

Company registration number 10544700 (England and Wales)

FIINU HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

FIINU HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M Sjoblom	(Appointed 31 December 2023)
	D Hopton	
	H Evans	(Resigned 31 December 2023)
	C Sweeney	(Resigned 31 December 2023)
	S Leathers	(Appointed 31 December 2023)

Secretary	AMBA Secretaries Limited
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Company number	10544700
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Registered office	Ibex House Baker Street Weybridge Surrey KT13 8AH
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Auditor	F.W. Smith, Riches & Co 15 Whitehall London SW1A 2DD
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FIINU HOLDINGS LIMITED

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FIINU HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their annual report and financial statements for the year ended 31 December 2023.

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. The company through its parent Company Fiinu Plc are seeking to raise the necessary capital, to be in a position to launch in the market. 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 who remain focused on raising the necessary capital to support re-application for a UK banking licence. Over time the software may be able to be licenced to other banks globally.

Future Developments and Research and Development

In 2024 the group will focus on raising the necessary capital to support the re-application for a UK banking licence for its subsidiary Fiinu 2 Limited, which will enable the Company to execute its strategy and launching the product into the market.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £25,998. The directors do not recommend payment of a final dividend.

Directors

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

M Sjoblom	(Appointed 31 December 2023)
D Hopton	
H Evans	(Resigned 31 December 2023)
C Sweeney	(Resigned 31 December 2023)
S Leathers	(Appointed 31 December 2023)

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 22 to the annual financial statements.

Auditor

Mazars LLP stepped down as auditors following the decision by the Company to appoint an audit firm that is aligned to the current stage of the company's development. F.W. Smith, Riches & Co (a member of MGI Worldwide) 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.

FIINU HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

Going Concern

The financial statements have been prepared on a going concern basis. In assessing going concern, the Directors have considered the current statement of financial position, the financial projections, longer-term strategy of the business and the capital and liquidity plans, including stress tests and plans for future capital injections.

During the year, the Fiinu Plc group (the 'Group') reported that it was facing challenges in raising the full amount of funding required for Fiinu Bank Limited to launch without regulatory restrictions and commence its banking operations in the UK. Accordingly, Fiinu Bank Limited applied to withdraw its banking licence with the aim of re-applying once the Board would be able to attest to the regulators that the funding is secured.

Following the withdrawal of the banking licence application, Fiinu Bank changed its name to Fiinu 2 Limited and the group initiated controlled cost reductions in order to provide additional time to determine the best way forward for shareholders.

As at 31 December 2023 the company had available cash resources of £166,861, with the Group's cash standing at £1.3 million. The Directors have prepared forecasts for the Group for a period of at least 12 months from the date of signing of these financial statements. Based on the current projection, the Directors believe that there are sufficient funds for the Group's forecast expenditure for at least the next 12 months. However, it is anticipated that the Group will need to raise capital beyond this period in order to proceed with its operational strategy and to continue to fund its subsidiaries. This represents a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. However, the Directors have a reasonable expectation that this uncertainty can be managed to a successful outcome, and based on that assessment, the company will have adequate resources to continue in operational existence for the foreseeable future.

The financial statements do not reflect any adjustments that would be required to be made if they were to be prepared on a basis other than the going concern basis.

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:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimate that are reasonable and prudent;
- state whether applicable UK-adopted International Accounting Standards have been followed;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

FIINU HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

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

M Sjoblom

Director

22 April 2024

FIINU HOLDINGS LIMITED

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

Opinion

We have audited the financial statements of Fiinu Holdings Limited (the 'Company') for the year ended 31 December 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 whilst the Directors believe that there are sufficient funds available within its group to fund the Company's forecast expenditure for a period of at least 12 months from the date of signing of these financial statements, it is anticipated that the group will need to raise capital beyond this period in order to proceed with its operational strategy and to continue to fund its subsidiaries. As stated in note 1.3, these events or conditions, along with the other matters set forth in note 1.3, 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.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our 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.

FIINU HOLDINGS LIMITED

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

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 Directors' Report for the financial year for which 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 where 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

Auditor's responsibilities for the audit of the financial statements

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

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

Discussions with and enquiries of management and those charged with governance were held with a view to identifying those laws and regulations that could be expected to have a material impact on the financial statements. During the engagement team briefing, the outcomes of these discussions and enquiries were shared with the team, as well as consideration as to where and how fraud may occur in the entity.

Those laws and regulations considered to have a direct effect on the financial statements include UK adopted international accounting standards, Company Law, Tax legislation, and distributable profits legislation.

Audit procedures undertaken in response to the potential risks relating to irregularities (which include fraud and non-compliance with laws and regulations) comprised of: enquiries of management and those charged with governance as to whether the entity complies with such laws and regulations; enquiries with the same concerning any actual or potential litigation or claims; inspection of relevant legal correspondence; testing the appropriateness of journal entries; and the performance of analytical review to identify unexpected movements in account balances which may be indicative of fraud.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud may be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

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.

Jane Lowden (Senior Statutory Auditor)
For and on behalf of **F.W. Smith, Riches & Co**
Chartered Accountants & Statutory Auditor
London

22 April 2024

FIINU HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023

		12 months ended 31 December 2023 £	9 months ended 31 December 2022 £
Administrative expenses	Notes	(3,152,208)	(976,960)
Operating loss	3	(3,152,208)	(976,960)
Finance income		26	46
Dividend income		25,998	-
Other gains and losses	7	(10,571,414)	-
Loss before taxation		(13,697,598)	(976,914)
Income tax income	8	16,157	131,251
Loss and total comprehensive loss for the year		(13,681,441)	(845,663)

The notes on pages 11 - 25 form part of these financial statements.

FIINU HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

		31 December 2023 £	31 December 2022 £
	Notes		
Non-current assets			
Intangible assets	11	-	878,639
Property, plant and equipment	12	-	51,978
Investments	13	2	8,800,002
		<u>2</u>	<u>9,730,619</u>
Current assets			
Trade and other receivables	15	9,164	342,685
Amounts owed by group undertakings	17	-	1,008
Current tax recoverable		-	106,251
Cash and cash equivalents		166,861	51,520
		<u>176,025</u>	<u>501,464</u>
Current liabilities			
Trade and other payables	16	66,476	590,005
Amounts owed to group undertakings	18	4,456,513	1,531,601
Net current liabilities		<u>(4,346,964)</u>	<u>(1,620,142)</u>
Net (liabilities)/assets		<u><u>(4,346,962)</u></u>	<u><u>8,110,477</u></u>
Equity			
Called up share capital	19	1	14,308
Share premium account	20	-	12,642,563
Retained earnings		(4,346,963)	(4,546,394)
Total equity		<u><u>(4,346,962)</u></u>	<u><u>8,110,477</u></u>

The notes on pages 11 - 25 form part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 22 April 2024 and are signed on its behalf by:

M Sjoblom
Director

Company registration number 10544700

FIINU HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

		Share capital	Share premium account	Retained earnings	Total
	Notes	£	£	£	£
Balance at 1 April 2022		13,428	3,843,443	(3,700,731)	156,140
Period ended 31 December 2022:					
Loss and total comprehensive loss		-	-	(845,663)	(845,663)
Transactions with owners:					
Issue of share capital	19	880	8,799,120	-	8,800,000
Balance at 31 December 2022		14,308	12,642,563	(4,546,394)	8,110,477
Period ended 31 December 2023:					
Loss and total comprehensive loss		-	-	(13,681,441)	(13,681,441)
Transactions with owners:					
Issue of share capital	19	125	1,249,875	-	1,250,000
Dividends	9	-	-	(25,998)	(25,998)
Capital reduction	19	(14,432)	(13,892,438)	13,906,870	-
Balance at 31 December 2023		1	-	(4,346,963)	(4,346,962)

The notes on pages 11 - 25 form part of these financial statements.

FIINU HOLDINGS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash generated from operations	25		1,525		555,487
Interest received			26		46
Dividends received			25,998		-
Income taxes refunded			122,408		120,150
Net cash inflow from operating activities			149,957		675,683
Investing activities					
Purchase of intangible assets		-		(849,076)	
Purchase of property, plant and equipment		(8,618)		(50,457)	
Purchase of subsidiaries		(1,250,000)		(8,800,000)	
Net cash used in investing activities			(1,258,618)		(9,699,533)
Financing activities					
Proceeds from issue of shares		1,250,000		8,800,000	
Dividends paid		(25,998)		-	
Net cash generated from financing activities			1,224,002		8,800,000
Net increase/(decrease) in cash and cash equivalents			115,341		(223,850)
Cash and cash equivalents at beginning of year			51,520		275,370
Cash and cash equivalents at end of year			166,861		51,520

The notes on pages 11 - 25 form part of these financial statements.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Material accounting policy information

Company information

Fiinu Holdings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Ibex House, Baker Street, Weybridge, Surrey, KT13 8AH.

1.1 Reporting period

The accounting period is 12 months to 31 December 2023.

The prior period of accounts is for the 9 months to 31 December 2022 and so the comparative results 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.

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. In assessing going concern, the Directors have considered the current statement of financial position, the financial projections, longer-term strategy of the business and the capital and liquidity plans, including stress tests and plans for future capital injections.

During the year, the Fiinu Plc group (the 'Group') reported that it was facing challenges in raising the full amount of funding required for Fiinu Bank Limited to launch without regulatory restrictions and commence its banking operations in the UK. Accordingly, Fiinu Bank Limited applied to withdraw its banking licence with the aim of re-applying once the Board would be able to attest to the regulators that the funding is secured.

Following the withdrawal of the banking licence application, Fiinu Bank changed its name to Fiinu 2 Limited and the group initiated controlled cost reductions in order to provide additional time to determine the best way forward for shareholders.

As at 31 December 2023 the company had available cash resources of £166,861, with the Group's cash standing at £1.3 million. The Directors have prepared forecasts for the Group for a period of at least 12 months from the date of signing of these financial statements. Based on the current projection, the Directors believe that there are sufficient funds for the Group's forecast expenditure for at least the next 12 months. However, it is anticipated that the Group will need to raise capital beyond this period in order to proceed with its operational strategy and to continue to fund its subsidiaries. This represents a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. However, the Directors have a reasonable expectation that this uncertainty can be managed to a successful outcome, and based on that assessment, the company will have adequate resources to continue in operational existence for the foreseeable future.

The financial statements do not reflect any adjustments that would be required to be made if they were to be prepared on a basis other than the going concern basis.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Material accounting policy information

(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.

The policy for the 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, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost 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.

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.

The company classifies financial assets on the basis of both the company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Material accounting policy information

(Continued)

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.

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 debt 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.

1.12 Taxation

The tax expense represents the sum of the current and deferred tax.

Current tax

The current tax 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.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

1 Material accounting policy information

(Continued)

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 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.

1.14 New and amended Standards adopted by the group

The company has applied the following amendments for the first time for the annual reporting period commencing 1 January 2023:

- *Insurance Contracts – Amendments to IFRS 17*
- *Presentation of Financial Statements – Amendments to IAS 1*
- *Making Materiality Judgements – Disclosure of Accounting Policies – Amendments to IFRS Practice statement 2*
- *Income Tax – Amendments to IAS 12*
- *Accounting Policies, Changes in Accounting Estimates and Errors – Amendments to IAS 8.*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

New standards and interpretations not yet adopted

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

- *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture - Amendments to IFRS 10 and IAS 28*
- *Classification of Liabilities as Current or Non-current - Amendments to IAS 1*
- *Non-current Liabilities with Covenants - Amendments to IAS 1*
- *Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7*
- *Lease Liability in a Sale and Leaseback - Amendments to IFRS 16*

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the company in future periods.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

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.

Critical judgements

Impairment

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

Note 10 sets out details of the impairments that have arisen in the year and the judgements involved in the assessment.

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

3 Operating loss

	31 December 2023	31 December 2022
Operating loss for the period is stated after charging/(crediting):	£	£
Exchange (gains)/losses	(6,813)	3,964
Depreciation of property, plant and equipment	14,634	3,890
Computer running costs	280,869	65,780
Audit and accountancy costs	199,820	51,000
Advertising	55,507	24,511
Other costs	37,102	58,286
Contractor costs	1,489,620	270,132
Legal and professional fees	374,626	336,592
Management charges	664,043	27,025
Consultancy fees	42,800	135,780
	<u> </u>	<u> </u>

4 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	5,000	20,000
	<u> </u>	<u> </u>

Auditor's remuneration for the year ended 31 December 2023 is due to F.W. Smith, Riches & Co (2022: Mazars LLP).

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

5 Employees

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

	2023 Number	2022 Number
Management	4	4

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

6 Directors' remuneration

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

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

7 Other gains and losses

	2023 £	2022 £
Impairment of non-current assets	(924,601)	-
Waiver of intercompany loans	403,187	-
Impairment of investments	(10,050,000)	-
	<u>(10,571,414)</u>	<u>-</u>

Details of the impairments are given in note 10.

8 Income tax expense

	31 December 2023 £	31 December 2022 £
Current tax		
UK corporation tax on profits for the current period	-	(86,251)
Adjustments in respect of prior periods	(16,157)	(45,000)
Total UK current tax	<u>(16,157)</u>	<u>(131,251)</u>

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2023

8 Income tax expense

(Continued)

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

	2023 £	2022 £
Loss before taxation	(13,697,598)	(976,914)
Expected tax credit based on a corporation tax rate of 23.50% (2022: 19.00%)	(3,218,936)	(185,614)
Effect of expenses not deductible (impairments)	2,568,230	-
Unutilised tax losses carried forward	638,643	185,614
Adjustment in respect of prior years	-	(25,000)
Depreciation in excess of capital allowances	12,063	-
Research and development tax credit	-	(86,251)
Research and development tax credit prior year	(16,157)	(20,000)
Taxation credit for the period	(16,157)	(131,251)

The company has unused trading losses of £2,637,554 (December 2022: £2,038,180) 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 £659,389 (December 2022: £509,545) not being recognised.

9 Dividends

	2023 per share £	2022 per share £	2023 Total £	2022 Total £
Amounts recognised as distributions:				
Ordinary shares				
Interim dividend paid	2.5998	-	25,998	-

During the year dividends were paid in excess of distributable reserves. The position has been rectified subsequent to the year end.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

10 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	2023 £	2022 £
In respect of:		
Intangible assets	878,639	-
Property, plant and equipment	45,962	-
Non-current assets	10,050,000	-
	<u>10,974,601</u>	<u>-</u>
Recognised in:		
Other gains and losses	<u>10,974,601</u>	<u>-</u>

The investment in Fiinu 2 Limited has been impaired by £10,050,000 during the year. Fiinu 2 Limited is seeking to raise additional capital to support the re-application for a UK banking licence, however without such additional capital there are not expected to be any future cash in-flows. The directors are, therefore, of the opinion that Fiinu 2 Limited's estimated value-in-use is £1, being the nominal value of its share capital.

Additionally, intangible assets and property, plant and equipment have been fully impaired during the year, with an estimated value in use of £nil. The intangible assets comprise development costs incurred in designing a business software model, with the intention that this would be utilised by Fiinu 2 Limited. In light of the situation, as described above, these assets have been fully impaired in the year.

11 Intangible assets

	Development costs £
Cost	
At 1 April 2022	29,563
Additions	849,076
	<u>878,639</u>
At 31 December 2022	878,639
	<u>878,639</u>
At 31 December 2023	878,639
	<u>878,639</u>
Amortisation and impairment	
Impairment loss	878,639
	<u>878,639</u>
At 31 December 2023	878,639
	<u>878,639</u>
Carrying amount	
At 31 December 2023	-
	<u>-</u>
At 31 December 2022	<u>878,639</u>

More information on impairment movements in the year is given in note 10.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

11 Intangible assets

(Continued)

Intangible assets are made up of development costs incurred in designing a banking software model. The asset has been impaired in full during the year to 31 December 2023.

12 Property, plant and equipment

	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 April 2022	1,235	15,463	9,937	26,635
Additions	-	-	50,457	50,457
At 31 December 2022	1,235	15,463	60,394	77,092
Additions	-	-	8,618	8,618
At 31 December 2023	1,235	15,463	69,012	85,710
Accumulated depreciation and impairment				
At 1 April 2022	1,234	15,463	4,527	21,224
Charge for the year	1	-	3,889	3,890
At 31 December 2022	1,235	15,463	8,416	25,114
Charge for the year	-	-	14,634	14,634
Impairment loss (profit or loss)	-	-	45,962	45,962
At 31 December 2023	1,235	15,463	69,012	85,710
Carrying amount				
At 31 December 2023	-	-	-	-
At 31 December 2022	-	-	51,978	51,978

More information on impairment movements in the year is given in note 10.

13 Investments

	Current 2023 £	2022 £	Non-current 2023 £	2022 £
Investments in subsidiaries	-	-	2	8,800,002

Fair value of financial assets carried at amortised cost

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

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

13 Investments (Continued)

Movements in non-current investments

	Shares in subsidiaries £
Cost	
At 1 January 2023	8,800,002
Additions	1,250,000
	<hr/>
At 31 December 2023	10,050,002
	<hr/>
Impairment	
At 1 January 2023	-
Impairment losses	(10,050,000)
	<hr/>
At 31 December 2023	(10,050,000)
	<hr/>
Carrying amount	
At 31 December 2023	2
	<hr/>
At 31 December 2022	8,800,002
	<hr/>

Please see note 10 for further details in respect of the impairment.

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Fiinu 2 Limited	Same as parent	Ordinary	100.00
Fiinu Services Limited*	Same as parent	Ordinary	100.00

* Dormant company.

15 Trade and other receivables

	2023 £	2022 £
VAT recoverable	1,748	228,834
Prepayments	7,416	113,851
	<hr/>	<hr/>
	9,164	342,685
	<hr/>	<hr/>

Given the short term nature of these assets, the directors are of the opinion that their carrying value approximates fair value.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

16 Trade and other payables

	2023 £	2022 £
Trade payables	30,724	237,106
Accruals	31,150	350,138
Other payables	4,602	2,761
	<u>66,476</u>	<u>590,005</u>

Given the short term nature of these liabilities the directors are of the opinion that their carrying value approximates fair value.

17 Amounts owed by group undertakings

	2023 £	2022 £
Amounts owed by subsidiary undertakings	-	1,008
	<u>-</u>	<u>1,008</u>

Given the short term nature of these assets, the directors are of the opinion that their carrying value approximates fair value.

18 Amounts owed to group undertakings

	2023 £	2022 £
Amount owed to parent undertaking	13,165	1,221,340
Amounts owed to subsidiary undertakings	4,443,348	310,261
	<u>4,456,513</u>	<u>1,531,601</u>

Given the short term nature of these liabilities the directors are of the opinion that their carrying value approximates fair value.

19 Share capital

	31 December 2023 Number	31 December 2022 Number	31 December 2023 £	31 December 2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 0.01p each	10,000	127,437,382	1	12,744
Seed shares of 0.01p each	-	15,643,773	-	1,564
	<u>10,000</u>	<u>143,081,155</u>	<u>1</u>	<u>14,308</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.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

19 Share capital

(Continued)

Reconciliation of movements during the year:

	Ordinary Number	Seed Number
At 1 April 2022	118,637,382	15,643,773
Issue of fully paid shares	8,800,000	-
At 31 December 2022	127,437,382	15,643,773
At 1 January 2023	127,437,382	15,643,773
Issue of fully paid shares	1,250,000	-
Capital reduction	(128,677,382)	(15,643,773)
At 31 December 2023	10,000	-

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

- Ordinary shares - 1,250,000 value £0.0001 each issued at £1.00 each share.

Further to a downscaling of activity within the group, a capital reduction was undertaken to bring the share capital as at 31 December 2023 down to £1.

20 Share premium account

	2023 £	2022 £
At the beginning of the year	12,642,563	3,843,443
Issue of new shares	1,249,875	8,799,120
Capital reduction	(13,892,438)	-
At the end of the year	-	12,642,563

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

21 Capital management

For the purposes of capital management, capital includes issued share capital and all other equity reserves attributable to the holders of the company. The primary objective of the directors' capital management is to ensure that the company will be able to continue as a going concern while sustaining the future development of the business.

22 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.

23 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

During the year the company entered into the following transactions with related parties:

	Recharges 2023 £	2022 £
Parent company	664,043	-

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

23 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2023	2022
Amounts due to related parties	£	£
Parent company	13,165	1,221,340
Subsidiaries	4,443,348	310,261
	<u>4,456,513</u>	<u>1,531,601</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:

	2023	2022
Amounts due from related parties	£	£
Subsidiaries	-	1,008
	<u>-</u>	<u>1,008</u>

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 £480 (December 2022: £328) were made to the director. A loan due to the director of £nil (December 2022: £480) remains outstanding at the year end.

24 Controlling party

Fiinu plc (Registered Office: Ibex House, Baker Street, Weybridge, Surrey, KT13 8AH) is the ultimate controlling party by virtue of its controlling interest in the company.

FIINU HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2023

25 Cash generated from operations

	31 December 2023 £	31 December 2022 £
Loss for the year before income tax	(13,697,598)	(976,914)
Adjustments for:		
Finance and dividend income	(26,024)	(46)
Amortisation and impairment of intangible assets	878,639	-
Depreciation of property, plant and equipment	60,596	3,890
Other gains and losses	10,050,000	-
Movements in working capital:		
Decrease in trade and other receivables	334,529	115,795
Increase in trade and other payables	2,401,383	1,412,762
Cash generated from operations	1,525	555,487

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.