

Registered number: 09790070

TRANSFERGO HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021

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TRANSFERGO HOLDINGS LIMITED

COMPANY INFORMATION

Directors

J Lasevicius
D Dvilinskas
D Keras
D Nangle
P R Blacher (resigned 15 September 2021)
J N Brozin (resigned 15 September 2021)
M O Ransford (resigned 15 September 2021)
R A Lemmens
R G Kidd
V Mashkov

Company secretary

OHS Secretaries Limited

Registered number

09790070

Registered office

2nd Floor
241 Southwark Bridge Road
London
England
SE1 6FP

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
30 Finsbury Square
London
EC2A 1AG

TRANSFERGO HOLDINGS LIMITED

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TRANSFERGO HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021

The directors of TransferGo Holdings Limited (the group and company) present the Strategic report for the 18 months period ended 31 December 2021. The group changed its financial year end from June to December hence the group has prepared its group financial statements for the 18 months period from 1 July 2020 to 31 December 2021.

Fair review of the business

The 2020/2021 financial year saw the group continue its primary focus on online money transfers, opening additional channels, signing up more banking partners and developing the core software platform. Management have also reviewed other strategic options to monetise its intellectual property and banking infrastructure.

The group is planning to continue to invest into new markets that would create significant revenue streams and contribute to existing operations.

Principal risks and uncertainties

The management of the business and the execution of the group's strategy are subject to a number of risks. The board review these risks and puts in place policies to mitigate them. The key business and financial risks are:

Compliance risk

The group actively manages and monitors its obligations under the UK, European and Global anti money laundering directives. It also ensures it's compliance under the FCA supervision regime and constantly updates standards for risk materiality, identifies and assess processes to ensure effective process application. The group has implemented automated transaction monitoring rules, digital identity verification enabled by Onfido, automated screening for sanctions, PEP and adverse media enabled by RDC, fraud prevention controls, risk management framework and processes for regulatory reporting.

Foreign Exchange risk

The group is exposed to Foreign Exchange risks due to remittances in multiple currencies across the operating countries. It might face potential loss or profit due to changes in the value of the bank's assets or liabilities resulting from exchange rate fluctuations.

Cybersecurity Risk

The group monitors cybersecurity risk by keeping its electronic information private and safe from damage, misuse or theft. The access controls have been implemented ensuring that no permissions to access are granted unintentionally, strict password policy has been used.

TRANSFERGO HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

Liquidity risk

The directors regularly monitor the financial information to ensure that any risks in this area are considered on a timely basis.

Employees

The directors understand the effect that the loss of key employees may have on the business and therefore provides / executes reviews of competitive remuneration packages to the group employees.

Growth risk

The group managed to double its growth in a year keeping the KPIs at the acceptable range. The main challenge is to keep the existing growth rate and lowering the costs while expanding further.

Brexit risk

The UK's decision to leave the European Union continues to generate a significant level of uncertainty in the economy. The directors regularly assess the likely effects on the group revenue and profitability in an attempt to mitigate the risk as far as practicable.

Coronavirus risk

Further to the recent global outbreak of Coronavirus disease (COVID 19), the directors of the Group continue to assess the situation across key European markets and the potential risk to the operation of the business daily. At the time of signing of these accounts, there has been no notable impact on either the Revenue, Customers or Employees within TransferGo Group.

The directors have taken all necessary measures as advised by the NHS, WHO, the UK government and equivalent local authorities across all TransferGo offices, including promoting hygiene standards and providing facilities to enable this; and firmly insisting all employees to working from home.

TransferGo platform is entirely cloud based, and the service we provide is natively digital. We also believe that migrant remittances are a necessity good as it provides most recipients in home countries with lifeblood food, water, medicine and electricity. Historically, the demand for necessity goods doesn't decline much during the economic slowdown. In theory, it can even go up as people drop the luxuries.

The directors do not consider there to be a threat to the overall business in the case of outbreak related closures and lockdowns due to the nature of our service and operations. We are digital, we operate from the cloud, and we provide the necessary service irrespective of how good or bad the market conditions are. Besides, the Group has enough working capital and full financial support from its Shareholders.

Historically migrant remittances were the most resilient flows relative to other types of flows during various global economical/financial events and have become even more critical as a source of external financing in many developing countries. The directors believe that appropriate strategies have, and are being further developed, to ensure the Group can minimise the effect of any possible adverse developments which could affect the Group's profitability.

War in Ukraine

The outbreak of the war in Ukraine in March 2022 has not identified adverse effect on the Group's activities.

Development and performance

The Board is happy with the performance in 2020/2021. Post year end, in April 2022, the Group's number of transactions for the month increased to five hundred and forty-five thousand (an all-time high in the number of transactions per month). The Group intends to continue its international expansion to new territories as well as acquiring further customer growth in existing markets. The Group is also expanding its licenses in key markets.

TRANSFERGO HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

Key performance indicators

The directors of the group consider transactions, turnover and net profit (loss) to be the key measures of the group's performance. The group also tracks the cost of customer acquisition and marketing spend.

In the financial period of 18 months from 1 July 2020 to 31 December 2021:

- Total transactions have increased on average by 50%
- Turnover has more than doubled to £33.7 million (*Financial year to 30 June 2020: £15.2 million*).
- Loss for the financial period of £13.7 million (*Financial year to 30 June 2020: £8.7 million*) was in line with the business plan. The loss was impacted by the investment in growing market share positions across key corridors with profitability expectations in the future and further development of the technology platform.

The Group's KPIs are considered satisfactory in light of the ongoing accelerated expansion into new markets.

This report was approved by the board on 8/7/2022 and signed on its behalf.

Justinas Lasevicius

J Lasevicius
Director

TRANSFERGO HOLDINGS LIMITED

**DIRECTORS' REPORT
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the 18 months period ended 31 December 2021.

Principal activity

The principal activity of the company and group continued to be that of monetary intermediation.

Results and dividends

The loss for the period, after taxation, amounted to £13,671,130 (*Financial year to 30 June 2020: loss £8,691,064*).

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

No preference dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who served during the 18 months period and subsequently were:

J Lasevicius
D Dvilinskas
D Keras
D Nangle
P R Blacher (resigned 15 September 2021)
J N Brozin (resigned 15 September 2021)
M O Ransford (resigned 15 September 2021)
R A Lemmens
R G Kidd
V Mashkov

TRANSFERGO HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Future developments

Refer to the development and performance section above in the Strategic report.

Engagement with employees

The group's policy is to consult and discuss with employees matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks.

TRANSFERGO HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

Going concern

After reviewing the company's budgets and forecasts for the next 12 months from the date of this report, its liquid resources, medium term plans, and potential impact of the continuing COVID-19 pandemic and the outbreak of the war in Ukraine in March 2022, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

In preparing the accounts on a going concern basis the directors have considered the internal controls over the future forecasting. The forecasting process is reviewed monthly by the senior management team against live key performance indicators which includes client transaction metrics as well as the current year to date financial performance. This leads to an iterative process resulting in high quality management forecasting tools. This is overlaid by the finance team for opex and capex requirements against cashflow and working capital requirements.

Political contributions

The Group made no political donations or incurred any political expenditure during the year.

Subsequent events

There have been no significant events affecting the Group since the year end.

Disclosure of information to auditor

The directors confirm that:

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

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8/7/2022 and signed on its behalf.

Justinas Lasevicius

J Lasevicius
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED

Opinion

We have audited the financial statements of Transfergo Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the 18 months period ended 31 December 2021, which comprise the Consolidated Profit and loss account, the Consolidated Statement of comprehensive income, the Consolidated and company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and company Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED
(CONTINUED)**

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 of the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Group strategic report and the Directors' report for the financial 18 months period for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED (CONTINUED)

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

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED
(CONTINUED)**

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined the most significant are those that relate to the reporting frameworks being international accounting standard, the Companies Act 2006, the FCA rules and guidance and the relevant tax compliance regulations in the jurisdiction in which the company operates;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for legal and compliance procedures. We corroborated our enquiries through our review of board minutes.
- We assessed the susceptibility of the company's Financial Statement to material misstatement, including how fraud might occur by meeting with management from relevant parts of the business to understand where management considered there was susceptibility to fraud.
- Audit procedures performed by the engagement team include:
 - Evaluation of the programmes and controls established to address the risks related to irregularities and fraud
 - Testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions; and
 - Identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - Understanding and practical experience with audit engagements of similar nature and complexity through appropriate training and participation;
 - Knowledge in which the client operates;
 - Understanding of the legal and regulatory requirements specific to the regulated entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance listed by relevant authorities that interpret those rules
 - the applicable statutory provisions.
- We did not identify any matters relating to non-compliance with laws and regulations or relating to fraud.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRANSFERGO HOLDINGS LIMITED
(CONTINUED)**

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;

Use of our report

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

Grant Thornton UK LLP

Ant Thomas FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
London Finsbury
Date: 8/7/2022

TRANSFERGO HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Note	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Turnover	4	33,700,868	15,240,655
Cost of sales		(13,840,351)	(7,188,377)
Gross profit		19,860,517	8,052,278
Administrative expenses		(32,418,364)	(16,412,342)
Other operating income	5	348,735	1,475
Operating loss	6	(12,209,112)	(8,358,589)
Interest payable and similar expenses	10	(1,526,014)	(537,408)
Loss before tax		(13,735,126)	(8,895,997)
Tax on loss	11	63,996	204,933
Loss for the financial period		(13,671,130)	(8,691,064)

Loss for the year is all attributable to the owners of the parent company.

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Loss for the financial period	(13,671,130)	(8,691,064)
Other comprehensive income		
Currency translation differences	250,575	(539,616)
Other comprehensive income for the period/year	250,575	(539,616)
Total comprehensive income for the period/year	(13,420,555)	(9,230,680)

Total comprehensive income for the year is all attributable to the owners of the parent company.

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED
REGISTERED NUMBER:09790070

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	193	443
Tangible assets	13	204,558	224,627
		<u>204,751</u>	<u>225,070</u>
Current assets			
Debtors	15	1,336,781	628,573
Cash at bank and in hand	16	25,994,512	15,657,876
		<u>27,331,293</u>	<u>16,286,449</u>
Creditors: amounts falling due within one year	17	(4,895,625)	(16,391,657)
Net current assets/(liabilities)		<u>22,435,668</u>	<u>(105,208)</u>
Total assets less current liabilities		<u>22,640,419</u>	<u>119,862</u>
Creditors: amounts falling due after more than one year	18	(278,145)	(3,106,621)
Provisions for liabilities			
Deferred taxation	21	(5,367)	(5,367)
		<u>(5,367)</u>	<u>(5,367)</u>
Net assets excluding pension asset		<u>22,356,907</u>	<u>(2,992,126)</u>
Net assets/(liabilities)		<u>22,356,907</u>	<u>(2,992,126)</u>
Capital and reserves			
Called up share capital	22	11,077	7,742
Share premium account		56,174,244	19,690,969
Capital redemption reserve		3,346,002	1,063,024
Other reserves		(293,760)	(293,760)
Profit and loss account		(36,880,656)	(23,460,101)
Equity attributable to owners of the parent company		<u>22,356,907</u>	<u>(2,992,126)</u>
		<u>22,356,907</u>	<u>(2,992,126)</u>

TRANSFERGO HOLDINGS LIMITED
REGISTERED NUMBER:09790070

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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

Justinas Lasevicius

J Lasevicius

Director

8/7/2022

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED
REGISTERED NUMBER:09790070

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	28,894,008	9,528,098
		<u>28,894,008</u>	<u>9,528,098</u>
Current assets			
Debtors	15	16,256,758	15,886,524
Debtors: amounts falling due within one year	15	-	6
Cash at bank and in hand	16	10,637,339	4,091,047
		<u>26,894,097</u>	<u>19,977,577</u>
Creditors: amounts falling due within one year	17	(36,282)	(8,909,538)
Net current assets		<u>26,857,815</u>	<u>11,068,039</u>
Total assets less current liabilities		<u>55,751,823</u>	<u>20,596,137</u>
Net assets excluding pension asset		<u>55,751,823</u>	<u>20,596,137</u>
Net assets		<u>55,751,823</u>	<u>20,596,137</u>
Capital and reserves			
Called up share capital	22	11,077	7,742
Share premium account		56,174,244	19,690,969
Capital redemption reserve		2,248,678	1,063,024
Other reserves		(293,760)	(293,760)
Profit and loss account brought forward		128,162	425,637
Loss for the period		(2,516,578)	(297,475)
Profit and loss account carried forward		(2,388,416)	128,162
		<u>55,751,823</u>	<u>20,596,137</u>

TRANSFERGO HOLDINGS LIMITED
REGISTERED NUMBER:09790070

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

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

Justinas Lasevicius

J Lasevicius

Director

8/7/2022

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium account	Share based payment reserve	Other reserves	Profit and loss account	Equity attributable to owners of parent company	Total equity
	£	£	£	£	£	£	£
At 1 July 2020	7,742	19,690,969	1,063,024	(293,760)	(23,460,101)	(2,992,126)	(2,992,126)
Comprehensive income for the period							
Loss for the period	-	-	-	-	(13,671,130)	(13,671,130)	(13,671,130)
Currency translation differences	-	-	-	-	250,575	250,575	250,575
Total comprehensive income for the period					(13,420,555)	(13,420,555)	(13,420,555)
Shares issued during the period	3,335	36,483,275	-	-	-	36,486,610	36,486,610
Equity settled share-based payment	-	-	2,282,978	-	-	2,282,978	2,282,978
Total transactions with owners					-	38,769,588	38,769,588
At 31 December 2021	11,077	56,174,244	3,346,002	(293,760)	(36,880,656)	22,356,907	22,356,907

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2020**

	Called up share capital £	Share premium account £	Share based payment reserve £	Other reserves £	Profit and loss account £	Equity attributable to owners of parent company £	Total equity £
At 1 July 2019	7,704	19,599,941	840,041	(293,760)	(14,229,421)	5,924,505	5,924,505
Comprehensive income for the year							
Loss for the year	-	-	-	-	(8,691,064)	(8,691,064)	(8,691,064)
Currency translation differences	-	-	-	-	(539,616)	(539,616)	(539,616)
Total comprehensive income for the year							
Shares issued during the year	38	91,028	-	-	(9,230,680)	(9,230,680)	(9,230,680)
Transfer between other reserves	-	-	222,983	-	-	222,983	222,983
Total transactions with owners	38	91,028	222,983	-	-	314,049	314,049
At 30 June 2020	7,742	19,690,969	1,063,024	(293,760)	(23,460,101)	(2,992,126)	(2,992,126)

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital £	Share premium account £	Share based payment reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2020	7,742	19,690,969	1,063,024	(293,760)	128,162	20,596,137
Comprehensive income for the year						
Loss for the period	-	-	-	-	(2,516,578)	(2,516,578)
Contributions by and distributions to owners						
Shares issued during the period	3,335	36,483,275	-	-	-	36,486,610
Equity settled share-based payment	-	-	1,185,654	-	-	1,185,654
Total transactions with owners	3,335	36,483,275	1,185,654	-	-	37,672,264
At 31 December 2021	11,077	56,174,244	2,248,678	(293,760)	(2,388,416)	55,751,823

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE 18 MONTHS PERIOD ENDED 30 JUNE 2020**

	Called up share capital £	Share premium account £	Share based payment reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 July 2019	7,704	19,599,941	840,041	(293,760)	425,637	20,579,563
Loss for the year	-	-	-	-	(297,475)	(297,475)
Shares issued during the year	38	91,028	-	-	-	91,066
Equity settled share based payment	-	-	222,983	-	-	222,983
At 30 June 2020	7,742	19,690,969	1,063,024	(293,760)	128,162	20,596,137

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

	31 December 2021 £	30 June 2020 £
Cash flows from operating activities		
Loss for the financial period/year	(13,671,130)	(8,691,064)
Adjustments for:		
Taxation (R&D credits received)	(63,996)	(204,933)
Finance costs	1,526,014	537,408
Loss on disposal of tangible assets	(8,451)	(977)
Amortisation of intangible assets	250	328
Depreciation of tangible assets	170,511	98,642
Equity settled as shared based payment expense	2,282,978	306,894
Increase/(decrease) in provisions	-	(9,035)
(Increase) in debtors	(708,208)	(91,538)
(Decrease) in creditors	(6,004,544)	(760,049)
Interest paid	(1,526,014)	(537,408)
Income taxes paid	63,996	204,933
Net cash generated from operating activities	(17,938,594)	(9,146,799)
Cash flows from investing activities		
Purchase of intangible fixed assets	-	(771)
Purchase of tangible fixed assets	(171,352)	(134,063)
Sale of tangible fixed assets	29,360	1,883
Net cash from investing activities	(141,992)	(132,951)

TRANSFERGO HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021

	31 December 2021 £	<i>30 June 2020 £</i>
Cash flows from financing activities		
Issue of share capital	29,911,369	-
Borrowings, net	(2,894,591)	10,841,215
Net cash used in financing activities	27,016,778	10,841,215
Net increase in cash and cash equivalents	8,936,192	1,561,465
Cash and cash equivalents at beginning of period	15,650,325	14,621,322
Foreign exchange gains and losses	250,575	(532,462)
Cash and cash equivalents at the end of period	24,837,092	15,650,325
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	25,994,512	15,657,876
Bank overdrafts	(1,157,420)	(7,551)
	24,837,092	15,650,325

The notes on pages 24 to 46 form part of these financial statements.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

1. Company information

TransferGo Holdings Limited ("the company") is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is 2nd Floor, 241 Southwark Bridge Road, London, SE1 6FP.

The group consists of TransferGo Holdings Limited and all of its subsidiaries.

2. Accounting policies**2.1 Basis of preparation of financial statements**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

2.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of TransferGo Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.3 Going concern**

After reviewing the company's budgets and forecasts for the next 12 months from the date of this report, its liquid resources, medium term plans, and potential impact of the continuing COVID-19 pandemic and the outbreak of the war in Ukraine in March 2022, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and, accordingly, consider that it is appropriate to adopt the going concern basis in preparing these financial statements.

In preparing the accounts on a going concern basis the directors have considered the internal controls over the future forecasting. The forecasting process is reviewed monthly by the senior management team against live key performance indicators which includes client transaction metrics as well as the current year to date financial performance. This leads to an iterative process resulting in high quality management forecasting tools. This is overlaid by the finance team for opex and capex requirements against cashflow and working capital requirements.

2.4 Turnover

Revenue is measured at the fair value of the consideration received or receivable, and represents amount receivable for services, stated net of discounts and returns. Revenue represents income from transaction fees and currency exchange margin from online currency exchange services provided to the customers in the year. Revenue is attributable to the continuing principal activity of the group. Both streams of revenue are recognised upon completion of the transaction.

Revenue is recognised taking into consideration agent vs principal revenue recognition. As the fulfilment of services depends on the third party (service provider), it does not have any discretion to establish pricing for the other party's services and its consideration is in the form of a commission, it is concluded that the group is acting as an agent.

Other income includes R&D tax credit which is recognized when the credit is receivable.

2.5 Internally developed software

Intangible assets which are internally developed are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

In previous years costs incurred were fully impaired. However in the current year cost spent on developing the intangible assets internally was expensed as it did not meet the criteria for capitalisation.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.6 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	15 - 25% straight line
Computers	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

2.7 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date. No impairment losses have been recognised to date.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

2.8 Foreign currency translation**Functional and presentation currency**

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)**2.8 Foreign currency translation (continued)**

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.9 Finance costs

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

2.10 Pensions**Defined contribution pension plan**

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

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

2.11 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

2.12 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

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

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

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

Other financial liabilities

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

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

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

Derecognition of financial liabilities

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

2.13 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

2.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2.16 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

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

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Investment carrying values

Investments are carried at cost less any provision for impairment. Reviews are performed whenever there is an indication of any potential impairment. No such provisions have been recognised to date.

Share based payments transactions

The group uses the Black Scholes model to determine the fair value of options granted to employees. Information on such assumptions are set out on note . The calculations require the use of estimates and assumptions. A change in these estimates or assumptions may affect charges to the profit and loss account over the vesting period of the award.

Fair value of warrants

Warrants are initially recognised at fair value on the date a contract is entered into and are subsequently remeasured at their fair value. Changes in the fair value of warrants to the year end are recognised in profit or loss in finance costs or finance income as appropriate.

Convertible loan notes

On the issue date of convertible loan notes, fair value of the conversion option is assessed using a modelling scenario which considers the likelihood of each trigger event. The assessment requires the use of assumptions which are based on reasonable basis. A change in assumptions may affect the split of convertible loan notes and the recognition of conversion option in equity.

Development cost

The development cost incurred in each year is assessed for capitalisation following the capitalisation criteria under UK GAAP FRS 102. Once capitalised, then the intangible asset relating to internal development cost capitalised is reviewed for impairment at each reporting period. For the cost incurred in the current year, management applied judgement while assessing the capitalisation criteria and have concluded that all the criteria were not met, hence the costs incurred on development were expensed in the current year.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

4. Turnover and revenue

Analysis of turnover by class of business is as follows:

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Monetary intermediation fees	33,700,868	15,240,655

Analysis of turnover by country of destination:

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
United Kingdom	18,158,986	15,240,655
Lithuania	15,541,882	-
	33,700,868	15,240,655

5. Other operating income

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Other operating income	348,735	1,475

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

6. Operating loss

The operating loss is stated after charging/(crediting):

	Period ended 31 December 2021 £	<i>Year ended 30 June 2020 £</i>
Exchange (gains)/losses	(1,001,148)	284,499
Depreciation of owned tangible fixed	174,551	98,642
(Profit)/loss on disposal of tangible fixed assets	(8,451)	977
Share-based payments	2,253,508	306,894
Operating lease charges	<u>824,814</u>	<u>626,899</u>

7. Auditor's remuneration

	Period ended 31 December 2021 £	<i>Year ended 30 June 2020 £</i>
For audit services		
Audit of the financial statements of the group and company	<u>83,960</u>	<u>60,535</u>
For audit services		
Audit of the financial statements of the company's foreign subsidiaries (in €)	<u>11,100</u>	<u>7,400</u>

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

8. Employees

Staff costs were as follows:

	Group Period ended 31 December 2021 £	<i>Group Year ended 30 June 2020 £</i>	Company Period ended 31 December 2021 £	<i>Company Year ended 30 June 2020 £</i>
Wages and salaries	12,814,692	6,182,488	14,224	-
Social security costs	744,417	370,244	111	-
Pension costs (Note 24)	101,367	53,542	-	-
	<u>13,660,476</u>	<u>6,606,274</u>	<u>14,335</u>	<u>-</u>

The average monthly number of employees, including the directors, during the period was as follows:

	Group Period ended 31 December 2021 No.	<i>Group Year ended 30 June 2020 No.</i>	Company Period ended 31 December 2021 No.	<i>Company Year ended 30 June 2020 No.</i>
Staff	<u>216</u>	<u>186</u>	<u>7</u>	<u>7</u>

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

9. Directors' remuneration

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Directors' emoluments	719,643	320,907
Company pension contributions to defined contribution schemes	11,499	8,577
	<u>731,142</u>	<u>329,484</u>

The highest paid director received remuneration of £11,499 (2020: £8,577) in respect of defined contribution pension schemes.

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £299,643 (2020: £140,000).

The value of the company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £4,489 (2020: £4,200).

10. Interest payable and similar expenses

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Bank interest payable	<u>1,526,014</u>	<u>537,408</u>

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

11. Taxation

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Corporation tax		
Current tax on profits for the year	82,761	14,014
R&D tax credit	(146,757)	(218,947)
Total current tax	<u>(63,996)</u>	<u>(204,933)</u>

Factors affecting tax charge for the period/year

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	Period ended 31 December 2021 £	Year ended 30 June 2020 £
Loss on ordinary activities before tax	<u>(13,970,129)</u>	<u>(8,895,997)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(2,654,325)	(1,648,640)
Effects of:		
Tax effect of expenses that are not deductible in determining taxable profit	2,676	135,404
Tax effect of income not taxable in determining taxable profit	82,761	(51,752)
R&D tax credit	(146,757)	(218,947)
Group relief	-	10,152
Gosystems deferred tax asset	-	13,969
Losses carried forward	2,651,649	1,554,881
Total tax charge for the period/year	<u>(63,996)</u>	<u>(204,933)</u>

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

12. Intangible assets**Group and Company**

	Software £
Cost	
At 1 July 2020	1,829,712
Write offs	(48)
At 31 December 2021	<u>1,829,664</u>
Amortisation	
At 1 July 2020	1,829,269
Charge for the year on owned assets	217
Write offs	(15)
At 31 December 2021	<u>1,829,471</u>
Net book value	
At 31 December 2021	<u><u>193</u></u>
At 30 June 2020	<u><u>443</u></u>

Amortisation on intangible assets is charged to admin expenses.

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

13. Tangible fixed assets**Group**

	Computer and other equipment £
Cost or valuation	
At 1 July 2020	417,760
Additions	171,352
Disposals	(91,308)
Write offs	(26,360)
At 31 December 2021	<u>471,444</u>
Depreciation	
At 1 July 2020	193,133
Charge for the period on owned assets	156,855
Disposals	(70,398)
Elimination on write offs	(12,704)
At 31 December 2021	<u>266,886</u>
Net book value	
At 31 December 2021	<u><u>204,558</u></u>
At 30 June 2020	<u><u>224,627</u></u>

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

14. Fixed asset investments

Company

	Shares in group undertakings £
Cost or valuation	
At 1 July 2020	9,528,098
Additions	19,365,910
At 31 December 2021	28,894,008
Net book value	
At 31 December 2021	28,894,008
At 30 June 2020	9,528,098

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

14. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
GMBH TransferGo Germany	Kemperplatz 1, 10785 Berlin, Germany	Marketing Services	Ordinary	100%
UAB GoSystems	Palangos g. 4, LT- 01402, Vilnius, Lithuania	Administrative services	Ordinary	100%
UAB TransferGo Lithuania	Palangos g. 4, LT- 01402, Vilnius, Lithuania	Electronic money services	Ordinary	100%
TransferGo Ltd	2nd Floor 241 Southwark Bridge Road, London, England, SE1 6FP	Monetary intermediation	Ordinary	100%

The aggregate of the share capital and reserves as at 31 December 2021 and the profit or loss for the period ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
GMBH TransferGo Germany	(307,050)	6,818
UAB GoSystems	(6,794,871)	175,257
UAB TransferGo Lithuania	312,339	(242,721)
TransferGo Ltd	2,544,410	64,855

TRANSFERGO HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE 18 MONTHS PERIOD ENDED 31 DECEMBER 2021**

15. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Due after one year				
Amounts owed by group undertakings	-	-	-	15,886,506
Due within one year				
Trade debtors	359,201	27,958	-	-
Amounts owed by group undertakings	-	-	16,256,758	18
Other debtors	405,530	525,401	-	-
Prepayments and accrued income	68,695	59,880	-	-
Tax recoverable	503,355	15,334	-	-
	1,336,781	628,573	16,256,758	15,886,524

The amounts owed by group undertakings have no fixed terms for repayment and bear no interest.

16. Cash and cash equivalents

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	25,994,512	15,657,876	10,637,339	4,091,047
Less: bank overdrafts	(1,157,420)	(7,551)	-	-
	24,837,092	15,650,325	10,637,339	4,091,047

TRANSFERGO HOLDINGS LIMITED

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17. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts (note 16)	1,157,420	7,551	-	-
Loan notes (note 19)	1,636,536	1,702,651	-	-
Trade creditors	480,891	719,571	1,503	12,663
Warrants	-	380,968	-	380,968
Amounts owed to group undertakings	-	-	-	1,628,988
Corporation tax	-	45	-	-
Other taxation and social security	299,555	970,379	34,779	-
Other creditors	948,281	3,353,335	-	-
Accruals and deferred income	372,300	986,916	-	311,678
Obligations under finance lease and hire purchase contracts	642	-	-	-
Convertible loan notes (note 18)	-	6,575,241	-	6,575,241
Advance from merchant (note 18)	-	1,695,000	-	-
	4,895,625	16,391,657	36,282	8,909,538

18. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £
Loan notes (note 19)	278,145	3,106,621

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19. Loans

	Group 2021 £	Group 2020 £
Bank overdrafts (note 16)	1,157,420	7,551
Advance from merchant	-	1,695,000
Other loans	1,914,681	4,809,272
Convertible loan notes	-	3,053,013
	<u>3,072,101</u>	<u>9,564,836</u>

FY 2020 loan notes relate to a venture debt facility, signed in July 2019, up to £5m at a fixed annual interest rate of 10% per annum. This facility is repayable over 3 years. Out of £1,914,681, £1,636,536 is due to be paid within 12 months and the remaining over 12 months.

20. Financial instruments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Carrying amount of financial assets				
Cash at bank and in hand (Note 16)	25,994,512	15,657,876	10,637,339	4,091,047
Debt instruments measured at amortised cost (Note 15)	717,054	513,885	16,256,758	18
	<u>26,711,566</u>	<u>16,171,761</u>	<u>26,894,097</u>	<u>4,091,065</u>
Carrying amount of financial liabilities				
Measured at fair value through profit or loss other financial liabilities - warrants (Note 17)	-	380,968	-	380,968
Measured at amortised cost (Note 17)	4,874,215	18,146,885	36,287	8,528,570
	<u>4,874,215</u>	<u>18,527,853</u>	<u>36,287</u>	<u>8,909,538</u>

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21. Deferred taxation**Group**

	2021 £	2020 £
At beginning of year	(5,367)	8,887
Charged to profit or loss	-	(14,254)
At end of period/year	(5,367)	(5,367)

The provision for deferred taxation is made up as follows:

	Group 31 December 2021 £	<i>Group</i> <i>30 June</i> <i>2020</i> £
Accelerated capital allowances	(5,367)	(5,367)

22. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
3,548,632 (2020: 3,548,430) Ordinary shares of £0.001 each	3,959	3,548
698,000 (2020: 698,000) Preferred "A1" shares of £0.001 each	698	698
239,000 (2020: 239,000) Preferred "A2" shares of £0.001 each	239	239
642,000 (2020: 642,000) Preferred "A3" shares of £0.001 each	642	642
601,202 (2020: 601,200) Preferred "A4" shares of £0.001 each	601	601
2,014,000 (2020: 2,013,580) Preferred "A5" shares of £0.001 each	2,014	2,014
2,924,175 Preferred "A6" shares of £0.001 each	2,924	-
	11,077	7,742

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22. Share capital (continued)

	Ordinary shares Number 000s
Reconciliation of movements during the period:	
At 1 July 2020	3,548
Issue of fully paid shares	410
At 31 December 2021	3,958

During the period the company issued 410,225 ordinary shares of £0.001 each for a total consideration of £18,254.38. All of these shares were issued to employees under share options scheme at exercise prices varying between £0.001 and £0.40. As a result, the company recorded a share premium of £17,844.15.

The company also issued 2,924,175 A6 Preferred Shares of £0.001 each for a total consideration of £36,507,008.10. 1,223,488 of these shares were the result of the conversion of convertible loan notes including interest.

The balance on the share capital account represents the aggregate nominal value of all A1, A2, A3, A4, A5 and A6 (together "Preference Shares") and Ordinary Shares in issue. All Preference and Ordinary Shares have a nominal value of £0.001.

Liquidation Preference

On a distribution of assets on a liquidation or a return of capital (excluding a conversion, redemption or purchase of Shares), voluntary winding up or dissolution of the Company the surplus assets of the Company remaining after payment of its liabilities (the "Liquidation Amount") shall be applied (to the extent that the Company is lawfully permitted to do so) in the following order:

- (i) first, in paying to the holders of A6 Preferred Shares an aggregate amount equivalent to the A6 Preferred Subscription Amount pro rata to their respective holdings of A6 Preferred Shares;
- (ii) second, in paying to the holders of A5 Preferred Shares an aggregate amount equivalent to the A5 Preferred Subscription Amount pro rata to their respective holdings of A5 Preferred Shares;
- (iii) third, in paying to the holders of A4 Preferred Shares an aggregate amount equivalent to the A4 Preferred Subscription Amount pro rata to their respective holdings of A4 Preferred Shares;
- (iv) fourth, in paying to the holders of A1 Preferred Shares an aggregate amount equivalent to the A1 Preferred Subscription Amount pro rata to their respective holdings of A1 Preferred Shares;
- (v) fifth, in paying to the holders of A2 Preferred Shares an aggregate amount equivalent to the A2 Preferred Subscription Amount pro rata to their respective holdings of A2 Preferred Shares;
- (vi) sixth, in paying to the holders of the A3 Preferred Shares an aggregate amount equivalent to the A3 Preferred Subscription Amount pro rata to their respective holdings of A3 Preferred Shares;

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22. Share capital (continued)

(vii) seventh, in paying to the holders of Ordinary Shares an aggregates amount equivalent to the Liquidation Amount multiplied by the aggregate number of Ordinary Shares in issue divided by the aggregate number of Preferred Shares in issue, such payments to the holders of Ordinary Shares being made pro rata to their respective holdings of Ordinary Shares; and

(viii) the balance of the surplus assets (if any) shall be distributed among the holders of Shares (other than the Preferred Shares) pro rata to the number of such Shares (other than the Preferred Shares) held.

23. Share based payments

TransferGo Holdings Limited operates a share option scheme for employees of the company's subsidiaries, to provide long term incentives to deliver long term shareholder returns. The options were granted during the year and are settled by the issue of ordinary shares in the company. The share based payment expenses are recognised by TransferGo Ltd, the subsidiary the employees under the share option scheme have their employment contracts with.

The participators of the scheme have the option to acquire 572,997 ordinary shares in Transfergo Holdings Limited at an exercise price of 0.001- 44 pence per share once the vesting conditions have been met.

These options are measured at their estimated fair value at the date of the grant, calculated using a Black Scholes model that takes into account the following variables and assumptions:

- The exercise price - as per option contract;
- The share price at grant date - the value of share based on the latest investment series;
- Expected life of option - the vesting period of the share options;
- Risk - free interest rate - 10 year yield UK treasury bonds;
- Expected price volatility of the underlying share - variance between returns was measured from the publicly available competitor data

24. Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charged to profit or loss in respect of defined contribution schemes	101,367	53,542

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

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25. Operating lease commitments

At 31 December 2021 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	<i>Group 2020 £</i>
Not later than 1 year	169,389	673,289

Some of the leases have no termination clauses as they are auto renewed each month. The amount of such leases with auto-renewals is £15,408 (2020: £15,878).

26. Controlling party

In the opinion of the Directors, there is no one ultimate controlling party.