiary of Ebury Partners Limited. All Non-MiFID customers are on-boarded by one of the other companies within the wholly-owned Group depending on the relevant jurisdiction applicable to the client.

ii. Trade finance

Trade finance revenues represent income in the form of interest and fees received from the sale of import and export financing. Revenue is recognised net of early repayment discounts and the cost of funding, in the Income Statement in the financial year in which the Group's obligations to the financing are fulfilled.

iii. Payment fees

Payment fees include international payment, cash management, mass payment and collection fees that are transactional-based services earned upon the completion of the service on an accrual basis.

iv. Account fees

Ebury currency account fees relate to revenue earned from customers who hold accounts with the Group, payable up to 12-months in advance. Given the performance obligations for these contracts, revenue is earned over time for the right to access the service. The Group also recognises revenue over time and records deferred income for the unearned portion in the Statement of Financial Position.

(h) Foreign currencies

Transactions denominated in foreign currencies are translated at the exchange rate on the date of the transaction. At each period end date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the period end date. All differences are taken to the Income Statement for the period. Non-monetary items that are measured at historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

The monetary assets and liabilities in the Financial Statements of foreign subsidiaries are translated into the parent Company's presentational currency at the rate of exchange ruling at the Statement of Financial Position date. Non-monetary items are converted at the historical rate at the date of the transaction. Income and expenses are translated at the conversion rate on the date of the transaction.

The exchange differences arising from the retranslation of the opening net investment in subsidiaries are recognised in other comprehensive income and taken to the foreign exchange translation reserve in equity. On disposal of a foreign operation, the cumulative translation differences are transferred to profit or loss as part of the gain or loss on disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(i) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by assessing the Group's external financing sources and relevant interest rates to determine a proxy rate based on borrowings for a loan of similar term, and with similar security, to obtain an asset of similar value.

A corresponding asset is recognised as a Right of Use ("ROU") asset at the same commencement date when the leased asset is made available to use. Lease payments are allocated between the liability and finance expense. The finance expense is recognised in profit or loss over the lease term. The ROU asset is depreciated over the shorter of the ROU asset's useful economic life and the lease term on a straight-line basis. In determining the lease term, the Group considers all facts and circumstances to determine the most likely outcome whether to utilise break clauses and shorten the lease, or extend the lease beyond the lease term by utilising an option in the contract.

The Group adopted the requirements of IFRS 16 on 1 May 2019 using a modified retrospective approach where the cumulative effect of initially applying it is recognised as an adjustment to the opening balance of retained earnings and comparatives are not restated. The implementation increased assets by approximately £13.8m and increase financial liabilities by approximately £15.5m with no effect on net assets or retained earnings

(j) Pensions and other post-employment benefits

The Group provides access to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in independently administered funds. The amount charged to profit or loss represents the contributions payable to the scheme in respect of the financial year.

(k) Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported in the Consolidated Income Statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are non-taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as at the balance sheet date.

Deferred tax

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(l) Current / Non-current classification

The Group presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- held primarily for the purpose of trading; or
- expected to be realised within twelve months of the reporting date; or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle; or
- it is held primarily for the purpose of trading; or
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

(m) Impairment

The carrying amounts of the Group's non-financial assets including goodwill are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Income Statement.

The recoverable amount of assets is greater of their net selling price 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.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation if no impairment loss had been recognised.

Based on the Group structure, its financing arrangements, the overall strategy, as well as from a booking and operational perspective, the Group deems there to be one Cash Generating Unit ("CGU") otherwise known as the Group, and hence, the assessment is performed at the Group level.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(n) Intangible assets

Development costs

Intangible assets include development costs in respect of the Group's bespoke trading platforms. Intangible assets are stated at cost less accumulated depreciation and impairment losses.

Customer relationships

Customer relations are acquired by the Group and have finite lives that are measured at cost less accumulated amortisation and any accumulated impairment losses.

The cost, or deemed cost, less the estimated residual value of each asset is amortised in equal instalments over its estimated useful life from the time it becomes operational, as follows:

Asset category	Useful life
Development costs	33.33% straight-line
Customer relationships	8% - 25% straight-line

Development costs are only capitalised when all of the following criteria are met:

- completion of the intangible asset is technically feasible so that it will be available for use or sale;
- the Group intends to complete the intangible asset and use or sell it;
- the Group has the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- there are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the expenditure attributable to the intangible asset during its development can be measured reliably.

Management assesses costs against the above criteria. Where development costs do not meet the above criteria, they are expensed as incurred. Expenditure on research is expensed as incurred.

Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the intangible asset is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(o) Property, plant and equipment

Property, plant and equipment are stated at cost or deemed cost, less accumulated depreciation and impairment provisions. Cost includes all expenditure that is directly attributable to the acquisition of the items.

The cost, or deemed cost, less the estimated residual value of each asset is depreciated in equal instalments over its estimated useful life from the time it becomes operational, as follows:

Asset category	Useful life
Leasehold improvements:	Straight-line over the term of the lease
Furniture and fittings:	25% straight-line
Office equipment:	25% straight-line
Motor vehicles:	25% straight-line

All property, plant and equipment is reviewed for impairment in accordance with IAS 36, 'Impairment of Assets' when there are indications that the carrying value may not be recoverable.

(p) Investments

Investments, including investments in subsidiaries, are recorded at cost less any provision for impairment.

(q) Fair value measurement of derivative financial instruments

The Group measures derivative financial instruments at fair value at each Statement of Financial Position date.

The Group issues foreign exchange forward contracts to clients and buys/sells similar contracts with liquidity providers to cover its position as a market maker or to manage its foreign exchange exposure risk. The Group has not designated any derivatives for hedge accounting treatment.

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. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. All foreign exchange forward contracts are categorised within Level 2.

Hierarchy	Valuation technique
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments

Classification and measurement
Classification and measurement of financial assets will depend on how these are managed by the business as well as the contractual cash flow characteristics of the product offering.

These factors determine whether the financial assets are measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVPL").

Financial assets and liabilities are recognised in the Group's Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument. The Group classifies its financial assets as financial assets at fair value through profit or (loss); and financial assets measured at amortised cost.

The Group classifies its financial liabilities as financial liabilities at fair value through the profit or loss; and, financial liabilities at amortised cost.

IFRS 9 requires an entity to recognise a financial asset or a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. At initial recognition, an entity measures a financial asset or a financial liability at its fair value plus or minus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or the financial liability. The costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit).

Provided below is a summary of the significant accounting policies related to financial assets and liabilities.

i. Financial assets

Financial assets include foreign exchange currency contracts, trade and other receivables, loans, and cash and cash equivalents. Financial assets are classified at initial recognition as either financial assets at fair value through profit or loss or loans and trade and other receivables measured at amortised cost.

Financial assets at fair value through profit or loss

Financial assets held at fair value through profit or loss related to the Group's foreign exchange currency contract assets, which are held for trading and to manage foreign exchange exposure risk. Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented as revenue in the Consolidated Income Statement.

Impairment of financial assets designated at FVPL relates to the CVA made to the fair valuation to account for the possibility that the counterparty may default and that the Company and the Group may not receive the fair value of the transaction.

The Company and the Group calculate a separate CVA for each financial asset in-scope, and for each counterparty to which the entity has exposure. The CVA is calculated by taking the product of Probability of Default ("PD"), the Loss Given Default ("LGD") and the Exposure At Default ("EAD").

SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

Short-term loan receivables

Loans are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses referred to as ECL. Short-term loan receivables ECL is calculated based on a three-stage process that incorporates both internal and external data to formulate an expected credit loss which is reflected as an expense through the Income Statement. Detail of how ECL is calculated is shown below within 'Impairment of financial assets'.

Trade and other receivables

Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses, referred to as ECL.

Trade and other receivables ECL is calculated based on a three-stage process that incorporates both internal and external data to formulate an expected credit loss which is reflected as an expense through the Income Statement. Detail of how ECL is calculated is shown below within 'Impairment of financial assets'.

Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise of cash at bank and in hand and short-term deposits with an original maturity of three months or less, and bank overdrafts. For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts and ECL, details of how this is calculated is shown below within 'Impairment of financial assets'.

Client – Safeguarded

This refers to Cash and cash equivalents held on behalf of the Group's clients in Safeguarding accounts which fall within the scope of Electronic Money Regulations. Safeguarding requirements protect funds received for the provision of payment service or e-money that the Group issued to clients.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

Impairment of financial assets

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

There are two main methods for measuring financial assets held by the Group:

A. *Assets measured at amortised cost; and*

B. *Those designated at FVPL.*

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

We discuss how we apply these two methods for measuring financial assets held by the Group below:

A Assets measured at amortised cost

IFRS 9 'Financial Instruments' requires the Group to calculate ECL on all assets measured at amortised cost.

ECL uses a three-stage process that incorporates both internal and external data to formulate an expected credit loss which is reflected as an expense through the Income Statement. The three-stage process is detailed below:

Stage 1 *12-month ECL is recognised*
In this stage a financial asset is unimpaired and there is no significant, identifiable increase in credit risk. The Group recognises ECL resulting from default events possible within the next 12-months. The ECL provision is recorded net against the financial asset in the balance sheet and an expense through the profit and loss.

Stage 2 *Lifetime ECL is recognised*
For financial assets that have experienced a significant increase in credit risk since initial recognition, the Group recognises a lifetime ECL, calculated as the total of all possible default events over the financial asset's expected life.

This is determined via a combination of internal and external factors which include changes in risk ratings, collection history and other factors which are indicative of a significant increase in credit risk. For high volume and low value products, including account and payments fees, we use simplified methodology, employing aging as the key criteria with 30 days past due as the initial key indicator.

The lifetime ECL for financial assets categorised as Stage 2 is calculated by the Risk department using internal and external factors. The Group recognises the lifetime ECL against the financial asset as a provision in the balance sheet and an expense through the profit and loss.

Stage 3: *Impaired and otherwise in default on which a lifetime ECL is recognised*
Financial assets on which there is objective evidence of impairment are considered to be in default or otherwise referred to as credit impaired. Financial assets categorised as Stage 3 have objective evidence of credit impairment and are determined by the Risk department and reviewed in conjunction with Financial Control on a case-by-case basis.

The Risk department determines whether a financial asset is credit-impaired and in Stage 3 by considering internal and external factors which provide objective evidence of impairment and include:

- significantly overdue contractual payments of principal and interest;
- indications from a trade finance customer that full repayment of the loan is unlikely due to economic or legal reasons relating to the customers' financial condition;
- the trade finance customer is considered to be in default; and
- objective indicators affecting other financial assets which indicate default.

The Group recognises the lifetime ECL against the financial asset as a provision in the balance sheet and an expense through the profit and loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

Impairment of financial assets – Calculating ECL

ECL is calculated by taking the product of the PD, LGD and the EAD. The Group discusses the three components below:

Component	Explanation
PD	The probability of default represents the expected probability a counterparty defaults and is calculated for Stage 1 as a 12-month PD (no indicative deterioration) and a lifetime PD (indicative deterioration since initial recognition) for Stages 2 and 3.
LGD	The loss given default represents the expected percentage loss when default occurs. This takes into account collateral, recovery costs and the time value of money, and, is calculated for Stage 1 as a 12-month LGD and a lifetime PD for Stages 2 and 3.
EAD	The exposures at default represent the net exposure when default occurs, any repayments since the reporting date, (pre-signing the Financial Statements), and, is calculated for Stage 1 as a 12-month LGD and a lifetime PD for Stages 2 and 3.

The data sources used to develop the ECL model reflect forward-looking probabilities of defaults which take into account all available information relevant to the assessment including past events, current conditions and economic conditions at the reporting date.

i. Those designated at FVPL

Impairment of financial assets designated at FVPL relates to the CVA made to the fair valuation to account for the possibility that the counterparty may default and that the Company and the Group may not receive the fair value of the transaction.

The Company and the Group calculate a separate CVA for each financial asset in-scope, and for each counterparty to which the entity has exposure. The CVA is calculated by taking the product of PD, LGD and EAD, which are discussed in detail above.

ii. Financial liabilities

Financial liabilities include trade and other payables, borrowings and other financial liabilities. Financial liabilities are classified at initial recognition as either financial liabilities at fair value through profit or loss or at amortised cost.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss related to the Group's foreign exchange currency contract liabilities, which are held for trading and to manage foreign exchange exposure risk. Financial liabilities at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented as revenue in the Consolidated Statement of Profit or Loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(r) Financial instruments (continued)

Impairment of financial liabilities designated at FVPL relates to the Debit Valuation Adjustment ("DVA") made to the fair valuation, to account for the possibility that the Company and the Group may not meet obligations under contracts it entered into with its counterparties. After assessing the DVA for the Company and the Group we determined that the quantum is negligible and is the result of the entity being sufficiently capitalised to meeting its current and future obligations as and when they fall due.

Financial liabilities at amortised cost

Financial liabilities at amortised cost relate to borrowings, and, trade and other payables, and are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method. Interest-related charges are recognised as finance costs in the Statement of Profit and Loss.

Fees paid on the establishment of borrowing facilities are recognised as transaction costs of the facility and amortised over the period of the facility.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Derecognition

The Company and the Group derecognise financial liabilities when, and only when, the Company and Group's obligations are discharged, cancelled or expire.

Offsetting of financial assets and financial liabilities

Where there is a legally enforceable right to set off the recognised amounts and an intention to settle on a net basis or to realise the asset and the liability simultaneously, financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position. For both the current and prior year there were no transactions or instances of financial asset/liability offsetting.

(s) Equity

Equity comprises the following:

- Share capital represents the nominal value of the equity shares;
- Share premium represents the excess over nominal value of the fair value of the consideration received for the equity shares, net of expenses of the share issue. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12;
- Foreign exchange translation reserve comprises of foreign exchange translation differences arising from the translation of the Financial Statements of the Group's overseas subsidiaries; and
- Retained earnings represent accumulated profits and losses from incorporation and the credit arising under share.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(t) Share-based payments

The Group operates an equity-settled share-based compensation plan known as the Management Incentive Plan ("MIP") for certain employees under which the entity receives services from employees as consideration for equity shares of the Group. The fair value of the shares is determined by an independent valuation of the shares as at the date of issue. The fair value, less any consideration received from the employees for the shares, is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest. If there are no vesting conditions unmet at the date of issue the shares vest immediately.

Further details are provided in Note 23.

(u) Discontinued operations

Discontinued operations represent a component of the Group's business clearly distinguishable from the rest of the Group operations which were disposed of or is a subsidiary acquired exclusively with a view to resale. The Group classifies an operation discontinued at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

At this point, the comparative 'Statement of profit or loss and other comprehensive income' is re-presented as if the operation had been discontinued from the start of the comparative year.

(v) Government and other grants

Grants receivable are recognised when there is reasonable assurance that the Group has complied with the relevant conditions, and having regard to the established history of such claims. Grants received before all relevant conditions are met are deferred on receipt and expensed when the Group is satisfied that it has complied with these conditions. Revenue recognised in respect of Government grants is disclosed in Note 3 'Revenue'. Grants deferred are included in 'Deferred income' in Note 18 'Trade and other payables'. As at 30 April 2021 there no grants receivable.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(w) New standards, amendments, and interpretations

At the date of authorisation of these Financial Statements, the following new standards, amendments, and interpretations to existing standards potentially relevant to the Group have been published but are not yet effective and have not been adopted early by the Company and the Group. The Group has not yet assessed the impact of these new standards. Management anticipates that all of the pronouncements will be adopted in the Company's and the Group's accounting policies for the first period beginning after the effective date of the pronouncement.

IFRS	IASB Effective Date Periods commencing on or after:
IBOR reform and its Effects on Financial Reporting – phase 2	1 January 2021
IFRS 16 'Leases': Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to IFRSs - 2018-2020 cycle	1 January 2022
IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'(Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022
IFRS 3 'Business Combinations' (Amendment – Reference to the Conceptual Framework)	1 January 2022
IAS 1 'Presentation of Financial Statements' (Amendment – Classification of Liabilities as Current or Non-current)	1 January 2023
IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 (Amendment – Disclosure of accounting policies)	1 January 2023
IAS 8 'Accounting policies', Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	1 January 2023
IAS 12 'Income Taxes' (Amendment –Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023

3. REVENUE

The accounting standard 'Revenue - IFRS 15' requires the disaggregation of revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The extent to which the Group's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the Group's contracts with customers. The Group follows the five revenue recognition steps, which are to:

- identify the contract;
- identify separate performance obligations;
- determine the transaction price;
- allocate the transaction price to performance obligations; and
- recognise revenue when each performance obligation is satisfied.

The Group provides commercial and deliverable foreign exchange and cash management solutions to SMEs, mid-corporates, banking partners and non-banking financial institution partners, together called as Customers, throughout its global branch network. The Group generates revenue from contracts with customers (including revenue related to a discontinued operation) and other revenue from government grants.

3. REVENUE (CONTINUED)

The table A below includes the disaggregation of revenue by revenue from contracts with customers and revenue from government grants:

A. Revenue streams

For the year ended 30 April:	Continuing operations		Discontinuing operations		Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Revenue from contracts with customers	105,543	123,578	-	24	105,543	123,602
	105,543	**123,578**	-	**24**	**105,543**	**123,602**
Other revenue						
Government grants	1,390	919	-	-	1,390	919
	1,390	**919**	-	-	**1,390**	**919**
Total revenue	**106,933**	**124,497**	-	**24**	**106,933**	**124,521**

The revenue from contracts with customers is generated from the following four lines of business as detailed in Note 2(g):

- Foreign exchange;
- Trade finance;
- Account fees; and
- Payment fees.

Foreign exchange business is subject to FX risk on open positions, including Window Forward Contracts that may be settled at any point within a contractually agreed period, but this risk is managed by the use of forward and spot contracts economically hedging these positions. See Note 27 'Financial Risk Management And Financial Instruments' for further details.

The four lines of business have been grouped together into the following two broad categories below:

- Revenue measured and recognised IFRS 9; and
- Revenue measured and recognised IFRS 15.

3 REVENUE (CONTINUED)

The table B below includes the disaggregation of revenue from contracts with customers into four lines of business:

B. Disaggregation of revenue from contracts with customers

For the year ended 30 April:	Continuing operations		Discontinuing operations		Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Measured and recognised under IFRS 9:						
Foreign exchange	92,169	116,334	-	24	92,169	116,358
Trade finance	1,404	2,023	-	-	1,404	2,023
	93,573	**118,357**	**-**	**24**	**93,573**	**118,381**
Measured and recognised under IFRS 15:						
Payment fees	8,731	2,808	-	-	8,731	2,808
Account fees	3,239	2,413	-	-	3,239	2,413
	11,970	**5,221**	**-**	**-**	**11,970**	**5,221**
Total revenue from contracts with customers	**105,543**	**123,578**	**-**	**24**	**105,543**	**123,602**

Following the requirements under 'Revenue - IFRS 15', the Group recognises revenue when a performance obligation is satisfied by transferring a service to a customer. A performance obligation may be satisfied at 'a point in time' or 'over time'.

Table C below includes the disaggregated revenue from contracts with customers disaggregated based on the time of the fulfilment of services following the nature of contracts with customers.

C. Timing of revenue recognition

For the year ended 30 April:	Services transferred at a point in time		Services transferred over time		Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Measured and recognised under IFRS 9:						
Foreign exchange	92,169	116,358	-	-	92,169	116,358
Trade finance	-	-	1,404	2,023	1,404	2,023
	92,169	**116,358**	**1,404**	**2,023**	**93,573**	**118,381**
Measured and recognised under IFRS 15:						
Payment fees	8,731	2,808	-	-	8,731	2,808
Account fees	-	-	3,239	2,413	3,239	2,413
	8,731	**2,808**	**3,239**	**2,413**	**11,970**	**5,221**
Total revenue from contracts with customers	**100,900**	**119,166**	**4,643**	**4,436**	**105,543**	**123,602**

4. CAPITAL MANAGEMENT

Management's objective with respect to capital management is to ensure that sufficient working capital is available to settle liabilities as they fall due.

The Group seeks to finance all operational working capital requirements from cash flows generated from operating activities. In the short term and whilst the Group continues it's branch roll-out working capital requirements are supported by the loan facility.

The Group runs stringent and conservative liquidity and capital management processes. The funding requirements primarily comprise:

(i) capital requirements associated with future dated payments and intra-day liquidity; and

(ii) collateral buffer arising from the collateral posting asymmetry between hedging banks and SME clients.

Management undertakes a weekly review of the adequacy of the Group's available capital and resources to meet the funding requirements.

The funding outlook and requirements are re-forecast under various scenarios each month to ensure the Group is fully funded for an 18-24 month period.

As part of the scenario analysis, a number of stress tests are carried out to assess potential maximum losses in case of a significant downturn. The level of capital is in excess of the capital requirements set by the FCA and other regulatory authorities.

In the financial year ended 30 April 2020, Ebury Partners Limited signed an agreement with Banco Santander who agreed to invest in the Ebury Partners Limited. Santander agreed to invest a total amount of £350.0m for a 50.1% stake in the business. In the last quarter of the year ended April 2021 Santander invested a further £35.0m.

The partnership enables Ebury to continue to improve its value proposition, supported by a leading financial institution, allowing Ebury to invest in new ways to serve SMEs trading internationally and continue the growth in the business.

The proceeds of the issuance have to be used for general corporate purposes of the Company, as well as other entities within the Group, to strengthen the capital base and implement the Company and the Group's growth strategy.

5. OPERATING LOSS – GROUP

(a) The operating loss before taxation is stated after charging/(crediting):	Notes	2021 £'000	2020 £'000
Fees payable to the Group's auditors and its associates:			
- for the audit of the Group		706	424
- for non-audit services		244	124
Amortisation of intangible assets	10	6,128	3,469
Depreciation of property, plant, and equipment			
- owned by the Group	11	1,124	1,013
- right-of-use assets	12	4,157	4,573
Lease payments for short-term rentals	12	438	92
Gain on derecognition of right-of-use assets	12	(259)	-
Change in expected credit loss charges and other credit impairment charges		3,942	10,279
Differences on foreign exchange		4,055	403

In accordance with The Companies (Disclosure of Auditor Remuneration and Liability Limitation Agreements) Regulations 2008, Regulation 5(1) fees for non-audit services payable by the Company to the Company's and the Group's auditor, BDO LLP, and its associates related to the Group.

(b) Auditors' remuneration:

	2021 £'000	2020 £'000
- Audit fees payable to BDO	470	373
	470	**373**

(c) Fees payable by Ebury Partners Limited to BDO:

	2021 £'000	2020 £'000
(i) Audit fees payable to BDO comprise the following:		
- audit of the Group	76	69
- audit of the Group's subsidiaries	376	299
- other audit related assurance services	18	5
	470	**373**
(ii) Fee payable for non-audit services:		
- Taxation services	156	133
- FCA client assets reporting	18	11
- Other non-audit services	15	-
	189	**144**

6. STAFF COSTS - GROUP

(a) Average employee numbers

The average monthly number of persons (including Executive Directors) employed by the Group during the financial year was:

	2021 Number	2020 Number
Sales and marketing	521	526
Operations	251	167
Management and administration	285	211
	1,057	**904**

(b) Staff costs (for the above persons)

	2021 £'000	2020 £'000
Wages and salaries	61,717	56,504
Social security costs	8,341	6,951
Pension costs	404	277
	70,462	**63,732**

The above staff costs include all staff directly employed by the Group and includes staff costs capitalised during the year of £5,316k (2020: £3,829k)

7. DIRECTORS' REMUNERATION AND KEY MANAGEMENT PERSONNEL - GROUP

(a) Directors' remuneration

Directors' remuneration for the financial year:	2021 £'000	2020 £'000
Aggregate emoluments	1,197	1,810
	1,197	**1,810**

The aggregate emoluments do not include the loan balances at the year-end shown below in (d). There were no Directors' accrued retirement benefits during either the current or previous financial year.

(b) Directors' remuneration – The highest-paid Director

The highest-paid Director received remuneration of £674k (2020: £822k).

(c) Key management compensation

Key management includes Directors (Executive and Non-Executive) as well as members of the Executive Committee. The compensation paid or payable to key management for employee services is shown below:

	2021 £'000	2020 £'000
Salaries and other short-term employee benefits	5,443	3,894
Termination benefits	341	-
Post employment benefits	48	-
	5,832	**3,894**

(d) Key management personnel' loan accounts

The following balance summarises the loan balances for key management personnel at the year-end.

	2021 £'000	2020 £'000
Balance as at 30 April	**211**	**279**

Post-year-end and prior to signing the Financial Statements, Key management personnel repaid a total of £nil (2020:£68k) of the total balance outstanding. The loans are non-interest bearing and are repayment on the earlier of the occurence of certain events relating to the ownership of the Group or the employee leaving the Group.

8. FINANCE COSTS - GROUP

(a) Interest payable and similar charges	2021 £'000	2020 £'000
Borrowing facilities	7,796	9,177
Borrowing costs	4,332	2,210
Overdraft facilities	30	352
	12,158	**11,739**

(b) Interest receivable and similar income	2021 £'000	2020 £'000
Interest income	314	1,066
	314	**1,066**

Borrowing and overdraft facilities costs comprise facility commitment and other fees payable in respect of facilities available to the Group. Borrowing costs comprise interest on borrowings.

9. TAXATION - GROUP

(a) Taxation charge

	2021 £'000	2020 £'000
Current tax charge		
- for this year	655	420
Deferred tax credit	(317)	-
Total tax charge for the financial year	**338**	**420**

(b) Loss before taxation

	2021 £'000	2020 £'000
Factors affecting the total tax charge for the financial year		
Loss before taxation	(57,932)	(30,811)
Loss before taxation multiplied by the standard rate of UK corporation tax of 19% (2020: 19%)	(11,007)	(5,855)
Impact of differently taxed overseas profits in overseas locations	12	447
Effects of:		
Non-deductible expenses	1,059	4,276
Adjustment in respect of prior period liabilities	-	(203)
Impact of deferred tax not recognised in respect of losses and other timing differences	10,274	1,755
Total tax charge for the financial year	**338**	**420**

(c) Deferred tax

Deferred tax liability of £3,236k (2020: £3,553k) comprises deferred tax on acquired intangibles.

(d) Tax losses and deferred taxation
As at the date of the Statement of Financial Position, the Group has estimated tax losses and other timing differences of £121,511 (2020: £78,660k). Deferred tax assets have not been recognised due to the recoverability uncertainty.

(e) Tax rates

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from 1 April 2023.

10. INTANGIBLE ASSETS – GROUP

	Goodwill	Internally generated software development costs	Customer relationships	Total
	£'000	£'000	£'000	£'000
Cost or valuation				
At 1 May 2019	**221**	**8,553**	**-**	**8,774**
Additions	-	4,323	20,901	25,224
At 30 April 2020	**221**	**12,876**	**20,901**	**33,998**
At 1 May 2020	221	12,876	20,901	33,998
Additions	-	6,365	-	6,365
At 30 April 2021	**221**	**19,241**	**20,901**	**40,363**
Accumulated Amortisation				
At 1 May 2019	**28**	**3,793**	**-**	**3,821**
Charge for the year	-	2,887	581	3,468
At 30 April 2020	**28**	**6,680**	**581**	**7,289**
At 1 May 2020	28	6,680	581	7,289
Charge for the year	-	4,263	1,865	6,128
At 30 April 2021	**28**	**10,943**	**2,446**	**13,417**
Net book value				
At 30 April 2020	**193**	**6,196**	**20,320**	**26,709**
At 30 April 2021	**193**	**8,298**	**18,455**	**26,946**

Internally generated software development costs

Development costs are directly attributable to the design and testing of identifiable and unique software associated with the Group's back and front office systems.

'Amortisation' is recorded in 'Administrative expenses' in the 'Consolidated Income Statement'.

11. PROPERTY, PLANT AND EQUIPMENT – GROUP

	Leasehold improvements £'000	Furniture and fittings £'000	Office equipment £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 May 2019	**2,178**	**329**	**2,132**	**53**	**4,692**
Exchange differences	-	-	1	-	1
Additions	347	100	556	1	1,004
Acquisitions through business combinations	30	-	37	-	67
Disposals	-	-	(45)	-	(45)
At 30 April 2020	**2,555**	**429**	**2,681**	**54**	**5,719**
At 1 May 2020	2,555	429	2,681	54	5,719
Additions	90	218	-	-	308
At 30 April 2021	**2,645**	**647**	**2,681**	**54**	**6,027**
Accumulated depreciation					
At 1 May 2019	**786**	**130**	**925**	**41**	**1,882**
Charge for the year	441	89	475	8	1,013
Disposals	-	-	(43)	-	(43)
At 30 April 2020	**1,227**	**219**	**1,357**	**49**	**2,852**
At 1 May 2020	1,227	219	1,357	49	2,852
Charge for the year	470	163	486	5	1,124
At 30 April 2021	**1,697**	**382**	**1,843**	**54**	**3,976**
Net book value					
At 30 April 2020	**1,328**	**210**	**1,324**	**5**	**2,867**
At 30 April 2021	**948**	**265**	**838**	**-**	**2,051**

12. RIGHT-OF-USE ASSETS

As part of its ongoing operations, the Group has entered into various lease arrangements including leasehold property and motor vehicles. Details of its lease arrangements are presented below:

(a) Right-of-use assets

	Leasehold property £'000	**Motor vehicles £'000**	**Total £'000**
Cost			
At 1 May 2019	**13,586**	**230**	**13,816**
Additions	4,294	30	4,324
At 30 April 2020	**17,880**	**260**	**18,140**
At 1 May 2020	17,880	260	18,140
Additions	2,408	141	2,549
Derecognition of right-of-use assets(1)	(1,211)	(48)	(1,259)
At 30 April 2021	**19,077**	**353**	**19,430**
Accumulated depreciation			
At 1 May 2019	**-**	**-**	**-**
Charge for the year	4,441	132	4,573
At 30 April 2020	**4,441**	**132**	**4,573**
At 1 May 2020	4,441	132	4,573
Charge for the year	4,021	136	4,157
Derecognition of right of use assets	(859)	(16)	(875)
At 30 April 2021	**7,603**	**252**	**7,855**
Net book value			
At 30 April 2020	**13,439**	**128**	**13,567**
At 30 April 2021	**11,474**	**101**	**11,575**

Footnotes
(1): Derecognition of right-of-use assets is as result of disposals of expired lease agreements and modification of prior year leases. The Group recognised a net gain of £259k (2020: Nil) on derecognition and presented the gain as part of 'Gain on derecognition of right-of-use assets' (see Note 5).

12. RIGHT-OF-USE ASSETS (CONTINUED)

(b) Lease liabilities – Movement schedule

	Leasehold property £'000	Motor vehicles £'000	Total £'000
At 1 May 2019	**15,262**	**231**	**15,493**
Additions	4,299	30	4,329
Interest	1,248	14	1,262
Payments	(5,344)	(155)	(5,499)
At 30 April 2020	**15,465**	**120**	**15,585**
At 1 May 2020	15,465	120	15,585
Additions	2,432	141	2,573
Interest	940	11	951
Payments	(4,968)	(152)	(5,120)
Derecognition of lease liabilities[1]	(630)	(13)	(643)
At 30 April 2021	**13,239**	**107**	**13,346**

Footnotes
[1]: During 2021, the Group derecognition of lease liabilities is the result of existing leases as well as changes to pre-existing lease terms. The Group recognised a net gain of £259k (2020: £Nil) on derecognition and presented the gain as part of 'Gain on derecognition of right-of-use assets' (see Note 5).

(c) Lease liabilities - Maturity analysis

	30 April 2021		
	Leasehold property £'000	Motor vehicles £'000	Total £'000
Maturity analysis - contracted undiscounted cash flows			
Less than one year	4,012	71	4,083
One to five years	9,853	41	9,894
More than five year	1,110	-	1,110
Total undiscounted lease liabilities	**14,975**	**112**	**15,087**

Lease liabilities included in the Statement of Financial Position calculated by taking the present value of contracted cash flows and applying a discount rate of 3.5%:

Current	3,546	67	3,613
Non-current	9,693	40	9,733
	13,239	**107**	**13,346**

12. RIGHT-OF-USE ASSETS (CONTINUED)

	30 April 2020		
	Leasehold property £'000	**Motor vehicles £'000**	**Total £'000**
Maturity analysis - contracted undiscounted cash flows			
Less than one year	4,528	109	4,637
One to five years	10,926	42	10,968
More than five year	3,103	-	3,103
Total undiscounted lease liabilities	**18,557**	**151**	**18,708**

Lease liabilities included in the Statement of Financial Position calculated by taking the present value of contracted cash flows and applying a discount rate of 3.5% on new leases arising in the year (2020: 8%)

Current	4,242	94	4,336
Non-current	11,223	26	11,249
	15,465	**120**	**15,585**

(d) Lease amounts recognised in the profit or loss

	2021 £'000	**2020 £'000**
Leases under IFRS 16		
Interest on lease liabilities	951	1,262
Depreciation of right-of-use assets	4,157	4,573
Expenses relating to leases of low-value assets	438	527
	5,546	**6,362**

13. INVESTMENTS - GROUP

	Other investments £'000
Cost	
At 1 May 2019	**4,743**
Change in investment for the year	4,577
At 30 April 2020	**9,320**
At 1 May 2020	9,320
Change in investment for the year	(2,584)
At 30 April 2021	**6,736**
Allowance for expected credit losses	
At 1 May 2019	**125**
Increase in provision for expected credit losses	1,449
At 30 April 2020	**1,574**
At 1 May 2020	1,574
(Decrease) in provision for expected credit losses	(526)
At 30 April 2021	**1,048**
Net carrying value of investments	
At 30 April 2020	**7,746**
At 30 April 2021	**5,687**

Other investments relate to the Group's share of an SPV subordinated loan. See Note 2 'Significant Accounting Policies' for further details on the SPV and Note 25 'Related Parties Transactions' for details of all transactions with the SPV.

The investment is measured at amortised cost, and, stated net of impairment allowance totalling £1,048k (2020: £1,574k). Refer to Note 27 for more details.

14. INVESTMENTS - COMPANY

	Investment in subsidiaries £'000
Cost	
At 1 May 2019	**52,081**
Additions	33,926
At 30 April 2020	**86,007**
Additions	81,272
At 30 April 2021	**167,279**
Net book value	
At 30 April 2020	**86,007**
At 30 April 2021	**167,279**

14. INVESTMENTS – COMPANY (CONTINUED)

Investment in subsidiaries

The following tables detail the subsidiaries of the Company and/or the Group during the year to 30 April 2021.

In each case, the Company has a 100% interest in the ordinary share capital of the entity either through direct share ownership or indirectly through one of the wholly-owned subsidiaries in the Group detailed below:

Name of subsidiary	Place of incorporation or registration	Share Class
Ebury Partners UK Limited	England and Wales	£0.01 Ordinary
Ebury Technology Limited	England and Wales	£0.01 Ordinary
Ebury Partners Finance Limited	England and Wales	£1.00 Ordinary
Foreign Exchange Solutions S.L.	Spain	€1.00 Ordinary
Foreign Exchange Solutions (UK) Limited	England and Wales	£1.00 Ordinary
Ebury Partners SA (Pty) Ltd	South Africa	ZAR1.00 Ordinary
Ebury Partners Markets Ltd	England and Wales	£1.00 Ordinary
Ebury Partners Canada Limited	Canada	CAD $0.01 Ordinary
Ebury Partners Belgium NV	Belgium	€1.00 Ordinary
Ebury Finance Belgium NV	Belgium	€1.00 Ordinary
Ebury Partners Hong Kong Ltd	Hong Kong	HK $1.00 Ordinary
Ebury Partners Holdings Limited	England and Wales	£1.00 Ordinary
Ebury Partners Switzerland AG	Switzerland	CHF 1.00 Ordinary
Ebury Partners Australia Pty Ltd	Australia	AUS $1.00 Ordinary
Beetobee Limited	England and Wales	£1.00 Ordinary
Ebury Partners China Limited	China	RMB1.00 Ordinary
Ebury Mass Payments Holdco Ltd	England and Wales	£0.01 Ordinary
Ebury Mass Payments Ltd	England and Wales	£0.01 Ordinary
Ebury Payments PTE Ltd	Singapore	SGD $1.00 Ordinary
Ebury Brasil Participacoes Ltda	Brasil	R$1.00 Ordinary
Ebury Facilitadora De Pagamentos Ltda	Brasil	R$1.00 Ordinary
Ebury Brasil Consultoria Ltda	Brasil	R$1.00 Ordinary

14. INVESTMENTS – COMPANY (CONTINUED)

Investment in subsidiaries (continued)

Name of subsidiary	Holding	Registered address	Major business activity	Subsidiary during the year
Ebury Partners UK Limited	Direct	(a)	FX brokerage	Full year
Ebury Technology Limited	Direct	(a)	Trading platform provider	Full year
Ebury Partners Finance Limited	Direct	(a)	Trade finance provider	Full year
Foreign Exchange Solutions S.L.	Indirect	(b)	Technological R&D	Full year
Foreign Exchange Solutions (UK) Limited	Indirect	(a)	Technological R&D	Full year
Ebury Partners SA (Pty) Ltd	Direct	(c)	Non-trading	Full year
Ebury Partners Markets Ltd	Direct	(a)	FX brokerage	Full year
Ebury Partners Canada Limited	Direct	(d)	FX brokerage	Full year
Ebury Partners Belgium NV	Direct	(e)	FX brokerage	Full year
Ebury Finance Belgium NV	Direct	(e)	FX brokerage	Full year
Ebury Partners Hong Kong Ltd	Direct	(f)	FX brokerage	Full year
Ebury Partners Holdings Limited	Direct	(a)	Inactive Holding Co.	Full year
Ebury Partners Switzerland AG	Direct	(g)	FX brokerage	Full year
Ebury Partners Australia Pty Ltd	Direct	(h)	FX brokerage	Full year
Beetobee Limited	Direct	(a)	Non-trading	Full year
Ebury Partners China Limited	Direct	(i)	Marketing Co.	Full year
Ebury Mass Payments Holdco Ltd	Direct	(j)	Inactive Holding Co.	Full year
Ebury Mass Payments Ltd	Indirect	(j)	Mass payment solutions	Full year
Ebury Payments PTE Ltd	Indirect	(k)	Mass payment solutions	Full year
Ebury Brasil Participacoes Ltda	Direct	(l)	Inactive Holding Co.	Aug-2020
Ebury Facilitadora De Pagamentos Ltda	Direct	(l)	Non-trading	Sep-2020
Ebury Brasil Consultoria Ltda	Indirect	(l)	Affiliate partnering	Sep-2020

14. INVESTMENTS – COMPANY (CONTINUED)

Registered address

The registered address and country of incorporation of each subsidiary listed above are:

(a) Third floor, 80-100 Victoria Street Cardinal Place, London, SW1E 5JL, England & Wales
(b) 15, Puerta del Mar, 15 Malaga, 29005, Spain
(c) 7th Floor Mandela Rhodes Place, Corner Wale and Burg Streets, Cape Town, 8001, South Africa
(d) Suite 2600, Three Bentall Centre - 595 Burrard Street
(e) Kunstlaan 52/Avenue des Arts 52, 1000, Bruxelles, Brussels, Belgium
(f) Unit 502, Level 5,Two Chinachem Central,26 Des Voeux Road Central, Central, Hong Kong Special Administrative Region of the People's Republic of China
(g) Bahnhofstrasse 61, CH- 8001 Zürich, Switzerland
(h) Level 1, 53 Berry Street, North Sydney, NSW 2060, Australia
(i) Room 1123, 11th Floor, No. 21, Shanghai, People's Republic of China
(j) Lynton House, 7-12 Tavistock Square, London, United Kingdom, WC1H 9LT
(k) 6 Shenton Way, 21 - 08A OUE Downtown, 068809, Singapore
(l) Rua Joao Bricola 24, Centro. São Paulo SP. 01014-900, Brazil

Business

- *Non-trading:* Since incorporation and up to the date of signing the Financial Statements the subsidiary is a non-trading entity without clients or trading activity.
- *Holding Co.*: Holding Company which forms part of the Group legal framework. Since incorporation and up to the date of signing the Financial Statements the subsidiary is a non-trading entity without clients or trading activity.
- *FX Brokerage*: The continuation of a foreign exchange brokerage business as a regulated entity and/or the performance of non-regulated activities help facilitate the operation of the Group's principal activity, of acting as a regulated foreign exchange brokerage firm.
- *Marketing Co.*: A marketing company carrying out marketing activities, which promotes the products and services offered by Group entities.
- *Mass payment solutions*: A company providing high volume currency and payment solutions.
- *Affiliate partnering:* Providing foreign exchange services to third party clients, utilising our resources, systems and processes but under client branding.

14. INVESTMENTS – COMPANY (CONTINUED)

Branch and Trade Representative Offices – Open during the year ended 30 April 2021

The following table details the branches and representative offices of the Group during the year to 30 April 2021

All branches are operated and controlled either by the Company or one of the wholly-owned subsidiaries shown in the table above.

Trade Representative Offices are operated and controlled by a representative person on behalf of the Group and only practice promotional business for the products and services provided by the Group:

Branch and Trade Representative offices open during the year ended 30 April 2021

Country	Office type	Name	Registered address	Business	Registration date
Spain	*1*	Ebury Partners UK Sucursal en Espana	(a)	Inactive	26 Feb 14
Netherlands	*1*	Ebury Partners UK Limited	(b)	Inactive	1 Jun 14
Switzerland	*1*	Ebury Partners UK Limited - Zweigniederlassung Zurich	(m)	Inactive	17 Oct 16
France	*1*	Ebury Partners UK Limited	(c)	Inactive	7 Apr 17
Netherlands	*1*	Ebury Partners Markets Ltd	(b)	FX brokerage	29 Jun 17
Italy	*1*	Ebury Partners UK Limited	(d)	Inactive	11 Aug 17
Germany	*1*	Ebury Partners UK Limited - Zweigniederlassung Deutschland	(e)	Inactive	11 Aug 17
Greece	*1*	Ebury Partners UK Limited - Greece	(f)	Inactive	31 Aug 17
UK	*4*	Foreign Exchange Solutions SL, UK Branch	(s)	Inactive	20 Oct 17
Poland	*1*	Ebury Partners UK Limited Spółka z Ograniczoną Odpowiedzialnością Oddział w Polsce	(g)	Inactive	23 Oct 17
Portugal	*1*	Ebury Partners UK Limited - Sucursal em Portugal	(h)	Inactive	23 Oct 17
UAE(*)	*2*	Ebury Partners UK Limited (Dubai International Financial Centre Representative Office)	(l)	FX brokerage	21 Dec 17- 14 Oct 20
Australia	*1*	Ebury Partners UK Limited	(u)	FX brokerage	15 Mar 18
Romania	*1*	Ebury Partners UK Limited Londra Sucursala Bucuresti	(i)	Inactive	16 Mar 18
Czechia	*1*	Ebury Partners UK Limited - Odštěpný Závod	(j)	Inactive	22 May 18
Australia	*5*	Ebury Partners Markets Ltd	(k)	FX brokerage	1 Aug 18
Portugal	*6*	Ebury Partners Belgium - Sucursal Em Portugal	(h)	FX brokerage	27 Sept 18
Italy	*6*	Ebury Partners Belgium SA/NV	(d)	FX brokerage	19 Oct 18
Austria	*3*	Ebury Partners UK Limited	(n)	Inactive	3 Jan 19

14. INVESTMENTS – COMPANY (CONTINUED)

Branch and Trade Representative Offices – Open during the year ended 30 April 2021 (continued)

Branch and Trade Representative offices open during the year ended 30 April 2021					
Country	**Office type**	**Name**	**Registered address**	**Business**	**Registration date**
Luxembourg	*1*	Ebury Partners UK - Luxembourg Branch	(o)	Inactive	28 Jun 19
Luxembourg	*6*	Ebury Partners Belgium - succursale luxembougeoise/Niederlassung Luxemburg	(o)	FX brokerage	22 Jan 19
Poland	*6*	Ebury Partners Belgium NV Spółka Akcyjan Oddział w Polsce	(g)	FX brokerage	28 Jan 19
Spain	*1*	Ebury Technology Sucursal en Espana	(a)	Trading platform provider	8 Feb 19
Romania	*6*	Ebury Partners Belgium NV Bruxelles - Sucursala Bucuresti	(i)	FX brokerage	15 Feb 19
Netherlands	*6*	Ebury Partners Belgium SA/NV	(b)	FX brokerage	1 Mar 19
Greece	*6*	Ebury Partners Belgium Ελληνικο Υποκαταστημα	(f)	FX brokerage	2 Apr 19
Abu Dhabi	*1*	Ebury Partners UK Limited	(p)	FX brokerage	18 Apr 19
France	*6*	Ebury Partners Belgium (succursale française)	(c)	FX brokerage	19 Apr 19
Czechia	*6*	Ebury Partners Belgium N.V. pobočka	(j)	FX brokerage	25 Apr 19
Ireland	*1*	Ebury Partners UK Limited	(r)	Inactive	7 May 19
Germany	*6*	Ebury Partners Belgium NV - Zweigniederlassung Deutschland	(e)	FX brokerage	15 Jul 19
Austria	*6*	Ebury Partners Belgium N.V. Zweigniederlassung Österreich	(n)	FX brokerage	9 Jul 19
Ireland	*6*	Ebury Partners Belgium NV	(r)	FX brokerage	27 Nov 19
Spain	*6*	Ebury Partners Belgium Sucursal en España	(a)	FX brokerage	16 Sept 19
Bulgaria	*1*	Ebury Partners UK Limited - Branch Bulgaria	(q)	Inactive	4 Oct 19
Spain	*5*	Ebury Partners Markets Sucursal en Espana	(a)	FX brokerage	19 Nov 19
Cyprus	*1*	Ebury Partners UK Limited	(t)	Inactive	20 Nov 19
Cyprus	6	Ebury Partners Belgium NV	(t)	FX brokerage	6 Dec 19
Italy	5	Ebury Partners Markets LTD	(d)	FX brokerage	30 Oct 19
Bulgaria	6	Ebury Partners Belgium NV - Branch Bulgaria	(q)	FX brokerage	16 Oct 19

14. INVESTMENTS – COMPANY (CONTINUED)

Branch and Trade Representative Offices – Opened during the year

The table below details the Branch and Trade Representative Offices opened during the financial year.

Branches and Trade Representative offices opened during the year ended 30 April 2021					
Country	**Office type**	**Name**	**Registered address**	**Business**	**Registration date**
UAE(*)	*1*	Ebury Partners UK Limited (DIFC branch)	(I)	FX brokerage	15 Oct 20

(*) On 14 October 2020 the Dubai Representative Office, known as Ebury Partners UK Limited (Dubai International Financial Centre Representative Office) transformed into a regulated Branch with the trading name, Ebury Partners UK Limited (DIFC Branch).

Branch and Trade Representative Offices – notes

Office type

- *1*: Branch office of Ebury Partners UK Limited. See the subsidiary table within this Note for further detail on this entity and its activities. In December 2020 non-UK European clients of the Company were migrated to Ebury Partners Belgium NV and the branch became inactive.
- *2*: Trade Representative Office of Ebury Partners UK Limited. See the subsidiary table contained within this Note for further detail on the office owner and its activities.
- *3*: Branch office of Ebury Partners UK Limited, closed post-year-end.
- *4*: Branch office of Foreign Exchange Solutions S.L. The entity is inactive for both the current year, prior year and up to and including the date of filing the Financial Statements.
- *5*: Branch office of Ebury Partners Markets Limited. See the subsidiary table above for further detail on this entity and its activities.
- 6: Branch office of Ebury Partners Belgium NV. See the subsidiary table for further details on this entity and its activities. In December 2020 the non-UK European clients of Ebury Partners UK Limited were migrated to the Company and the relevant branches became active.

14. INVESTMENTS – COMPANY (CONTINUED)

Registered address

The registered address and country of each branch or representative office listed above are summarised below:

(a) Paseo de la Castellana, 202 Edificio Castellana 200, Planta 5, 28046 Madrid, Spain
(b) Claude Debussylaan, 261082MD, Amsterdam, Netherlands
(c) 52-56, 52B Rue De La Victoire, 75009, Paris, France
(d) Via Filippe Sassetti, n. 32, 20142, Milano, Italy
(e) 5th Floor, Georg-Glock-Strasse 3, 40474, Düsseldorf, Germany
(f) 4th Floor, 50 Agiou Konstantinou, Marousi, 151 24, Greece
(g) ul. Królewska 18, 00-103 Warszawa, Poland
(h) Av. Da Liberdade, nº 225, 4º dtº, 1250-142, Lisboa, Portugal
(i) 19 - 21 Primaverii Boulevard, 2nd Floor, Room 2, Bucharest, district 1, Romania
(j) Stodolní 1428/9, Ostrava, 702 00, Czechia
(k) Level 6, 580 George Street Sydney, NSW 2000
(l) Unit C207, Level 2, Burj Daman, Dubai International Financial Centre, P O Box 507062, Dubai, United Arab Emirates
(m) Bahnhofstrasse 61,8001 Zürich, Switzerland
(n) Albert Hall, Albertgasse 35, 1080 Wien, Austria
(o) 45, avenue de la liberté, L - 1931 Luxembourg
(p) Al Kathem Tower, Office 614, Abu Dhabi Global Market, Sowwah Square, Al Maryah Island, Abu Dhabi, UAE
(q) 8, Iskar Str., Fl. 3, Sofia 1000, Bulgaria
(r) Alexandra House The Sweepstakes, Ballsbridge, Dublin, D04 C7H2, Ireland
(s) Third floor, 80-100 Victoria Street Cardinal Place, London, SW1E 5JL, United Kingdom
(t) Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Republic of Cyprus
(u) Level 1, 53 Berry Street North Sydney NSW 2060, Australia

15. DERIVATIVE FINANCIAL INSTRUMENTS - FINANCIAL ASSETS GROUP

		2021 £'000	2020 £'000
Foreign exchange currency contract assets			
	- Non-current	32,145	49,415
	- Current	119,032	177,055
		151,177	**226,470**

Based on the IFRS mark-to-market ("MtM") valuation, the Group's forward contracts with clients, and banking liquidity providers, depending on whether client contracts and the position with hedging banks (excluding collateralisation) are in-the-money or out-of-the-money.

16. TRADE AND OTHER RECEIVABLES - GROUP & COMPANY

GROUP	2021 £'000	2020 £'000
Trade receivables	5,056	4,890
Client collateral	2,184	1,064
Short-term loans receivable	25,783	1,065
Other receivables	8,326	5,617
Prepayments	3,888	2,098
	45,237	**14,734**

'Trade receivables' primarily relates to trades past maturity date where the client experienced a negative MtM and the Group is awaiting settlement of the outstanding balance. In addition 'Trade receivables' includes fee income earned on our account services and fees earned on the execution of mass-payment transactions.

'Trade receivables' are stated net of expected credit loss charges and other credit impairment charges of £2,102k (2020: £5,508k). The trade receivables written off during the year werc £4,859k (2020:£Nil). The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above.

'Client collateral' receivable relates to the amounts posted by the Group with banking counterparties, otherwise referred to as our liquidity providers. 'Client collateral' is stated net of expected credit loss charges and other credit impairment charges of £3k (2020: £2k).

'Short-term loans receivable' relates to trade finance loans held on the balance sheet and stated net of expected credit loss charges and other credit impairment charges of £2,574k (2020: £998k). The total amount of 'Short-term loan receivable' written off during the year amounted to £1,561k (2020: £2,835k) and related to loans fully provided in either the current or prior years.

Information about the Group's exposure to credit and market risks and impairment losses for trade receivables is included in Note 27.

16. TRADE AND OTHER RECEIVABLES - GROUP & COMPANY (CONTINUED)

The provision for credit losses and other credit impairment charges is calculated based on incurred losses for the Group's pool of short-term loans as well as the expected credit losses. Incurred losses were determined by a review of each loan and the expected credit loss on the loan. Expected credit losses were determined in line with our ECL policy detailed in Note 2 'Significant Accounting Policies'.

'Other receivables' relate to items arising in the ordinary course of business. 'Other receivables' is stated net of expected credit loss charges and other credit impairment charges of £110k (2020: £213k).

	2021	2020
COMPANY	**£'000**	**£'000**
Amounts due from Group undertakings	136,501	32,775
Prepayments	36	36
Other receivables	863	814
	137,400	**33,625**

'Amounts due from Group undertakings' are unsecured, non-interest bearing and are repayable on demand. Due to the short-term nature of these receivables, the carrying value is assumed to approximate their fair value.

The comparative balance for "Amounts due from Group undertakings" has been reclassified and represented accordingly.

There is no ECL on the trade and other receivables of the Company (2020: £nil).

17. CASH AND CASH EQUIVALENTS - GROUP

	2021 £'000	2020 £'000
Cash and cash equivalents	413,420	797,048
	413,420	**797,048**

Cash and cash equivalents at 30 April comprise:

		Footnotes	2021 £'000	2020 £'000
Cash and cash equivalents	Group	1	61,817	152,731
	Total Group		**61,817**	**152,731**
	Client - Safeguarded	2	281,055	580,983
	Client - Other	3	70,548	63,334
	Total Client		**351,603**	**644,317**
		4	**413,420**	**797,048**

Footnotes

1 *Group*: This comprises Cash and cash equivalents held by the Group, and, legally owned and operated by the entity, within bank accounts otherwise referred to as business, office, investment, margin, regulatory and other accounts.

2 *Client - Safeguarded*: This refers to Cash and cash equivalents held on behalf of the Group's clients in Safeguarding accounts that fall within the scope of Electronic Money Regulations. Safeguarding requirements protect funds received for the provision of payment service or e-money that the Group issued to clients.

3 *Client - Other*: This refers to all other clients Cash and cash equivalents which aren't within the EMR regulatory requirements and primarily include collection and settlement accounts.

4 *'Cash and cash equivalents'* include all categories aforementioned above; Group, Client - Safeguarded and Client - Other. Cash and cash equivalents are stated net of expected credit loss charges totalling £132k (2020: £318k). Cash and cash equivalents exclude £1,498k (2020: £2,077k) Client Money and Custody Assets ("CASS") which, being client assets held in statutory trust not controlled by the Group, are not disclosed as part of on-balance-sheet cash.

18. TRADE AND OTHER PAYABLES - GROUP & COMPANY

GROUP	2021 £'000	2020 £'000
Amounts due to clients	358,202	723,505
Trade payables	2,434	3,368
Deferred income	2,490	1,316
Other taxation and social security	4,642	8,121
Other payables	7,774	234
Accruals	25,378	34,260
	400,920	**770,804**

'Amounts due to clients' relate to liabilities to customers including, customer balance, the Initial Amount deposited ("IA"), and Contribution Margin ("CM"). Due to the short-term nature of 'Trade and other payables', the carrying value is assumed to approximate their fair value.

On 30 April 2021, the Company held 'Amounts due to clients' in its bank accounts totalling £351,603k (2020: £644,317k) comprising client money safeguarded and client money other, as detailed in Note 17 'Cash and cash equivalents'. The remainder of 'Amounts due to clients' balance £6,599k (2020: £79,188k) relates to liquidity providers collateral payable, client collateral due and payable, and other amounts due and payable to clients.

Due to the short-term nature of these payables, the carrying value is assumed to approximate their fair value.

COMPANY	2021 £'000	2020 £'000
Amounts due to Group undertakings	470	200
Trade payables	52	1,105
Deferred income	1,649	-
Other taxation and social security	706	1,137
Other payables	7,503	-
Accruals	6,658	15,088
	17,038	**17,530**

'Deferred income' includes the unutilised element of a £2.5m BCR grant received through Pool E of the Capability and Innovation Fund ("CIF") to develop the lending products of the Group. The original grant in September 2020 was for £10m, but in May 2021, following a review of our product strategy and in consultation with BCR, we limited the scope of work and agreed to repay £7.5m. This is included in 'other payables'. The deferred income is released to various subsidiary companies when they have complied with the relevant terms of the grant.

19. DERIVATIVE FINANCIAL INSTRUMENTS - FINANCIAL LIABILITIES GROUP

		2021 £'000	2020 £'000
Foreign exchange currency contract liabilities			
	- Current	79,447	116,339
	- Non-current	10,322	20,327
		89,769	**136,666**

Based on the IFRS MtM valuation, the Group's forward contracts with clients, and banking liquidity providers are assets or liabilities, depending on whether client contracts and the position with hedging banks (excluding collateralisation) are in-the-money or out-of-the-money.

20. BORROWINGS - GROUP & COMPANY

GROUP	2021 £'000	2020 £'000
Interest-bearing facility – current draw down	161,139	117,372
	161,139	**117,372**

Borrowings are secured by fixed and floating charge which exists over the assets of the Company.

Borrowings are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method.

In July 2020 Ebury Partners Limited reached an agreement with Banco Santander S.A. to refinance through a new one-year €250.0m facility agreement. Under the arrangement, the Group repaid the Company's facility in full and made additional funds available for investment and working capital requirements.

20. BORROWINGS – GROUP (CONTINUED)

Net cash/borrowings

An analysis of the Group's net cash / borrowings is shown below:

	At 1 May 2020 £'000	Cash flows £'000	Non-cash charges £'000	At 30 April 2021 £'000
Cash and cash equivalents consisting of:				
Cash and cash equivalents	797,048	(383,813)	185	413,420
Total cash and cash equivalents	**797,048**	**(383,813)**	**185**	**413,420**
Transaction issuance costs	3,366	1,020	(4,227)	159
Borrowings due in less than one year	(120,738)	(28,091)	(12,469)	(161,298)
Borrowings	**(117,372)**	**(27,071)**	**(16,696)**	**(161,139)**
Net Cash / Borrowings	**679,676**	**(410,884)**	**(16,511)**	**252,281**

Borrowings currency denomination

The carrying amounts of the Group's borrowings are denominated in the following currencies:

			2021 £'000	2020 £'000
Borrowings	-	Euro	61,060	120,738
	-	UK Pound	100,238	-
Transaction issuance costs	-	Euro	(145)	(2,831)
	-	UK Pound	(14)	(535)
Total net borrowings			**161,139**	**117,372**

20. BORROWINGS - GROUP (CONTINUED)

Undrawn borrowing facilities
The Group has the following undrawn borrowing facilities:

	Currency	Facility	Footnotes	2021 £'000	2020 £'000
Expiring within five years					
	Euro/GBP	RCF	1	56,366	-
	UK Pound	RCF	2	-	5,000
				56,366	**5,000**

Footnotes

1: During the year, the Company repaid the Alcentra facility and entered into a new facility with, amongst others, Banco Santander S.A. as original lender for a total amount of €250m. The facility was due to terminate on 30 June 2021. However, the facility was amended in June 2021 to extend the termination date to 1 July 2022. Under the facility, the Company is borrower and original guarantor with EPUK also being an original guarantor. EPBE and EPF acceded to the facility agreement as additional guarantors on 10 February 2021 and 2 November 2021, respectively. The table above details the value of the undrawn amount available at the reporting date.

The Company, EPUK, EPBE and EPF have granted security over their assets in favour of the finance parties including bank accounts, fixed accounts, insurance policies, intellectual property, receivables, real estate and shares.

2: As part of the refinancing agreement with Banco Santander Ebury relinquished all existing unused/undrawn borrowing facilities and, as a result, at the year ended 30 April 2021 this facility is neither drawn nor available.

20. BORROWINGS - COMPANY

	2021 £'000	2020 £'000
Interest-bearing facility – current	161,139	-
	161,139	**-**

Net cash/borrowings

An analysis of the Company's net cash / borrowings is shown below:

	At 1 May 2020 £'000	Cash flows £'000	Non-cash charges £'000	At 30 April 2021 £'000
Cash and cash equivalents consisting of:				
Cash and cash equivalents	37,901	(37,771)	9	139
Total cash and cash equivalents	**37,901**	**(37,771)**	**9**	**139**
Transaction issuance costs	-	950	(791)	159
Borrowings due in less than one year	-	(156,170)	(5,128)	(161,298)
Borrowings	**-**	**(155,220)**	**(5,919)**	**(161,139)**
Net Cash / Borrowings	**37,901**	**(192,991)**	**(5,910)**	**(161,000)**

20. BORROWINGS - COMPANY (CONTINUED)

Borrowings currency denomination

The carrying amounts of the Company's borrowings are denominated in the following currencies:

			2021 £'000	2020 £'000
Borrowings	-	Euro	61,060	-
	-	UK Pound	100,238	-
Transaction issuance costs	-	Euro	(145)	-
	-	UK Pound	(14)	-
Total net borrowings			**161,139**	**-**

Undrawn borrowing facilities
The Company has the following undrawn borrowing facilities:

	Currency	Facility	Footnote	2021 £'000	2020 £'000
Expiring within five years					
	Euro/GBP	RCF	1	56,366	-
				56,366	**-**

Footnote

1: During the year, the Company repaid the Alcentra facility and entered into a new facility . See Note 20 'Borrowings – Group' for details.

21. SHARE CAPITAL

	Ordinary share classes							
	A	A1	B	D	E	F	Preferred	Total
Number of ordinary shares								
At 1 May 2019	**756,944**	**357,996**	**159,432**	**279,434**	**-**	**-**	**713,079**	**2,266,885**
Issuance	191,033	-	13,419	-	147,501	147,501	250,255	749,709
Share class re-designated	1,494,181	(357,996)	(172,851)	-	-	-	(963,334)	-
At 30 April 2020	**2,442,158**	**-**	**-**	**279,434**	**147,501**	**147,501**	**-**	**3,016,594**
At 30 April 2021	**2,442,158**	**-**	**-**	**279,434**	**147,501**	**147,501**	**-**	**3,016,594**
Nominal value per share (£)	0.01	0.01	0.01	0.01	0.01	0.01	0.01	-
Aggregate nominal value								
At 30 April 2020 (£'000)	**24**	**-**	**-**	**3**	**1**	**1**	**-**	**29**
At 30 April 2021 (£'000)	**24**	**-**	**-**	**3**	**1**	**1**	**-**	**29**

In October 2019 Santander agreed to acquire a 50.1% stake in Ebury Partners Limited for a total consideration of £357.1m. The total consideration comprised £77.1m of primary and £280.0m of secondary equity issuance. This resulted in an overall increase in the number of shares by 282k. This investment provides the Group with a strategic partner and significant long-term funding.

The partnership is enabling Ebury to improve its value proposition, supported by a leading financial institution, allowing Ebury to invest in new ways to serve SMEs trading internationally and continue the growth in the business.

The proceeds of the issuance are being used for general corporate purposes of the Company, as well as other entities within the Group, to strengthen the capital base and implement the Company and the Group's growth strategy.

As part of the acquisition agreement share class 'A1', 'B', and 'Preferred' were re-designated as 'A' Ordinary shares, and additional class 'D' shares were issued. Santander acquired 50.1% of all 'A' Ordinary and 'D' shares outstanding. For further discussion on the movement in share classes as well as their associated rights see below:

'A' Ordinary shares and 'A1' ordinary shares

The 'A1' ordinary shares at inception ranked senior to the 'A' ordinary shares, 'B' ordinary shares and 'D' ordinary shares which shall rank equally in all respects. Each 'A1' ordinary share and 'A' ordinary share shall entitle the holder to receive notice of, to attend and to vote at, general meetings of the Company and to receive copies of and vote on a proposed written resolution.

21. SHARE CAPITAL (CONTINUED)

Any previous holder of 'A1' ordinary shares were entitled, by notice in writing to the Company, to require conversion into 'A' ordinary shares of all of the 'Preferred Shares' and/or 'A1' ordinary shares held by the holder at any time and those 'Preferred Shares' and/or 'A1' ordinary shares were converted automatically on the date of such notice, provided that the holder may in such notice, state that conversion of its 'Preferred Shares' and/or 'A1' ordinary shares into 'A' ordinary shares is conditional upon the occurrence of one or more events.

During the course of the previous year, 191,033 'A' ordinary shares were issued along with 357,996 'A1' ordinary shares being re-designated as 'A' ordinary shares. This has resulted in the balances of these two share classes being unchanged in the last two years with the balances being 2.4m and nil respectively.

'B' Ordinary shares

The 'B' ordinary shares do not entitle the holder to receive notice of, or to attend and vote at a general meeting of the Company. The 'B' ordinary shares do not entitle the holder to receive and vote on any written resolutions of the Company in respect of the 'B' ordinary shares.

During the previous year, 172,851 'B' ordinary shares were re-designated as 'A' ordinary shares.

'D' Ordinary shares

The 'D' ordinary shares have attached to the capital distribution (including on winding up) rights as more particularly described in the articles of association. The 'D' ordinary shares do not confer any rights or redemption, nor do they entitle the holder to any voting rights, or dividends rights in respect of the 'D' ordinary shares.

Preferred Shares – All Classes of Preferred Share

The 'Preferred Shares' shall rank senior to the 'A1' ordinary shares, 'A' ordinary shares', the 'B' ordinary shares and 'D' ordinary shares. Each 'Preferred Share' entitles the holder to receive notice of and to attend and vote at a general meeting of the Company and to receive copies of and vote on any written resolutions. Preferred shareholders are entitled, by notice in writing to the Company, to require conversion of all of their 'Preferred Shares' into 'A' ordinary shares and those 'A' ordinary shares' shall convert automatically on the date of such notice, provided that the notice states that the conversion is conditional upon the occurrence of one or more events.

During the course of the previous year, 250,255 "preferred shares" were issued and 963,334 'preferred shares' were re-designated as 'A' ordinary shares.

'E' Ordinary shares

The 'E' ordinary shares have attached to the dividend and capital distribution (including on winding up) rights ranking in order of priority; they do not confer any rights of redemption and have no voting rights.

During the course of the previous year, a total of 147,501 'E' ordinary shares were issued.

'F' Ordinary shares

The 'F' ordinary shares have attached to the dividend and capital distribution (including on winding up) rights ranking in order of priority; they do not confer any rights of redemption and have no voting rights.

During the course of the previous year, a total of 147,501 'F' ordinary shares were issued.

22. SHARE CAPITAL (CONTINUED)

Dividends – all share classes

The above information relates to the Company's issued share capital as at 30 April 2021. The Articles permit other share classes to be issued which may alter the rights or the order of priority of the holders of the issued share capital at 30 April 2021, as set out above.

Dividends of the Company will be distributed among shareholders pro-rata to their respective shareholdings based on the right conferred and applicable to them as detailed above and in the articles of association.

23. SHARE-BASED COMPENSATION

Management Incentive Plan

Ebury Partners Limited has issued class D, E and F class shares (the "Growth Shares") under a MIP to certain managers of Ebury Partners Limited. The Growth Shares participate in any value achieved above a hurdle upon an exit event. The hurdle is set by reference to the preferred shares purchased by stakeholders.

The fair value of the employee share purchase plan has been measured using "Unrestricted Market Value" ("UMV"), which is defined as "what would be the market value of the employment-related securities immediately after the chargeable event but for any restrictions." The most recent valuation of the shares within this plan was undertaken in May 2020. The fair value per subject share was measured as £0.53.

Number of growth shares issued as part of the management incentive plan:

	'D' Ordinary Shares	'E' Ordinary Shares	'F' Ordinary Shares
At 1 May 2020	**279,434**	**147,501**	**147,501**
Shares sold	(139,996)	-	-
At 30 April 2021	139,438	147,501	147,501

The 295,002 'E'/'F' shares were allocated to employees during the year for consideration of £0.53 per share. 139,990 D shares were sold from employees to Santander at the price of £158.85 following the completion of the strategic partnership with Santander in April 2020,.

Sale or transfer of the shares is restricted, Shares may only be sold on the occurence of certain events, or when the employee leaves the Group at the option of the Board.

24. ULTIMATE CONTROLLING PARTY

The Board of Directors does not consider there to be an ultimate controlling party of Ebury Partners Limited.

25. RELATED PARTY TRANSACTIONS

Key management personnel

Details of remuneration paid to key management personnel are set out in Note 7 to the Financial Statements. There were no other related party transactions with key management personnel outwith the remuneration payable for their services as employees and/or Directors and those transactions are mentioned below.

Key management personnel transactions

In December 2019, the Group discontinued its US operations at the time of the disposal of its subsidiary, Ebury Partners US LLC ("EPUS"). EPUS was sold to Elizabeth Partners Limited, an entity owned (50%) by Juan Manuel Fernández Lobato, one of the CEOs of the Company, for consideration of £1.00. The transaction was at arm's length. At 30 April 2021 EPUK had an 'other receivable' due from EPUS of 138k (2020: £68K) .

Transactions with wholly-owned subsidiaries

The table below details the balances with all wholly owned subsidiaries at the end of the current year and the prior year.

	2021	**2021**	**2020**	**2020**
	£'000	**£'000**	**£'000**	**£'000**
	Receivable	Payable	Receivable	Payable
Loan to / due to Ebury Partners UK Limited	135,505	-	32,780	(200)
Loan to Ebury Technology Limited	986	-	196	-
Due to / loan to Ebury Partners Belgium N.V.	-	(427)	3	-
Due to Ebury Partners Canada Ltd	-	(43)		(5)
Loan to Ebury Partners Finance Ltd	-	-	1	-
Loan to Ebury Partners Finance Ltd	3	-	-	-
Loan to Ebury Partners China Ltd	7	-	-	-
	136,501	**(470)**	**32,780**	**(205)**

These amounts are unsecured, non-interest bearing and repayable on demand.

The Company incurred no expenses on behalf of either Ebury Partners UK Limited or other entities within the wholly-owned Group.

25. RELATED PARTY TRANSACTIONS (CONTINUED)

SPV
In December 2016 the Company, through its wholly-owned subsidiary, Ebury Partners Finance Limited, and business partner NIBC, set up an SPV for the purposes of purchasing trade finance loans issued by Ebury Partners Finance Limited using an initial senior loan facility totalling €20m.

NIBC financed the SPV with a senior loan totalling 90.0% of the total facility. The Group financed the remaining 10.0% of the total loan facility via a subordinated loan. These have proportions changed during the course of this financial year to 66.5% and 33.5% respectively. Details of the current carrying value of the subordinated loan investment are given in Note 13 'Investments'.

The initial agreement signed in December 2016 was made between Ebury Partners Finance Limited (as Seller, Subordinated Lender and Servicer), SME Trade Finance B.V (as Borrower and Purchaser), NIBC Bank N.V (as Senior Lender and Facility Agent), TMF Trustee Limited (as Security Trustee), Intrum Justitia Nederland B.V (as back-up servicer), ABN AMRO Bank N.V (as Account Bank) and Stichting SME Trade Finance (as Borrower Shareholder).

The subordinated loan allows the Group to earn revenue through interest income, management fees and loan spreads, whilst paying interest to the senior tranche as well as insurance premiums to manage the risk of the portfolio.

Since the inception of the €20.0m SPV facility in 2016, the senior loan facility incrementally increased to €30.0m in May 2018, followed by a further increase to €40.0m in August 2018, €50.0m in June 2019 and €65.0m in October 2019. The facility remained at €65.0m until February 2021 at which point it was reduced to €45.0m.

During the course of the year, the Group through its wholly-owned subsidiaries sold loans to the SPV totalling £117.4m (2020: £149.6m). (Ebury Partners Finance Limited (£67.7m), Ebury Partners UK Limited (£44.4m), and Ebury Partners Belgium (£5.3m)).

During the year Ebury Partners Finance Limited charged a service fee to SPV of £292K (2020: £454k) and paid to SPV the commitment, drawdown and set up fees of £253k (2020: £341k). The lending products income and funding charges amount to £1,462k (2020: £3,060k) and £766k (2020: £1,610k) respectively.

Santander
Santander has a 50.1% stake in the Company. Details of an equity investment of £35.0m post year-end are given in Note 26 'Events After The Reporting Period'. Details of a new €250m borrowing facility with Santander, and amounts drawn and undrawn as at 30 April 2021 are given in Note 20. Total fees and interest costs during the year associated with the use of the facility are £5.9m. The Group has bank accounts in the ordinary course of business with Santander as at 30 April 2021 totalling £0.4m in corporate bank accounts and £1.8m in client accounts.

26. EVENTS AFTER THE REPORTING PERIOD

Covid-19
Subsequent to 30 April 2021, Covid-19 has continued to impact the global economic environment due to government actions to contain the virus which has affected economic activity. At this stage, the impact on our business has been minimal and based on our experience so far, we expect this to remain the case. We continue to track any impacts including which sectors are affected and have tailored marketing and sales strategies to take account of the changing conditions. Consequently, the Group remains cautiously optimistic that any negative impact on the business will be limited.

26. EVENTS AFTER THE REPORTING PERIOD (CONTINUED)

The Directors have assessed the assets held as at 30 April 2021 and do not consider that the Covid-19 pandemic has resulted in any material impact on the carrying value as at 30 April 2021.

Ebury Partners Markets Limited ("EPM") – Wind-down plan and current state of play
Due to post-Brexit implications, EPM's Board decided in February 2021 to wind down EPM. As a result, EPM closed out all open positions naturally upon maturity of the trades and has since ceased booking any new trades or onboarding new business. The business decided to support a customer by rolling their positions, under review by the Board and Senior Management, to assist the client with balance sheet hedging positions until the end of 2021. The positions expire in January 2022. EPM currently has 3 clients with open positions with 7 open MIFID trades.

EPM - Future business strategy
Following a review of potential commercial opportunities for EPM, the Directors have concluded that there is sufficient evidence that there are viable business opportunities for this entity, as the post-pandemic economic recovery takes hold both within the UK and potentially certain other jurisdictions (Luxembourg) in which EPM may be permitted to operate on a cross-border basis. The revised business strategy that looks to focus on serving fund entities has been approved by the Board. A notification of the reversal of the wind-down decision was submitted to the FCA on 30 July 2021. Given the decision to cease the wind-down and re-invest in EPM an action plan has been defined to enhance EPMs controls particularly in relation to MiFID II compliance. This plan sets out the relevant owners and timeframes for the actions to be completed and it has also been approved by the Board on 31 August 2021.

Proposed share issue and new directorships
On 11 June 2021, the Board of the Company approved the proposed investment by certain existing shareholders of the Company by way of issue and allotment of 128,573 new A Ordinary Shares of £0.01 each in the capital of the Company at a subscription price of £272.22 per share. Furthermore, the Board approved capital injection for each of Ebury Partners Belgium N.V. (€20M), Ebury Canada (CAD$ 10M), Ebury Hong Kong (HK$ 30M), Ebury Switzerland (CHF 5M) and Ebury Brazil (BRL 5M).

On 11 June 2021, the Board appointed Jose Esteban as a director of Ebury Hong Kong, Ebury Switzerland and Ebury Partners UK Limited. Rahim Nanji was appointed as a director of Ebury Canada, Ebury Partners Australia and EPUK. Fabio Comminot was approved as a director of Ebury Switzerland.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

The principal financial assets of the Group are 'Cash and cash equivalents', 'Foreign exchange currency contracts' and 'Trade and other receivables'. The Group has detailed these items in the table below, categorising these balances by the valuation methodology.

The Group's principal financial liabilities relate to 'Borrowings', 'Foreign exchange currency contracts' and 'Trade and other payables'. The Group has detailed these items in the table below, categorising these balances by the valuation methodology.

The main purpose of these financial instruments is to generate sufficient working capital for the Group to continue its operations.

The Group's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The Group discusses financial instruments and how it manages its financial risks below.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Group

The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

The policies set out by the Board of Directors are implemented in the Group's Capital Markets, Risk, and Treasury departments jointly under the direct responsibility of the Group Chief Risk Officer and Chief Financial Officer.

Credit Risk
The Group's exposure to credit risk is limited to the carrying amount of financial assets recognised at the date of the Statement of Financial Position:

(a) Financial assets

Assets At 30 April 2021	**Measured at amortised cost**	**Measured at fair value through the profit and loss**	**Total**
	£'000	**£'000**	**£'000**
Trade receivables	5,056	-	5,056
Cash and cash equivalents	413,420	-	413,420
Client Collateral	2,184	-	2,184
Short-term loans receivables	25,783	-	25,783
Investments	5,687	-	5,687
Other receivables	8,326	-	8,326
Foreign exchange currency contracts	-	151,177	151,177
	460,456	**151,177**	**611,633**

Assets At 30 April 2020	**Measured at amortised cost**	**Measured at fair value through the profit and loss**	**Total**
	£'000	**£'000**	**£'000**
Trade receivables	4,890	-	4,890
Cash and cash equivalents	797,048	-	797,048
Client Collateral	1,064	-	1,064
Short-term loans receivables	1,065	-	1,065
Investments	7,746	-	7,746
Other receivables	5,617	-	5,617
Foreign exchange currency contracts	-	226,470	226,470
	817,430	**226,470**	**1,043,900**

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Credit risk is the risk of incurring a financial loss from a counterparty which fails to meet its obligation under a contract, which is primarily associated with 'Foreign exchange currency contracts', short-term loans to clients, 'Trade and other receivables', 'Investments' and 'Cash and cash equivalents'.

The Group undertakes continuous robust credit analysis before setting and varying credit limits and/or accepting trades from new and existing clients. All open positions are monitored in real-time and, where appropriate, steps are taken to mitigate this risk through the use of the credit recovery process.

The credit risk on 'Cash and cash equivalents' is limited due to the correspondent bank's strong credit ratings assigned by external independent rating agencies.

The credit risk on 'Short-term loans to clients' and 'Trade receivables' is mitigated by the Risk department conducting a daily analysis of the on-balance sheet balances.

'Investments' relate to the SPV subordinated loan investment. Credit risk is mitigated by the Risk department conducting a daily analysis of the SPV loan portfolio.

The exposure to credit risk is reflected in the tables below which detail the gross carrying amounts classified by credit quality. Credit risk arises across all financial assets, though historically losses typically occurred on 'Short-term loans receivable', and, as a result, our disclosures focus primarily on this area.

(b) Distribution of financial assets by credit quality:

All financial assets open during the year are considered in-scope except 'Foreign exchange currency contracts' which are measured at fair value through the profit and loss.

The table below classifies the Group's financial assets as at 30 April 2021, into six credit quality categories which are determined using a combination of internally developed credit rating grades and external ratings attributed by rating agencies. Typically lower credit rating grades such as sub-standard and credit-impaired have proportionally higher allowances for ECL and CVAs. The 'rating' categories of 'strong', 'good', 'satisfactory' and 'sub-standard' are all Stage 1, whilst the category of 'credit impaired' encompasses Stage 2 and Stage 3.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

As at 30 April 2021	Gross carrying/nominal amount								
	Rated	Rated	Rated	Rated	Rated	Internal risk rating			
	Strong	Good	Satisfactory	Sub-standard	Credit impaired	Satisfactory	Total	Allowance for ECL/CVA	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
In-scope for IFRS 9									
Trade receivables	89	136	156	145	4,874	1,758	7,158	(2,102)	5,056
Cash and cash equivalents	408,520	2,250	-	1,678	1,009	95	413,552	(132)	413,420
Client collateral	-	2,087	-	100	-	-	2,187	(3)	2,184
Short-term loans receivable	7,804	10,142	3,829	386	4,873	1,323	28,357	(2,574)	25,783
Investments	-	-	-	6,735	-	-	6,735	(1,048)	5,687
Other receivables	-	-	-	-	7	8,429	8,436	(110)	8,326
Total in scope	**416,413**	**14,615**	**3,985**	**9,044**	**10,763**	**11,605**	**466,425**	**(5,969)**	**460,456**
Out-of-scope for IFRS 9									
Foreign exchange currency contracts	97,754	19,163	7	17,682	7	16,921	151,534	(357)	151,177
Total gross carrying amount on balance sheet	**514,167**	**33,778**	**3,992**	**26,726**	**10,770**	**28,526**	**617,959**	**(6,326)**	**611,633**
Percentage of total credit quality	83.2%	5.4%	0.6%	4.3%	1.8%	4.7%	100.0%		

As at 30 April 2020	Gross carrying/nominal amount								
	Rated	Rated	Rated	Rated	Rated	Internal risk rating			
	Strong	Good	Satisfactory	Sub-standard	Credit impaired	Satisfactory	Total	Allowance for ECL/CVA	Net
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
In-scope for IFRS 9									
Trade receivables	967	216	253	88	8,107	767	10,398	(5,508)	4,890
Cash and cash equivalents	683,061	107,423	-	2,688	-	4,194	797,366	(318)	797,048
Client collateral	739	-	-	100	-	227	1,066	(2)	1,064
Short-term loans receivable	109	538	303	115	6	992	2,063	(998)	1,065
Investments	-	-	-	-	-	9,320	9,320	(1,574)	7,746
Other receivables	1,055	-	-	279	-	4,496	5,830	(213)	5,617
Total in scope	**685,931**	**108,177**	**556**	**3,270**	**8,113**	**19,996**	**826,043**	**(8,613)**	**817,430**
Out-of-scope for IFRS 9									
Foreign exchange currency contracts	148,953	26,970	6,478	16,245	18,871	9,533	227,050	(580)	226,470
Total gross carrying amount on balance sheet	**834,883**	**135,147**	**7,034**	**19,515**	**26,984**	**29,529**	**1,053,093**	**(9,193)**	**1,043,900**
Percentage of total credit quality	**79.3%**	**12.8%**	**0.7%**	**1.9%**	**2.6%**	**2.8%**	**100.0%**		

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(c) Summary of financial assets on which the impairment requirements in IFRS 9 are applied:

	30 April 2021			30 April 2020			30 April 2019		
	Gross carrying amount £'000	Allowance for ECL/ £'000	Net carrying amount £'000	Gross carrying amount £'000	Allowance for ECL £'000	Net carrying amount £'000	Gross carrying amount £'000	Impairment allowance £'000	Net carrying amount £'000
Trade receivables	7,158	(2,102)	5,056	10,398	(5,508)	4,890	4,902	(2,530)	2,372
Cash and cash equivalents	413,552	(132)	413,420	797,366	(318)	797,048	246,213	(118)	246,095
Client collateral	2,187	(3)	2,184	1,066	(2)	1,064	4,950	(1)	4,949
Short-term loans receivable	28,357	(2,574)	25,783	2,063	(998)	1,065	3,781	(872)	2,909
Investments	6,735	(1,048)	5,687	9,320	(1,574)	7,746	4,743	(125)	4,618
Other receivables	8,436	(110)	8,326	5,830	(213)	5,617	4,713	(24)	4,689
Total gross carrying amount on balance sheet	**466,425**	**(5,969)**	**460,456**	**826,043**	**(8,613)**	**817,430**	**269,302**	**(3,670)**	**265,632**

(d) Summary of credit risk by stage distribution and ECL coverage by financial asset at 30 April 2021:

The table below details the financial asset's credit risk by stage distributions and ECL coverage at 30 April 2021. The financial assets recorded in each stage have the following characteristics:

Stage 1: 12-month expected credit losses are recognised for financial assets that have not deteriorated in credit quality since initial recognition or deterioration in Ebury's Credit Risk Rating ("ECRR").

Stage 2: Lifetime expected credit losses are recognised for financial assets which have deteriorated significantly in credit quality since initial recognition.

Stage 3: Lifetime expected credit losses are recognised for financial assets where there is clear objective evidence of impairment which is either publicly known or observed through our interactions with the client.

As at 30 April 2021	Gross carrying amount				Allowance for ECL				ECL Coverage			
	1 £'000	2 £'000	3 £'000	Stage Total £'000	1 £'000	2 £'000	3 £'000	Stage Total £'000	1 %	2 %	3 %	Stage Total %
Trade receivables	2,284	3,079	1,795	7,158	(43)	(1,050)	(1,009)	(2,102)	1.88%	34.10%	56.21%	29.37%
Cash and cash equivalents	412,544	1,008	-	413,552	(112)	(20)	-	(132)	0.03%	1.98%	-	0.03%
Client collateral	2,187	-	-	2,187	(3)	-	-	(3)	0.14%	-	-	0.14%
Short-term loans receivable[1]	23,483	-	4,874	28,357	(83)	-	(2,491)	(2,574)	0.35%	-	51.11%	9.08%
Investments	-	6,735	-	6,735	-	(1,048)	-	(1,048)	-	15.56%	-	15.56%
Other receivables	8,429	-	7	8,436	(103)	-	(7)	(110)	1.22%	-	100%	1.30%
Total gross carrying amount on balance sheet	**448,927**	**10,822**	**6,676**	**466,425**	**(344)**	**(2,118)**	**(3,507)**	**(5,969)**	**0.08%**	**19.57%**	**52.53%**	**1.28%**

[1] During the year, short term loans were issued under various government support schemes which reduced the credit risk profile of the loans issued, resulting in a reduction in the overall ECL ratio of the loan portfolio.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

As at 30 April 2020	Gross carrying amount				Allowance for ECL				ECL Coverage			
	1 £'000	2 £'000	3 £'000	Stage Total £'000	1 £'000	2 £'000	3 £'000	Stage Total £'000	1 %	2 %	3 %	Stage Total %
Trade receivables	2,291	1,793	6,314	10,398	(26)	(358)	(5,124)	(5,508)	1.13%	19.97%	81.15%	52.97%
Cash and cash equivalents	797,366	-	-	797,366	(318)	-	-	(318)	0.04%	-	-	0.04%
Client collateral	1,066	-	-	1,066	(2)	-	-	(2)	0.19%	-	-	0.19%
Short-term loans receivable	1,083	-	980	2,063	(18)	-	(980)	(998)	1.66%	-	100.00%	48.38%
Investments	-	9,320	-	9,320	-	(1,574)	-	(1,574)	-	16.89%	-	16.89%
Other receivables	5,762	-	68	5,830	(145)	-	(68)	(213)	2.52%	-	100.00%	3.65%
Total gross carrying amount on balance sheet	**807,568**	**11,113**	**7,362**	**826,043**	**(509)**	**(1,932)**	**(6,172)**	**(8,613)**	**0.06%**	**17.39%**	**83.84%**	**1.04%**

Significant transfers between stages during the year

During the year:

- loans with a total closing value as at 30 April 2021 of £0.2m transferred from stage 2 as at 30 April 2020 to stage 3 during the year (2020:£nil);
- loans with a total closing value as at 30 April 2021 of c£2.8m transferred from stage 1 as at 30 April 2020 to stage 3 during the year (2020:£nil);
- loans with a total closing value as at 30 April 2021 of c£0.1m transferred from stage 3 as at 30 April 2020 to stage 1 during the year. (2020:£22k)
- loans with a total closing value as at 30 April 2021 of c£0.3m transferred from stage 2 as at 30 April 2020 to stage 1 during the year. (2020:£Nil)

(e) ECL - Credit risk profile by grade for financial assets measured at amortised cost:

The table below details the gross carrying amount of the Group's financial assets and the allowance for ECL categorised by Ebury Credit Risk Rating and stage distribution. Higher ECRR ratings reflect a higher PD.

As at 30 April 2021			Gross carrying amount				Allowance for ECL				ECL Coverage			
			Stage				Stage				Stage			
Credit risk rating	PD range From %	To %	1 £'000	2 £'000	3 £'000	Total £'000	1 £'000	2 £'000	3 £'000	Total £'000	1 %	2 %	3 %	Total %
ECRR 1	0.20	0.27	416,413	-	-	416,413	(103)	-	-	(103)	0.02%	-	-	0.02%
ECRR 2	0.45	0.61	7,218	-	-	7,218	(16)	-	-	(16)	0.22%	-	-	0.22%
ECRR 3	0.71	1.08	7,397	-	-	7,397	(23)	-	-	(23)	0.31%	-	-	0.31%
ECRR 4	1.28	2.22	3,983	-	-	3,983	(27)	-	-	(27)	0.68%	-	-	0.68%
ECRR 5	2.64	2.64	11,607	-	-	11,607	(151)	-	-	(151)	1.30%	-	-	1.30%
ECRR 6	2.84	3.93	486	-	-	486	(10)	-	-	(10)	2.06%	-	-	2.06%
ECRR 7	7.42	7.50	1,823	6,735	-	8,558	(14)	(1,048)	-	(1,002)	0.77%	15.56%	-	12.41%
ECRR 8*	20	99	-	4,087	6,317	10,404	-	(1,070)	(3,148)	(4,218)	-	26.18%	49.83%	40.54%
ECRR 9	100	100	-	-	359	359	-	-	(359)	(359)	-	-	100.00%	100.00%
Total gross carrying amount on-balance sheet			**448,927**	**10,822**	**6,676**	**466,425**	**(344)**	**(2118)**	**(3,507)**	**(5,969)**	**0.08%**	**19.57%**	**52.53%**	**1.28%**

As at 30 April 2020			Gross carrying amount				Allowance for ECL				ECL Coverage			
			Stage				Stage				Stage			
Credit risk rating	PD range From %	To %	1 £'000	2 £'000	3 £'000	Total £'000	1 £'000	2 £'000	3 £'000	Total £'000	1 %	2 %	3 %	Total %
ECRR 1	0.20	0.28	685,930	-	-	685,930	(175)	-	-	(175)	0.03%	-	-	0.03%
ECRR 2	0.44	0.61	364	-	-	364	(2)	-	-	(2)	0.55%	-	-	0.55%
ECRR 3	0.70	1.08	107,813	-	-	107,813	(111)	-	-	(111)	0.10%	-	-	0.10%
ECRR 4	1.28	2.22	557	-	-	557	(12)	-	-	(12)	2.15%	-	-	2.15%
ECRR 5	2.64	2.64	9,634	-	-	9,634	(145)	-	-	(145)	1.51%	-	-	1.51%
ECRR 6	2.83	3.93	446	-	-	446	(22)	-	-	(22)	4.93%	-	-	4.93%
ECRR 7	7.42	7.50	2,824	9,320	-	12,144	(42)	(1,574)	-	(1,616)	1.49%	16.89%	-	13.31%
ECRR 8*	20	99	-	1,793	2,394	4,187	-	(358)	(1,203)	(1,561)	-	19.97%	50.25%	37.28%
ECRR 9	100	100	-	-	4,968	4,968	-	-	(4,969)	(4,969)	-	-	100.02%	100.02%
Total gross carrying amount on-balance sheet			**807,568**	**11,113**	**7,362**	**826,043**	**(509)**	**(1,932)**	**(6,172)**	**(8,613)**	**0.06%**	**17.39%**	**83.84%**	**1.04%**

*We deem the PD rate to be appropriate measurement for stage 2 and 3 risk, which incorporates lifetime credit loss allowance and actual credit losses

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

(f) ECL Scenario analysis

The Group adopted the use of three scenarios, representative of our view of forecast economic conditions, sufficient to calculate an unbiased change in expected credit loss charges and other credit impairment charges.

The model includes a 10% deterioration, base case zero movement and 10% improvement in the credit ratings which would ordinarily take place as a result of changes in the future economic environment.

These scenarios did not yield a significant impact on the quantum of ECL.

Liquidity Risk

The Group's long-term funding strategy is to generate sufficient working capital to settle liabilities as they fall due. In the short term and whilst the Group continues through its branch roll-out working capital requirements are supported by the loan facility.

Liquidity risk is managed through cash flow forecasting to ensure any additional working capital requirements are identified promptly.

The Group will maintain sufficient headroom on its undrawn committed borrowing facility at all times so that the Group does not breach borrowing limits or covenants.

The Group's carrying amount of financial liabilities recognised as at the Statement of Financial Position date was:

Liabilities **At 30 April 2021**	**Financial liabilities at amortised cost** **£'000**	**Liabilities at fair value through the profit and loss** **£'000**	**Total** **£'000**
Borrowings	161,139	-	161,139
Foreign exchange currency contracts	-	89,769	89,769
Trade and other payables	400,920	-	400,920
	562,059	**89,769**	**651,828**

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Liabilities At 30 April 2020	**Financial liabilities at amortised cost £'000**	**Liabilities at fair value through the profit and loss £'000**	**Total £'000**
Borrowings	117,372	-	117,372
Foreign exchange currency contracts	-	136,666	136,666
Trade and other payables	769,488	-	769,488
	886,860	**136,666**	**1,023,526**

The above contractual maturities reflect the payment obligations which may differ from the carrying value of the liabilities at the Statement of Financial Position date.

The Group's financial liabilities recognised as at the Statement of Financial Position date have contractual maturities as follows:

Financial liabilities at amortised cost At 30 April 2021	**Up to one year £'000**	**After one year £'000**	**Total £'000**
Borrowings	161,139	-	161,139
Trade and other payables	400,920	-	400,920
Financial liabilities at fair value through the profit or loss			
Derivative financial instruments			
- Foreign exchange currency contracts	79,447	10,322	89,769
	641,506	**10,322**	**651,828**

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

Financial liabilities at amortised cost **At 30 April 2020**	**Up to one year** **£'000**	**After one year** **£'000**	**Total** **£'000**
Borrowings	117,372	-	117,372
Trade and other payables	769,488	-	769,488
Financial liabilities at fair value through the profit or loss			
Derivative financial instruments			
- Foreign exchange currency contracts	116,339	20,327	136,666
	1,003,199	**20,327**	**1,023,526**

The above contractual maturities reflect the payment obligations which may differ from the carrying value of the liabilities at the Statement of Financial Position date.

Foreign exchange risk

Assets and liabilities are measured at the transaction price agreed with the customer or counterparty with any assets or liabilities in a foreign currency being revalued at the Statement of Financial Position date. The potential impact of foreign exchange rate movements is considered to be immaterial as substantially all of the Group's positions are fully economically hedged with a number of counterparty banks. No undue counterparty risk is considered to result from this activity.

Market risk

The Group provides its clients with foreign exchange risk management services that expose it to market risk, mainly in the form of foreign exchange risk from various currency exposures, and primarily with the respect to the USD and EUR. The Group's exposures to different currencies are monitored by Treasury on a daily basis.

No sensitivity analysis for market risk has been disclosed as such risk is substantially eliminated through the use of hedging instruments as described below.

The Group's Treasury department mitigates market risk through the use of hedging instruments in the form of foreign exchange forwards contracts and foreign exchange options. These contracts mitigate the risk arising from movements in foreign exchange rates, from commercial transactions, or recognised assets or liabilities, denominated in a currency that is not the Group's functional currency, between the date of contract inception and completion. Elimination of this risk also provides reasonable certainty as to the amount of future cash flows.

27. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

COMPANY

Financial instruments of the Company comprise 'Trade and other receivables', 'Cash and cash equivalents', 'Trade and other payables' and 'Borrowings', all measured at amortised cost.

The Company's maximum exposure to credit risk on it's financial assets is limited to the carrying amount recognised at the date of the Statement of Financial Position. There is no ECL allowance against the Company's financial assets (2020:£Nil).

The Company's financial liabilities are all contractually due to mature within one year. There is no difference between the contractual maturity value, based on payment obligations, and the balance sheet carrying value.

28. DISCONTINUED OPERATION

Discontinued operations – year ended 30 April 2021

There are no discontinued operations for the year ended 30 April 2021.

Discontinued operations – year ended 30 April 2020

In December 2019, the Group discontinued its US operations at the time of the disposal of its subsidiary, Ebury Partners US LLC to Elizabeth Partners Limited for consideration of £1.00.

The comparative consolidated 'Statement of profit or loss and other comprehensive income' and been represented to show the discontinued operations separately from continuing operations.

Results of discontinued operation

	2020 **£'000**
Revenue	24
Cost of sales	(44)
Gross profit	**(20)**
Administrative Expenses	(514)
Results from operating activities, net of tax	**(534)**
Loss from discontinued operations, net of tax	**(534)**

The loss on disposal of the subsidiary is recorded as part of the loss for the year from discontinued operation in the Income Statement. As a wholly-owned subsidiary, the loss from Ebury Partners US LLC is attributable entirely to the Company.

28. DISCONTINUED OPERATION (CONTINUED)

Cash flows from used in discontinued operation

	2020 £'000
Net cash from operations activities	(888)
Net cash from investing activities	(227)
Net cash flows for the year	**(1,115)**

Effect of disposal on the financial position of the Group

	2020 £'000
Assets	
Cash and cash equivalents	(227)
	(227)
Liabilities	
Amounts due to Group undertakings	68
Trade creditors	45
Other taxation and social security	4
Other creditors	8
Accruals	47
	172
Net liabilities	**(55)**
Consideration received of £1.00	-
Cash and cash equivalents disposed of	(227)
Net cash outflows	**(227)**

29. CONTINGENCIES

As at year-end, fixed and floating charges exist over the assets of the Company, EPUK and EPBE, in respect of a loan drawn down from a credit facility made available to the Company by Santander.

30. ACQUISITION OF SUBSIDIARY

There were no acquisitions of subsidiaries during the year ended 30 April 2021.

Acquisition of subsidiary – year ended 30 April 2020

On 7 January 2020, the Group acquired 100% of the shares and voting interests in Frontierpay Group. As a result, the Group obtained control of the Frontierpay Group. The transaction resulted in a bargain purchase gain totalling £2,344k, see details below in section (f).

Frontierpay Group provides high-volume currency and payment solutions and the acquisition forms part of Ebury's strategy to expand its presence mass payments market.

Over the four months ended 30 April 2020, the acquired Frontierpay Group contributed revenue of £2,079k and profit of £250k.

(a) Consideration transferred
The following table summarises the acquisition date fair value of each major class of consideration transferred.

	2020 **£'000**
Cash and cash equivalents	8,594
Equity instruments (25,525 ordinary shares)	6,676
Total consideration transferred	**15,270**

(b) Equity instruments issued

The fair value of the ordinary shares issued was based on the amount paid for the equity (market value).

(c) Acquisition-related costs

In the previous year the Group incurred acquisition-related costs of £57k on legal fees and due diligence costs, current year nil. These costs have been included within "administrative expenses" in the statement of profit and loss.

30. ACQUISITION OF SUBSIDIARY (CONTINUED)

(d) Identifiable assets acquired and liabilities assumed

The following table summarises the recognised amounts of assets acquired and liabilities assumed at the date of acquisition.

	2020
	£'000
Assets	
Property, plant and equipment	67
Intangible assets	20,901
Trade and other receivables	859
Cash and cash equivalents	3,532
	25,359
Liabilities	
Deferred tax liabilities	(3,553)
Trade and other payables	(4,192)
	(7,745)
Total identifiable net assets acquired	**17,614**

30. ACQUISITION OF SUBSIDIARY (CONTINUED)

(e) Measurement of fair values

The valuation techniques for measuring the fair value of material assets previously acquired were as follows:

Assets acquired	***Valuation technique***
Property, plant and equipment	Property, plant and equipment are valued at cost or deemed cost, less accumulated depreciation and impairment provisions. Costs include all expenditure that is directly attributable to the acquisition of the items.
Intangible assets	The Multi-Period Excess Earnings Method: The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.
Trade and other receivables	Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses, referred to as ECL.
Cash and cash equivalents	Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, and bank overdrafts.
Deferred tax liabilities	Deferred tax is recognised in respect of all timing differences at the reporting. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.
Trade and other payables	Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers or vendors. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

30. ACQUISITION OF SUBSIDIARY (CONTINUED)

(f) Gain on bargain purchase

Gain on bargain purchase has been recognised as follows:

	2020
	£'000
Fair value of identifiable net assets	17,614
Consideration transferred	(15,270)
Total gain on bargain purchase	**2,344**

The gain on bargain purchase was recognised immediately in profit and loss in last years accounts.

ABBREVIATIONS

Currencies/Values

£	Sterling
$	United States dollar
€	Euro
AUS$	Australian dollar
BRL	Brazilian real
CAD$	Canadian dollar
CHF	Swiss franc
HK$	Hong Kong dollar
RMB	Chinese renminbi
R$	Brazilian real
SGD	Singapore dollar
ZAR	South African rand
bn	Billions
m	Millions
k	Thousands

A

Adj	Adjustments
Alcentra	Alcentra Limited
AML	Anti Money Laundering
AMLD5	European Anti-Money Laundering Directive 5
AMLD6	European Anti-Money Laundering Directive 6
APAC	Asia Pacific
API	Application Programming Interface

B

BCP	Business Continuity Plan
BCR	Banking Competition Remedies
BMKB	Borgstelling MKB-kredieten the Netherlands Government's Guarantee for SME Credit Guarantee Scheme

C

CASS	Client money and custody assets
CBILS	Coronavirus Business Interruption Loan Scheme
CEO	Chief Executive Officer
CGU	Cash Generating Unit
CIF	Capability and Innovation Fund
CLM	Client Lifecycle Management
CM	Contribution Margin
CVA	Credit Valuation Adjustment
COSO	The Committee of Sponsoring Organizations of the Treadway Commission
COVID-19	Coronavirus disease

D

DIFC	Dubai International Financial Centre

E

EAD	Exposure At Default
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest tax depreciation amortization
ECL	Expected Credit Loss
ECRR	Ebury's Credit Risk Rating
EEA	European Economic Area
EMIs	Enterprise Management Incentives
EPBE	Ebury Partners Belgium NV
EPF	Ebury Partners Finance Limited
EPL	Ebury Partners Limited the Company and its subsidiaries
EPM	Ebury Partners Markets Limited
EPUK	Ebury Partners UK Limited
EPUS	Ebury Partners US LLC
ERP	Enterprise Resource Planning
EU	European Union
EUR	Euro

F

FCA	Financial Conduct Authority
FCC	Financial Crime Compliance
FVOCI	Fair Value Through Other Comprehensive Income
FVPL	Fair Value Through Profit and Loss
FX	Foreign Exchange
FY	Full Year

I

IA	Initial Amount deposited
ICO	Instituto de Crédito Oficial the Spanish Governments business interruption loan scheme
IAS	International Accounting Standards
IFRS	International Financial Reporting Standings
IFRIC	International Financial Reporting Interpretations Committee

ABBREVIATIONS (Continued)

ISA	International Standards on Auditing
K	
KPI	Key Performance Indicators
KYC	Know Your Customer
L	
LGD	Loss Given Default
LoD	Line of Defence
M	
M&A	Mergers and Acquisitions
MI	Management Information
MiFID	Markets in Financial Instruments Directive
MIP	Management Incentive Plan
MtM	Mark to Market
N	
NBB	National Bank of Belgium
NDFs	Non-Deliverable Forwards.
P	
P&L	Profit and loss
PD	Probability of Default
R	
RCF	Revolving Credit Facility
RLS	Recovery Loan Scheme
RM	Relationship Manager
ROU	Right of Use asset
RO	Registered Offices
S	
SECR	Streamlined Energy and Carbon Reporting
SEPA	Single European Payments Area
SMEs	Small and Medium-sized Enterprises
SPV	Special Purpose Vehicle
STP	Straight through processing payments
SIC	Standard Interpretation Committee
T	
TMS	Treasury Management System
U	
UAE	United Arab Emirates
UK	United Kingdom of Great Britain and Northern Ireland
UMV	Unrestricted Market Value
US	United States of America
USD	United States Dollar
Y	
YoY	Year on Year
Numbers	
1LoD	First Line of Defence
2LoD	Second Line of Defence
3LoD	Third Line of Defence