

Company registration number 10544700 (England and Wales)

**FIINU HOLDINGS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2022**

# FIINU HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	D Hopton H Evans C Sweeney
<b>Secretary</b>	AMBA Secretaries Limited
<b>Company number</b>	10544700
<b>Registered office</b>	Meadows Business Park Station Approach Blackwater, Camberley GU17 9AB
<b>Auditor</b>	Mazars LLP

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# FIINU HOLDINGS LIMITED

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# FIINU HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 31 DECEMBER 2022

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The directors present their annual report and financial statements for the period ended 31 December 2022.

#### Principal activities

The principal activity of the Company was that of a holding company and software development. The software developed by the Company was to provide the capability to offer a plugin overdraft enabled by Open Banking. Following the major regulatory reform in the overdraft market in 2020, the technology is the world's first plugin overdraft in the UK without anyone needing to switch their bank. Initially this will be offered to its subsidiary Fiinu 2 Limited and over time will be able to be licenced to other banks globally.

#### Business Review

The software developed by the Company is operationally ready to support the delivery of the plugin overdraft into the marketplace and has been externally validated by both a professional services firm and the regulators. During the year £1.0m has been spent on developing and testing the software.

During the period ended December 2022, the Company changed its accounting reference date from 31 March to 31 December to bring the Company into line with the ultimate parent company, Fiinu Plc. As such, these financial statements have been prepared for the nine month period ended 31 December 2022, with comparative information being presented for the twelve months ended 31 March 2022. As a result, amounts presented in this annual report are not directly comparable.

#### Future outlook

This year has been another crucial year in the development and creation of the technology to build the Plugin Overdraft. We will look forward to our subsidiary Fiinu 2 Limited obtaining the required capital to launch in the market.

#### Results and dividends

The results for the period are set out on page 8.

During the period ended December 2022, the Company adopted International Financial Reporting Standards (IFRS) having previously prepared financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UKGAAP). As such the Company has applied the provisions of IFRS1 'First-time adoption of International Financial Reporting Standards' (IFRS1) in the preparation of this annual report.

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

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

M Sjoblom	(Resigned 26 June 2023)
D Hopton	
J Liow Yune Loy	(Resigned 19 October 2022)
H Evans	(Appointed 1 May 2022)
C Sweeney	(Appointed 3 November 2022)

#### Financial instruments

##### Financial risk management

The main financial risks arising from the Company's financial instruments are liquidity risk, credit risk and market risks (price and interest rate risk). This is shown in Note 20 to the annual financial statements.

#### Research and development

This year has been another crucial year in the development of Fiinu with the creation of the technology to build the Plugin Overdraft. In 2023 we will look to seek the required investment across the Group, to enable the business to continue the momentum build over the last year, executing our strategy and launching the product into the market.

# FIINU HOLDINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE PERIOD ENDED 31 DECEMBER 2022

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#### Post reporting date events

In March 2023, an additional £0.5m capital injection was received from its ultimate parent company Fiinu Plc.

In April 2023, an additional £0.75m capital injection was received from its ultimate parent company Fiinu Plc.

On 12 July 2023 Fiinu Plc announced through the London Stock Exchange Regulatory News Service ('RNS') that due to continuing challenging capital market conditions and the ongoing expense of maintaining and enhancing the development of the operationally ready banking technology, the company has now determined that the best course of action for its shareholders is for cost reductions to be initiated. Whilst the Company proceeds with the controlled scaling back of its operations, which may take a number of months, Fiinu Plc will continue to review all its options in respect of the business, including trying to source the additional funding required for Fiinu 2 Limited (previously Fiinu Bank Limited) to re-apply to the regulators to resume its banking licence application.

#### Auditor

Mazars LLP were appointed as auditor to the Company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at the General Meeting.

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the United Kingdom. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

#### Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

## **FIINU HOLDINGS LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2022***

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#### **Going Concern**

The financial statements have been prepared on a going concern basis dependent on the support of its parent company.

Due to the current economic environment, the ability of Fiinu 2 Limited, a wholly owned subsidiary of the Company, to raise sufficient capital to resume its banking licence application represents a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern.

The capital raised should cover the subsidiary's regulatory capital requirements for year one of operations as well as provide Fiinu 2 Limited with the required technology services to support operations.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption including not preparing a strategic report.

On behalf of the board

C Sweeney

**Director**

22 September 2023

# FIINU HOLDINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FIINU HOLDINGS LIMITED

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#### Opinion

We have audited the financial statements of Fiinu Holdings Limited (the 'company') for the year ended 31 December 2022 which comprise Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

In our opinion, the financial statements:

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

#### Basis for opinion

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

#### Material uncertainty related to going concern

We draw attention to note 1.3 in the financial statements, which indicates that the company's ability to continue as a going concern, is depended upon its wholly owned subsidiary, Fiinu 2 Ltd, ability to obtain sufficient capital to resume its banking application.

As stated in note 1.3, these events or conditions, along with the other matters as set forth in this note to the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# FIINU HOLDINGS LIMITED

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

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### Other information

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

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

We have nothing to report in this regard.

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

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

- the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

### Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



# FIINU HOLDINGS LIMITED

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

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### 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 the financial statements.

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

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following law and regulation might have a material effect on the financial statements: HM Revenue & Customs (HMRC).

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation and the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to misappropriate cash.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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

## **FIINU HOLDINGS LIMITED**

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

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#### **Use of the audit 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.

**Pauline Pélissier (Senior Statutory Auditor  
For and on behalf of Mazars LLP**

22 September 2023

**Chartered Accountants  
Statutory Auditor**

30 Old Bailey

# FIINU HOLDINGS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

		9 months ended 31 December 2022	12 months ended 31 March 2022 as restated
	Notes	£	£
Administrative expenses		(976,960)	(656,970)
<b>Operating loss</b>	<b>4</b>	(976,960)	(656,970)
Investment revenues		46	-
Finance costs		-	(1,222)
<b>Loss before taxation</b>		(976,914)	(658,192)
Income tax income	<b>8</b>	131,251	-
<b>Loss and total comprehensive income for the period</b>		(845,663)	(658,192)

# FIINU HOLDINGS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		31 December 2022	31 March 2022 as restated
	Notes	£	£
<b>Non-current assets</b>			
Intangible assets	9	878,639	29,563
Property, plant and equipment	10	51,978	5,411
Investments	11	8,800,002	2
		<u>9,730,619</u>	<u>34,976</u>
<b>Current assets</b>			
Trade and other receivables	13	342,685	28,157
Amounts owed by group undertakings	14	1,008	431,332
Current tax recoverable		106,251	95,150
Cash and cash equivalents		51,520	275,370
		<u>501,464</u>	<u>830,009</u>
<b>Current liabilities</b>			
Trade and other payables	15	590,005	708,845
Amounts owed to group undertakings	16	1,531,601	-
<b>Net current (liabilities)/assets</b>		<u>(1,620,142)</u>	<u>121,164</u>
<b>Net assets</b>		<u>8,110,477</u>	<u>156,140</u>
<b>Equity</b>			
Called up share capital	17	14,308	13,428
Share premium account	18	12,642,563	3,843,443
Retained earnings		(4,546,394)	(3,700,731)
<b>Total equity</b>		<u>8,110,477</u>	<u>156,140</u>

The financial statements were approved by the board of directors and authorised for issue on 22 September 2023 and are signed on its behalf by:

C Sweeney  
Director

Company registration number 10544700

# FIINU HOLDINGS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Retained earnings £	Total £
<b>As restated for the period ended 31 March 2022:</b>					
<b>Balance at 1 April 2021</b>		13,223	3,443,666	(3,075,602)	381,287
Effect of change in accounting policy	24	-	-	3,500	3,500
<b>As restated</b>		13,223	3,443,666	(3,042,539)	414,350
<b>Period ended 31 March 2022:</b>					
Loss and total comprehensive income for the period		-	-	(658,192)	(658,192)
Transactions with owners in their capacity as owners:					
Issue of share capital	17	205	399,777	-	399,982
<b>Balance at 31 March 2022</b>		13,428	3,843,443	(3,700,731)	156,140
<b>Period ended 31 December 2022:</b>					
Loss and total comprehensive income for the period		-	-	(845,663)	(845,663)
Transactions with owners in their capacity as owners:					
Issue of share capital	17	880	8,799,120	-	8,800,000
<b>Balance at 31 December 2022</b>		14,308	12,642,563	(4,546,394)	8,110,477

# FIINU HOLDINGS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 DECEMBER 2022

		31 December 2022	31 March 2022
	Notes	£	£
			as restated
		£	£
<b>Cash flows from operating activities</b>			
Cash generated from/(absorbed by) operations	23	555,487	(597,091)
Interest received		46	-
Interest paid		-	(1,222)
Income taxes refunded/(paid)		120,150	(95,150)
<b>Net cash inflow/(outflow) from operating activities</b>		675,683	(693,463)
<b>Investing activities</b>			
Purchase of intangible assets		(849,076)	(26,063)
Purchase of property, plant and equipment		(50,457)	-
Purchase of subsidiaries		(8,800,000)	-
<b>Net cash used in investing activities</b>		(9,699,533)	(26,063)
<b>Financing activities</b>			
Proceeds from issue of shares		8,800,000	399,982
<b>Net cash generated from financing activities</b>		8,800,000	399,982
<b>Net decrease in cash and cash equivalents</b>		(223,850)	(319,544)
Cash and cash equivalents at beginning of year		275,370	594,914
Cash and cash equivalents at end of year		51,520	275,370

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD ENDED 31 DECEMBER 2022**

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### **1 Accounting policies**

#### **Company information**

Fiinu Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Meadows Business Park, Station Approach, Blackwater, Camberley, GU17 9AB.

#### **1.1 Reporting period**

During the period the company was part of a reverse takeover headed by Fiinu plc which has a year ended 31 December.

To bring the company into line with the group the year end has been changed to be for the 9 months to 31 December 2022 and so the results for the year to 31 March may not be entirely comparable.

#### **1.2 Accounting convention**

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards (IFRS) in conformity with 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.

During the period ended December 2022, the Company adopted UK-adopted International Accounting Standards (IFRS) having previously prepared financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UKGAAP). As such the Company has applied the provisions of IFRS1 'First-time adoption of International Financial Reporting Standards' (IFRS1) in the preparation of this annual report. There were no transitional changes required on adoption of IFRS.

The reported financial position and financial performance for the previous period are reconciled in note 24.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Fiinu Holdings Limited is a wholly owned subsidiary of Fiinu plc and the results of Fiinu Holdings Limited are included in the consolidated financial statements of Fiinu plc which are available from the same registered office address as the company.

#### **1.3 Going concern**

The financial statements have been prepared on a going concern basis dependent on the support of its parent.

Due to the current economic environment, the ability of Fiinu 2 Limited, a wholly owned subsidiary of the Company, to raise sufficient capital to resume its banking licence application represents a material uncertainty that may cast doubt on the ability of the Company to continue as a going concern.

The capital raised should cover the subsidiary's regulatory capital requirements for year one of operations as well as provide Fiinu 2 Limited with the required technology services to support operations.

The financial statements do not include the adjustments that would result if the company were unable to continue as a going concern.

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.4 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is only recognised when the asset is ready for use, therefore as the development costs have not yet brought the assets into use, no amortisation is charged in the year.

Amortisation of development costs is to write off the cost over a period of five years.

#### 1.5 Property, plant and equipment

Property, plant and equipment 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:

Fixtures and fittings	25% on cost
Plant and equipment	25% on cost
Computers	25% on cost

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 income statement.

#### 1.6 Non-current 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 and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

#### 1.7 Impairment of tangible and intangible assets

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

#### 1.8 Cash and cash equivalents

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



# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 1 Accounting policies

(Continued)

#### 1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

##### **Financial assets held at amortised cost**

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

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

Financial assets carried at amortised cost are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

#### 1.10 Financial liabilities

The company recognises financial liability when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

##### **Other financial liabilities**

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

#### 1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

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### 1 Accounting policies

(Continued)

#### 1.12 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 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 never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.14 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 in the period are included in profit or loss.

## **FIINU HOLDINGS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE PERIOD ENDED 31 DECEMBER 2022***

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#### **2 Critical accounting estimates and judgements**

In the application of the company'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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 2 Critical accounting estimates and judgements

(Continued)

#### Critical judgements

##### Impairment

When assessing the impairment of the assets, the company have considered the technology assets developed and the investment in subsidiaries.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### Intangible fixed assets

Intangible fixed assets relate to development of a new banking software required in order to operate in the banking industry. Costs are only capitalised when directly attributable to the development of the software, and the technical and commercial feasibility of the asset for use have been established.

The directors do not consider there to be any key sources of estimation uncertainty.

### 3 IFRS Transition adjustments

#### Reconciliation of equity

	1 April 2021	31 March 2022
Notes	£	£
Equity as previously reported	410,850	126,577
Adjustments arising from transition:		
	29,563	29,563
Equity as restated	440,413	156,140

#### Reconciliation of loss for the financial period

	2022 £
Loss as previously reported and after transition	(684,255)
Adjustments to prior period (note 24)	26,063
As restated	(658,192)

#### Notes to reconciliations

During the period, the company has transitioned from FRS102 reporting to IFRS reporting. As a result of the transition, costs of £29,563 that had previously been expensed were reclassified as Development costs under Intangible assets.

See details of the restated amounts in note 23.

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 4 Operating loss

	31 December 2022	31 March 2022
	£	£
Operating loss for the period is stated after charging/(crediting):		
Exchange losses/(gains)	3,964	(64)
Depreciation of property, plant and equipment	3,890	2,486
Computer running costs	65,780	11,272
Audit and accountancy costs	51,000	41,715
Advertising	24,511	9,177
Other costs	85,311	39,506
Contractor costs	270,132	11,138
Legal and professional fees	336,592	264,185
Consultancy fees	135,780	277,555
	<u>          </u>	<u>          </u>

### 5 Auditor's remuneration

	31 December 2022	31 March 2022
Audit of the financial statements of the company	20,000	4,000
	<u>          </u>	<u>          </u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the period was:

	31 December 2022 Number	31 March 2022 Number
Management	4	2
	<u>          </u>	<u>          </u>

There was no remuneration paid to employees during the period (March 2022: £nil).

### 7 Directors' remuneration

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil (March 2022: £nil).

There was no remuneration paid to directors during the period (March 2022: £nil).

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 8 Income tax expense

	31 December 2022 £	31 March 2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	(86,251)	-
Adjustments in respect of prior periods	(45,000)	-
<b>Total UK current tax</b>	<b>(131,251)</b>	<b>-</b>

The charge for the period can be reconciled to the loss per the income statement as follows:

	2022 £	2022 £
Loss before taxation	(976,914)	(658,192)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(185,614)	(125,056)
Effect of expenses not deductible in determining taxable profit	-	1,263
Unutilised tax losses carried forward	185,614	137,570
Adjustment in respect of prior years	(25,000)	-
Permanent capital allowances in excess of depreciation	-	473
Research and development tax credit	(86,251)	-
Research and development tax credit prior year	(20,000)	-
Other timing differences	-	(14,250)
<b>Taxation credit for the period</b>	<b>(131,251)</b>	<b>-</b>

The company has unused losses of £2,038,180 (March 2022: £1,192,517) carried forward at the period end. No deferred tax asset has been recognised at the year end as there is no certainty that there will be sufficient profits in the foreseeable future. This resulted in a potential deferred tax asset of £509,545 (March 2022: £226,578) not being recognised.

#### Factors that may affect future tax charges

Increases in the UK corporation tax rate from 19% to 25%, with marginal relief available for profits between £50,000 and £250,000 (effective 1 April 2023) were substantively enacted on 3 March 2021. This will increase the company's future tax charge accordingly.

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 9 Intangible assets

	Development costs £
<b>Cost</b>	
At 1 April 2021	3,500
Additions (Refer to note 3)	26,063
	<hr/>
At 31 March 2022 (Refer to note 3)	29,563
Additions - purchased	849,076
	<hr/>
At 31 December 2022	878,639
	<hr/>
<b>Carrying amount</b>	
At 31 December 2022	878,639
	<hr/>
At 31 March 2022 (Restated)	29,563
	<hr/>
At 31 March 2021 (Restated)	3,500
	<hr/>

Intangible assets are made up of development costs incurred in designing a banking software model. The development of this asset is not yet complete, therefore no amortisation has been recorded.

### 10 Property, plant and equipment

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
<b>Cost</b>				
At 1 April 2021 and 1 April 2022	1,235	15,463	9,937	26,635
Additions	-	-	50,457	50,457
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	1,235	15,463	60,394	77,092
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Accumulated depreciation and impairment</b>				
At 1 April 2021	1,234	13,826	3,678	18,738
Charge for the period	-	1,637	849	2,486
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1,234	15,463	4,527	21,224
Charge for the period	1	-	3,889	3,890
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	1,235	15,463	8,416	25,114
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Carrying amount</b>				
At 31 December 2022	-	-	51,978	51,978
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2022	1	-	5,410	5,411
	<hr/>	<hr/>	<hr/>	<hr/>

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

### 11 Investments

	Non-current	
	31 December	31 March
	2022	2022
	£	£
Investments in subsidiaries	8,800,002	2

#### Fair value of financial assets carried at amortised cost

Except as detailed below the directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

#### Movements in non-current investments

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 April 2022	2
Additions	8,800,000
At 31 December 2022	8,800,002
<b>Carrying amount</b>	
At 31 December 2022	8,800,002
At 31 March 2022	2

### 12 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Fiinu Bank Limited	Same as parent	Ordinary	100.00
Fiinu Services Limited*	Same as parent	Ordinary	100.00

\* Dormant company.



# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 13 Trade and other receivables

	31 December 2022 £	31 March 2022 £
VAT recoverable	228,834	28,157
Prepayments	113,851	-
	<u>342,685</u>	<u>28,157</u>

### 14 Amounts owed by group undertakings

	31 December 2022 £	31 March 2022 £
Amounts owed by fellow group undertakings	1,008	431,332
	<u>1,008</u>	<u>431,332</u>

### 15 Trade and other payables

	31 December 2022 £	31 March 2022 £
Trade payables	237,106	89,668
Accruals	350,138	619,025
Other payables	2,761	152
	<u>590,005</u>	<u>708,845</u>

### 16 Amounts owed to group undertakings

	31 December 2022 £	31 March 2022 £
Amount owed to parent undertaking	1,221,340	-
Amounts owed to subsidiary undertakings	310,261	-
	<u>1,531,601</u>	<u>-</u>

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 17 Share capital

	31 December 2022	31 March 2022	31 December 2022	31 March 2022
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of 0.01p each	127,437,382	118,637,382	12,744	11,864
Seed shares of 0.01p each	15,643,773	15,643,773	1,564	1,564
	<u>143,081,155</u>	<u>134,281,155</u>	<u>14,308</u>	<u>13,428</u>

Each share is entitled to one vote, has equal rights to dividends and is entitled to participate in a distribution arising from a winding up of the company.

#### Reconciliation of movements during the period:

	Ordinary Number	Seed Number
At 1 April 2022	11,864	1,564
Issue of fully paid shares	880	-
At 31 December 2022	<u>12,744</u>	<u>1,564</u>

During the year the company issued for cash the following classes of shares:

- Ordinary shares - 8,800,000 value £0.0001 each issued at £1.00 each share.

### 18 Share premium account

	31 December 2022	31 March 2022
	£	£
At the beginning of the period	3,843,443	3,443,666
Issue of new shares	8,799,120	399,777
At the end of the period	<u>12,642,563</u>	<u>3,843,443</u>

### 19 Capital risk management

Capital risk is the risk that the company has insufficient capital to support its growth plans.

The Company regularly reviews and manages its capital in order to maintain an optimal structure, taking account of its future capital requirements, projected profitability, operating cash flows, capital expenditure and projected strategic investment opportunities. The management regards capital as total equity and reserves.

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 20 Financial risk management

Risk is an inherent part of the Company's business activities. The Company seeks to identify, assess, monitor and manage each of the various types of risk involved in its business activities. A key component of the Company's approach to capital management is to ensure that the Company's policies are aligned with the group's overall strategy, business plans, risk management framework and risk appetite.

The key focus of financial risk management for the Company is ensuring that the proceeds from its financial assets are sufficient to fund the obligations arising from its operations. The main financial risks arising from the Company financial instruments are liquidity risk, credit risk and market risks (price and interest rate risk).

Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company maintains adequate levels of liquidity and ensures that it maintains sufficient levels of liquidity to meet foreseeable and unexpected needs. Policies and procedures are in place to manage liquidity risk. The level of liquidity is monitored on a daily basis to ensure there are sufficient liquid assets at all times to cover cash flow movements and fluctuations in funding, enabling us to meet all financial obligations and to support anticipated growth.

Credit risk is the risk of financial loss to the Company if a counterparty fails to meet its contractual obligations to repay the Company in accordance with agreed terms. Credit risk is managed in relation to its cash reserves and intercompany debt to reduce the risk of financial loss. The risk is managed by review and diversification of where bank deposits are held where possible and by monitoring the position in relation to the satisfaction of debt balances.

### 21 Related party transactions

#### Remuneration of key management personnel

There was no remuneration of key management personnel, including directors, under any of the categories specified in IAS 24 *Related Party Disclosures*.

#### Other transactions with related parties

The following amounts were outstanding at the reporting end date:

	31 December 2022 £	31 March 2022 £
<b>Amounts due to related parties</b>		
Parent company	1,221,340	-
Subsidiaries	310,261	-
	<u>1,531,601</u>	<u>-</u>

The loans due to/ from the parent company and subsidiary undertakings are repayable on demand and have no interest attached.

The following amounts were outstanding at the reporting end date:

	2022 £	2022 £
<b>Amounts due from related parties</b>		
Subsidiaries	1,008	431,332
	<u>1,008</u>	<u>431,332</u>

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 21 Related party transactions

(Continued)

The loans due to/ from the parent company and subsidiary undertakings are repayable on demand and have no interest attached.

#### Other information

During the period, amounts withdrawn of £328 (March 2022: £(1,098)) were made to the director. A loan due to the director of £480 (March 2022: £152) remains outstanding at the year end. The loan bears no interest and is repayable on demand.

### 22 Controlling party

Fiinu plc (Registered Office: Meadows Business Park, Station Approach, Camberley, GU17 9AB) is the ultimate controlling party by virtue of its controlling interest in the company.

### 23 Cash generated from/(absorbed by) operations

	31 December 2022 £	31 March 2022 £
Loss for the period before income tax	(976,914)	(658,192)
<b>Adjustments for:</b>		
Finance costs	-	1,222
Investment income	(46)	-
Depreciation of property, plant and equipment	3,890	2,486
<b>Movements in working capital:</b>		
Decrease/(increase) in trade and other receivables	115,795	(68,421)
Increase in trade and other payables	1,412,762	125,814
<b>Cash generated from/(absorbed by) operations</b>	<b>555,487</b>	<b>(597,091)</b>

# FIINU HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

### 24 Prior period adjustment

The prior period adjustment relates to the capitalisation of software following the adoption of IFRS from UKGAAP (see note 1.2).

#### Changes to the statement of financial position

	At 31 March 2022			As restated £
	Previously reported £	Adjustment at 1 Apr 2021 £	Adjustment at 31 Mar 2022 £	
<b>Fixed assets</b>				
Other intangibles	-	3,500	26,063	29,563
Net assets	126,577	3,500	26,063	156,140
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Capital and reserves</b>				
Retained earnings	(3,730,294)	3,500	26,063	(3,700,731)
Total equity	126,577	3,500	26,063	156,140
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Changes to the income statement

	Previously reported £	Adjustment at 1 Apr 2021 £	Adjustment at 31 Mar 2022 £	As restated £
Administrative expenses	(683,033)	3,500	29,563	(656,970)
Loss for the financial period	(684,255)	3,500	29,563	(658,192)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

#### Reconciliation of changes in equity

	Notes	1 April 2021 £	31 March 2022 £
Equity as previously reported		410,850	126,577
<b>Adjustments to prior period</b>			
Capitalisation of development costs		3,500	29,563
Equity as adjusted		<u>414,350</u>	<u>156,140</u>
<b>Analysis of the effect upon equity</b>			
Retained earnings		<u>3,500</u>	<u>29,563</u>

## FIINU HOLDINGS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

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24	Prior period adjustment		(Continued)
	Reconciliation of changes in loss for the previous financial period		
		Notes	2022 £
	Loss as previously reported		(684,255)
	<b>Adjustments to prior period</b>		
	Capitalisation of development costs		26,063
	Loss as adjusted		<u>(658,192)</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.