Company Number: 12794676

MODE GLOBAL HOLDINGS PLC

ANNUAL REPORT 2022

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COMPANY INFORMATION

Directors:	Jonathan Rowland Richard Morecroft David Anderson
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Registrar:	Neville Registrars Neville House, Steelpark Road, Halesowen, B62 8HD
Bankers:	National Westminster bank Plc 250 Bishopsgate, London, EC2M 4AA
Auditors:	RPG Crouch Chapman LLP 5th Floor 14-16 Dowgate Hill London EC4R 2SU.
Solicitors & Company Secretary:	Locke Lord (UK) LLP Second Floor, 201 Bishopsgate, London, EC2M 3AB
Company Number:	12794676
Website:	https://www.modeplc.com/

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STRATEGIC REPORT

Business Review

Since day one, Mode has grown through the strength, passion, and innovation of its people. From developers to shareholders, the evolution of Mode can be credited to a collaboration of thinkers each focused on the same core goal: reforming the financial ecosystem for the better and creating genuine value for both businesses and consumers through the use of cutting-edge technology. Across both traditional finance and crypto, there are still huge challenges to overcome and gaps to be filled when it comes to trust, transparency, and user experience, which has remained a major driving force for us to continue on our mission and succeed in our vision.

We have seen significant volatility during 2022 in both equity and the crypto markets, driven by a number of contributing factors and a challenging economic year on a global scale but that has not stopped Mode from delivering value to our users. We launched our unique Bitcoin Cashback programme in May enabling users to earn Bitcoin every time they shopped from leading UK retailers through the Mode app, including Samsung, Farfetch and The Range to name a few. The new rewards product was well received. Additionally, Mode has expanded the number of Bitcoin Payroll clients onboarded as businesses realise the value of being able to pay their employees in Bitcoin.

During the second half of the year, Mode began rolling out it's multi-token offering including Ethereum, Polkadot and Solana. Mode ended the year with a collection of products that cater to the different crypto personas. Our trading, payments, rewards and payroll products were all seen to be significant in Mode's planned roadmap.

Mode in 2023

Due to difficult economic circumstances and the collapse of high profile Crypto businesses like FTX, Mode has decided to cease it's crypto and payment operations and shut down all customer facing activities including it's phone applications. This has been done to maintain cash reserves whilst the Board considers the future of the Group.

Mode continues to work with the FCA and partners to return all fiat and crypto deposits to its customers over a winding down process.

During Q1 2023 and continuing today, the Mode Board of Directors entered Mode Global Limited into a Company Voluntary Arrangement ("CVA") with it's creditors. This was agreed on the 5th April 2023.

To secure a longer-term future of the Mode Global Holding PLC status, the Board of Directors are in conversations with multiple parties to raise funds and to therefore enable the vehicle to invest in future ventures as they seem appropriate at the time. The parent and it's subsidiaries (except for Mode Global Limited) have sufficient funds to cover costs and meet liabilities as they fall due for a period of 12 months from the signing of the accounts. These cash reserves give the Group the ability to identify and agreed on the most appropriate future plan.

Additionally £1.6 million of convertible loan notes have expired on 28 June 2023. The directors are in discussions with the holders of the convertible loan notes to extend the term of the loan notes as the Group does not currently have sufficient funds to settle these loan notes in full. The directors are confident of being able to extend and renegotiate the terms of the loans.

For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

The directors are aware of the risks and uncertainties facing the business, but the assumptions used are the directors' best estimates of the future development of the business.

Financial Review

Performance of the business during the period and the position at year end.

Revenue for the year decreased slightly from £1,313k to £1,081k, a drop of £232k, this was driven primarily by the significant drop in crypto revenues from £656k in 2021 to £154k in 2022, a fall of 77%. The market for Crypto trading in 2022 saw a significant downturn which impacted Mode's top line.

Our Global Services payments platform (JGOO), saw a significant increase in payments activity, as UK merchants took advantage of the online ecommerce payment platform to connect with the sizable Chinese consumer base via WeChat and Alipay. This grew from £721k in 2021 to £926k in 2022, growth of 28%.

Administrative expenses were £6,938k (2021: £9,382k) reducing by £2,444k (26%) during the year. This was driven a Group wide cost review exercise resulting in significantly greatly efficiencies, reduced headcount and greatly reduced marketing spend.

Cash Balances ended the year at £814k (2021: £4,155k). The significant reduction reflects the increase in net cash losses from operations of £5,302k incurred to continue to grow the business partly offset by the issuance of a convertible loan note in July 2022 which raised £2,000k.

Strategy in 2022

Approach to Risk

In 2022, we focused on improving our approach to risk management and how we track and mitigate risk. We implemented measures to reduce technology and information security risk and growing the technology team to prepare for the growth expected in 2022. Covid-19 has seen an unprecedented impact on how our business operates and we have adapted well to working 100% from home. This global situation has brought about greater focus on ensuring we plan and manage for business continuity and we have continued to develop our risk management framework through the Risk Register which is continually updated and managed by the Executive team. This is facilitated through a regular cadence of meetings and decision points to ensure management remains informed and has all the information they require to make decisions quickly.

Risk Focused Approach - Embedding in Our Culture

The day-to-day focus on risk is already embedded in our approach and culture. However, our objective is to enhance our understanding and management of risk and control across the business by:

- recording risk, mitigations and actions plans in the Risk Register;
- embedding risk and control in all our thinking and in decisions;
- identifying the most significant risks within from operations, taking appropriate actions to address and mitigate them;
- challenging our strategic planning from a risk and control perspective.

The Board oversees and reviews our approach to risk and control, with responsibility for risk management sitting at all levels across Mode - including the Board, the Executive Committee and all members of the teams. During 2021, we will continue to improve our management of risk at Mode with the development of an enhanced risk management framework and improvements in action plans.

Types of Risk

Our approach covers different types of risk, including:

- **Business Strategy Risk**
- **Product Risk**
- **Regulatory Risk**
- **Operational Risk**
- **Technological Risk**

Additionally, we track emerging risks which while not seen as impacting the business yet are changing rapidly.

Business Strategy Risk

Mode's business strategy risk can be summarised as the potential impact of strategic decisions (which can include providing new products and services) or a defective or inappropriate strategy, including a lack of response to a situation.

At Mode, we take a proactive and agile approach to strategic risk management. Using risk prioritisation processes allows us to direct our resources toward the risks with the biggest potential impacts. Through continual research and iterative processes, we ensure decisions are made that allow the business to adjust and respond to changes as necessary. This includes changes in the legal or regulatory landscape, market adoption and competition. This approach means we can be flexible and responsive whilst continuing to deliver our business aims and objectives.

Product Risk

Launching any product or service creates the potential for losses, born from a variety of issues including poor planning and non-adherence to regulations or standards.

We deal with product risk through a combination of research, effective planning, consultation with experts, e.g. legal opinions, and an incremental and feature-led roll out. Through extensive engagement with relevant experts and customer groups, we have developed a product roadmap and delivery schedule that is informed, measured, and flexible. This allows us to minimise the risk of any losses, from inception to live, whilst allowing the business to quickly respond to opportunity, adapt to market conditions and quickly rectify issues.

Our products and services reflect our desire to treat customers fairly and are developed under the FCA's Treating Customers Fairly (TCF) principles to ensure we provide positive customer outcomes and minimise the risks of breaching regulations and standards.

Regulatory Risk

Regulatory risk is the effect of failure to comply with laws and regulations and any changes therein. The UK regulation under the FCA is mature and well understood. The FCA's recent steps to mandate the registration of cryptoasset businesses under Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, as amended (MLRs) show a proactive approach, providing greater clarity to Mode. As previously mentioned, we are active in having conversations with the regulator and continue dialogue to ensure our business remains compliant. Our partnership with Modulr allows us to work together to anticipate changes, adapting the business as required to minimise impacts.

Operational Risk

Operational risk covers the uncertainties and difficulties we face on a day-to-day basis. We have created an efficient governance and management structure to ensure we can systematically monitor, manage and control factors affecting our operation. This structure is agile and responsive to new challenges with decisions made quickly to minimise disruption and ensure business continuity. As the business grows, our operational structure and governance are adapting to increased demand and new challenges. We employ experienced people to anticipate these changes, preparing through scenario planning and practice, ensuring resilience is in place. We actively manage the risk that our operations adversely impact customers or our competitive position to ensure positive outcomes for our customers and the business. We are always learning and therefore improving our approach in ensuring we have a robust and efficient operation.

Technological Risk

Technology risk is the potential for any technology failure or cyber incident to disrupt the business. At Mode, technology is at the core of our operations, so we manage technology risks proactively and appropriately. Our approach focuses on de-risking several areas including:

- internal system failures
- external third-party failures
- security breaches
- malicious attacks

We take a proactive and continual approach to mitigate these risks through cutting-edge and intelligent design, systems redundancy, continual security/penetration testing and activity monitoring. This continual approach is adapted to respond to new products, scale and new threats.

As a holder of digital assets, we have developed strong security procedures and protocols to minimise the chances of breaches. As previously mentioned, we partner with best-in-class digital asset custodians who are insured for loss of assets in cold storage. Our operational and financial governance processes ensure minimal exposure to losses through an unlikely breach, whether that be external or internal. Our staff are trained to combat social engineering bases attacks, and our customer-facing technology requires multi-layer authentication in order to combat fraud.

Climate Risk

Mode knows that transparency regarding climate-related risks and opportunities is critical to maintaining the trust of our stakeholders and allows our investors to better understand the implications of climate change. This is why we are adopting the recommendations of the Task Force on Climate-related Financial Disclosures (the "TCFD").
We are working to integrate climate risk variables into our overall risk management process and establish formal multi-disciplinary processes that engage both our Board and senior management team.
Mode is committed to reducing its impact on the environment in all aspects of its business activities and in all jurisdictions in which it operates. The Board engages with all its key stakeholders and partners and encourages the reduction of Co2 emissions throughout the value chain to promote an environment that actively strives towards achieving 'net zero' by 2035. However, at this stage in the Company's development there are no formal metrics or targets to measure the Company's emissions against, but the Board continues to review the need to implement metrics & targets.

Responsibility for preparing the Annual Report and Accounts

Under section 172 of the Companies Act 2006, the Board is required to consider the interests of stakeholders across the business in our decision making.

The requirements of section 172 are for the Directors to:

- Consider the likely consequences of any decision in the long term,
- Act fairly between the members of the Company,
- Maintain a reputation for high standards of business conduct,
- Consider the interests of the Company's employees,
- Foster the Company's relationships with suppliers, customers and others, and
- Consider the impact of the Company's operations on the community and the environment.

The Board has demonstrated our commitment to the ongoing consideration for stakeholder interests through this report including on pages 9 and 14 and in the Corporate Governance and Stakeholder sections. The Board is responsible for maintaining adequate accounting records and seeks to ensure compliance with statutory and regulatory obligations. An explanation from the Directors about their responsibility for preparing the financial statements is on page 17 in the Statement of Directors' Responsibilities. The Company's external auditors explain their responsibilities on pages 24.

On Behalf of the Board

Jonathan Rowland
Chairman

CORPORATE GOVERNANCE

Corporate Governance Statement

Our Board has a collective objective of promoting the long-term success of Mode for its shareholders and provides dedicated leadership in the development and promotion of the business' strategy, and the monitoring of its implementation, on an ongoing basis. A key part of our Board's role is ensuring that we have the appropriate people, financial and other resources to achieve our aims.

As a company with a Standard Listing, we are not required to comply with the provisions of the UK Corporate Governance Code. The directors have decided, so far as is practicable given our size and nature, to voluntarily adopt and comply with the QCA Corporate Governance Code. Our Board maintains governance structures that are fit for purpose and support good decision making.

Board activity

Our Board's meeting schedule for 2023 has been approved and our Board will meet formally at least four times during the year with additional ad hoc meetings called as and when appropriate, as was the case in 2022. Our Board's activities throughout the year are underpinned by our external reporting calendar and our internal business planning processes. A rolling annual agenda ensures that all important topics receive sufficient attention. Standing agenda items provide an anchor to the strategy and provide our Board with a consistent view of progress during the year.

At each Board meeting the standing agenda includes:

- quorum;
- approval of minutes (circulated to all directors in advance for comment) and review of outstanding actions;
- corporate governance and Committee reports;
- reports from the Chairman, including key business developments;
- and financial and operational review.

The agendas and accompanying papers are distributed to Board members in advance of each Board meeting. These include reports from Executive Directors, and other members of the Executive team, as appropriate. All directors have direct access to the Executive team and other senior management should they require additional information on any of the items to be discussed.

Expertise and experience of the directors

Our Board is satisfied that the directors, both individually and collectively, have the range of strategic and commercial experience, knowledge, diversity of experience and dedication necessary, to lead Mode. Our Board is responsible for the appointment, removal and re-election of directors and when such a decision is required it will take account of our need for a balance of market, operational and financial experience.

Appointment of directors

Mode's Articles of Association contains detailed rules for the appointment and retirement of directors. There is a formal procedure in place to select and appoint new directors to our Board. These directors are required to retire at the next Annual General Meeting (AGM), but can offer themselves for re-election by shareholders. Under the Articles, all directors are required to submit themselves for re-election at intervals not exceeding three years.

All of the directors shall retire and, being eligible, each offers themself for reappointment by the shareholders at the AGM.

Independence of the Non-Executive Directors

As at the date of this report, our Board comprised the Chairman, the Executive Directors and the Non-Executive Directors. We have not appointed a senior independent director. These appointments are reflective of our size and nature as a company, and the size and composition of our Board. We are looking to appoint independent Non-Executive Directors in the future.

Circumstances likely to impair, or which could appear to impair, a director's independence include whether a director participates in our share option scheme. As an early-stage company, we have granted options to Non-Executive Directors under Mode's share option scheme. Our Board does not consider that the granting of options to Non-Executive Directors, or the continued vesting of options already granted, impairs the independence of those directors concerned.

Committees and Policies

Our Board has delegated certain responsibilities to members of the Executive team which can be exercised through committees, approved policies and guidance for certain functions of the business, including:

- Audit Committee
- Disclosure Committee
- Remuneration Policy
- Share Dealing Policy
- Internal Policies - Anti Bribery and Corruption (ABC), Whistleblowing, Anti-Fraud, Know Your Customer (KYC) and Anti Money Laundering (AML)
- Diversity and Inclusion Guidance

The matters reserved for the Board and its Committees include:

- Group strategy, which is reviewed by the Board and management regularly during the year;
- Group's Budget approval;
- Risk management approach and risk mitigation;
- Direct shareholder communications;
- Board membership and other appointments;
- Corporate governance matters; and
- Remuneration of directors and the Executive team.

The Board as a whole will review the Board's size, structure and composition and scale and structure of the directors' fees, taking into account the interest of shareholders and our performance as a company.

Audit Committee

The Audit Committee, which comprises Jonathan Rowland and David Anderson, are responsible, amongst other things, for monitoring Mode's financial reporting, external and internal audits and controls, including reviewing and monitoring the integrity of our annual and half yearly financial statements, reviewing and monitoring the extent of non-audit work undertaken by external auditors, advising on the appointment of external auditors, overseeing our relationship with external auditors, reviewing the effectiveness of the external audit process and reviewing the effectiveness of our internal control review function. The ultimate responsibility for reviewing and approving the annual report and accounts and the half-yearly reports remains with the Board. The Audit Committee gives due consideration to laws and regulations, the applicable provisions of the UK Corporate Governance Code and the requirements of the FCA's Listing Rules.

Disclosure Committee

Our Board has delegated to the Disclosure Committee responsibility for overseeing the disclosure of information by the Company to meet its obligations under the Market Abuse Regulation, the FCA's Listing Rules and the Disclosure and Transparency Rules. The Disclosure Committee is chaired by the Chairman and comprises the Chairman (Jonathan Rowland), the Chief Operations Officer (Richard Morecroft), and the Chief Executive Officer (Rita Liu).

Remuneration Policy

Refer to the Directors' Remuneration Report on page 19.

Share Dealing Policy

We have adopted a share dealing policy which sets out the requirements and procedures for dealings in any of our listed securities. The share dealing policy applies widely to all directors of Mode and our subsidiaries, certain employees and persons closely associated with them. The policy complies with the Market Abuse Regulations, which came into effect on 10 July 2016 and was transposed into UK law on 31 December 2020.

Internal Policies

We have an employee handbook in place which details our expectations of employees and promotes an open culture. This is supported by policies covering Anti Bribery and Corruption (ABC), Whistleblowing, Anti-Fraud, Know Your Customer (KYC) and Anti Money Laundering (AML). Training and assessments are undertaken to ensure the team are aware and compliant with these policies.

Diversity and Inclusion Guidance

Specifically in terms of Diversity & Inclusion, we believe in building accessibility, transparency and credibility around digital assets, and we've made it our mission to propel an unprecedented wave of democratisation and inclusion.

We strongly believe that creating a diverse team and a culture of inclusion is absolutely essential to our business success. We simply cannot build a product that is accessible for all without ensuring that our team is both representative of our customers and the general population as a whole, and that everyone at Mode feels comfortable speaking up, contributing to the discussion, and bringing their whole, authentic selves to work.

We are, and always have been, committed to baking inclusion into our processes and ways of working, and promoting equality of opportunity in everything we do. Whilst we recognise that we've made strong progress in some areas (for example, our gender split across the business is slightly ahead of our sector average, and our gender split within the Executive team sits well above average), we know that we still have work to do.

It goes without saying that we do not accept discrimination, harassment or bullying of any kind.

Risk Management and Control

Our Board is responsible for promoting the company's long-term success for the benefit of shareholders, as well as taking account of other stakeholders including employees and customers. This includes ensuring that an appropriate approach to risk is embedded throughout the Group, taking into account both opportunities and threats. To discharge this responsibility, the Board has established processes for risk management and internal control and reserves for itself the setting of our risk appetite as a business.

The Board retains ultimate responsibility for our approach to risk and control, but has delegated in-depth monitoring of the establishment and operation of prudent and effective controls to the Chief Operations Officer.

Members of the Executive team are responsible for the application of internal control and risk management, for implementing and monitoring the operation of the systems of internal control and for providing assurance to the Chief Operations Officer and the Board.

Stakeholders

The Board believes that maintaining strong stakeholder relationships is essential to our long-term, sustainable success, and is committed to effective engagement with all stakeholders within Mode.

Our Shareholders

We are committed to establishing a strategy and business model which promotes long-term value for shareholders.

The Board also aims to be transparent and have open engagement with our shareholders. This enables the Board to clearly communicate its strategy, provide updates on business performance and receive regular feedback. It also gives the opportunity to respond to questions and suggestions.

At Mode, we provide regular updates via RNS and RNS Reach, as well as social media publications. The Chief Investor Relations Officer provides regular reports to the Board on shareholder interactions.

Shareholder communications, such as our trading results, half-year results, Annual Reports, notices of general meetings and other information, are provided on our investor website at www.modeplc.com. Shareholders can sign up via our website to receive automated email alerts when news and updates are published.

Our People

Our team consists of a talented group of individuals who have strong alignment with our mission and share the same drive and passion as our customers. The Board regularly receives reports on HR-related matters and the individual directors spend time with employees across all departments. We recognise that our people are a key driver of our success, and therefore our HR and People focus for 2021 has been to establish strong HR foundations for the future of Mode, whilst also responding to the challenges that Covid-19 presented.

During 2022, and continuing, we have:

- looked to support our people with their wellbeing during the Covid-19 pandemic and lockdowns, including holding twice-weekly company meetings, virtual team events, creating the Mode internal newsletter, and introducing a Social Committee to help combat loneliness and isolation;
- launched our Mode Employee Handbook to document how we work, our expectations and to set out what it means to be part of the Mode Team;
- formalised our approach to HR, People and Culture;
- introduced enhanced background checking measures for all new joiners and conducted retrospective background checking for our existing team, to help to build trust and demonstrate our commitment to security and compliance. We have also introduced a clear escalation and risk assessment process and review for any failed checks;
- worked to improve candidate experience during the recruitment process including introducing training to better support our hiring managers.

Looking forward, we will:

- increase focus on performance management and development, making sure that everyone in the business understands their roles and responsibilities and what success looks like, and gets regular feedback on their performance;
- launch our Company Values which will act as the architecture and framework for steering behaviour and decision-making within Mode, enabling us to better screen for cultural alignment during recruitment and helping us maintain our culture as we grow;
- improve the mechanisms by which we listen to, and seek feedback from our people through pulse surveys, to better inform our People and HR planning, and so we can continue to improve our people's experience at Mode.

Our Customers

Providing attractive products to our customers remains a key part of the Board's strategy. The Board is committed to maintaining an open dialogue with our customer base, including obtaining its feedback on our products and ensuring we treat customers fairly and provide effective customer service as well as support. The results of engagement with our customers are fed back to the directors to inform their strategic review and decision making.

We provide information and support to customers in an accessible format, including, for instance, through blog posts, email, FAQs, push notifications and in-app messages. We very actively engage with customers as well as the wider community. We facilitate performance reporting to customers so that they may monitor their investments.

Our Business Partners

We work with a number of "best in class" business partners, which support us with a variety of specialist services. We seek to maintain a good business relationship with these partners, who are well-respected experts in their field.

Our business partners are critical to the success of Mode so we maintain good relationships with them all, built on mutual interest and trust, ensuring both parties continue to benefit from our success.

The selection of partners is done in a fair and transparent manner, the process driven by the need to ensure that we receive the services requested under a fair and competitive commercial agreement. Where possible, we engage multiple potential partners in our selection process, with both commercial and technical evaluation undertaken.

Importantly, our business partners must share our values and ambitions, supporting our missions and goals.

Financial Conduct Authority (FCA)

When considering proposed changes to our product offerings in the UK, the Board and Executive Committee carefully considered the views of the FCA, in addition to customer feedback, to ensure any new features or products fall within all applicable regulations, as well as being beneficial to our customers.

The Board ensures it is kept apprised of key legal and regulatory changes affecting the business to inform its strategy and decision making.

DIRECTORS' REPORT

The Directors present their report and the audited financial statements for Mode Global Holdings PLC for the year ended 31 December 2022.

The preparation of these financial statements is in compliance with International Financial Reporting Standards (IFRS) as adopted by the EU and that apply to financial years commencing on or after 1 January 2021. The Group financial statements consolidate the financial statements of the Company and its subsidiaries. The Parent Company financial statements present information about the Company as a separate entity and not about its Group.

Principal Activities

Mode Global Holdings PLC (MGH) is a holding company. It is the parent company of; Mode Global Limited, a UK based company incorporated on 9th September 2015, JGOO Limited (incorporated: 26th July 2016), Fibermode Limited (incorporated: 28th November 2018) Greyfoxx Ltd (25th July 2019) and Fibere Limited (incorporated 17th January 2020).

MGH's principal activity is being the parent company of a group of technology start-ups including; Mode Global Limited, which operates cryptocurrency treasury function and digital wallet product (Trading name: Mode), electronic payments administrator Greyfoxx Limited (Trading name: Mode for Business), JGOO Limited which operates the trading platform (Mode Global Services), and Fibermode Limited (Trading name: Fibermode) facilitates Crypto trading, rewards and cashback for Mode customers. Fibere Limited is primarily set to manage the Mode Store selling retail items leveraging the mode brand.

As explained further in the Strategic Report, Mode Global Limited, Greyfoxx Limited, JGOO Limited, Fibermode Limited and Fibere Limited have ceased trading operations and are in the process of winding down and returning customer funds and settling liabilities.

Business review and future developments

The review of the period's operations, future developments and key risks is contained in the Strategic Report. The directors do not recommend a final ordinary dividend for the period (2021: £nil).

Directors and directors' interests

The directors who held office during the period and subsequently were as follows:

Jonathan Rowland
Yu (Rita) Liu (resigned on 20 February 2023)
Richard Walker-Morecroft
David Anderson
Michael Robertson (appointed on 10 May 2022, resigned on 27 March 2023)
David Shier (appointed on 10 May 2022, resigned on 20 February 2023)
Gary Wilkinson (resigned on 10 May 2022)
Ryan Moore (resigned on 18 January 2022)

With regard to the appointment and replacement of directors, the Company is governed by its articles of association, the Companies Act and related legislation. The articles themselves may be amended by special resolution of the shareholders.

Directors' interests

The directors held the following beneficial interests in the shares of Mode Global Holdings PLC at 31st December 2022:

	Ordinary shares of 0.01p each	Issued share capital %
Jonathan Rowland [1]	18,973,559	18.1%

(1) As at 09 April 2021, Jonathan Rowland transferred his shares to JR Spac 1 Limited, a company wholly owned by Jonathan Rowland.

The remuneration of the directors in Mode Global Holdings PLC who held office during the year to 31 December 2022 was as follows:

2022	**Salaries (£)**	**Fees (£)**	**Pension & Other Benefits**	**Total**
Executive Directors				
Jonathan Rowland	-	75,000	-	**75,000**
Rita Liu	145,000	-	1,321	**146,321**
Richard Walker-Morecroft	150,000	-	1,321	**151,321**
Total	**295,000**	**75,000**	**2,642**	**372,642**

2022	**Remuneration (£)**	**Fees (£)**	**Pension & Other Benefits**	**Total**
Non-Executive Directors				
Mike Robertson	33,333	-	-	**33,333**
David Shrier	33,333	-	-	**33,333**
	66,666	**-**	**-**	**66,666**

Directors and Key management personnel remuneration was fixed and did not include any element of performance measures.

Events after the reporting date

Events after the reporting period are described in note 19 to the financial statements.

Financial risk management

Details of financial risk management are provided in note 3 to the financial statements.

Carbon emissions

The Group is mindful of carbon emissions and looks to obtain clean energy sources wherever possible. A low staff headcount and staff currently working from home allow the Group to maintain low emissions of less than 40,000kWH of energy consumed.

Political and charitable contributions

The Group made no charitable or political donations during the year.

Substantial shareholdings

The Company has been advised of the following interests in more than 3% of its ordinary share capital as at 31st December 2022:

	%
JR Spac 1 Limited	20.7%
Hargreaves Lansdown (Nominees) Limited	15.8%
Aurora Nominees Limited	11.5%
Interactive Investor Services Nominees Limited	7.3%
Vidacos Nominees Limited	5.2%
Tulham LLC	3.3%
J P Morgan Securities LLC	3.4%
Goldman Sachs Securities (Nominees) Limited	3.1%
	70.3%

Statement of Directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with company law, which requires the directors to prepare group and parent company financial statements for each financial year. Under that law the directors have elected to prepare the Group consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the UK (together, "IFRSs") and have elected to prepare the parent company financial statements under United Kingdom Generally Accepted Accounting Practice.

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 and of the profit or loss of the Group and the parent company for that period.

In preparing each of the Group and parent company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU, or whether UK Accounting Standards have been followed, subject to any material departures disclosed and explained; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and the Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also generally responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Information published on the website is accessible in many countries and legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Directors' responsibilities (continued)

The directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy. Each of the directors confirms that, to the best of their knowledge:

> *The Group financial statements, which have been prepared in accordance with IFRSs as adopted by the UK, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group; and the Annual Report includes a fair review of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties that it faces.*

Statement of Disclosure to the Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the Company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Auditors' appointment

During 2022, Jeffreys Henry LLP resigned as auditors following a decision to stop auditing listed companies. After a successful tender, the board agreed to appoint RPG Crouch Chapman LLP as the auditors for the Group the year ended 31 December 2022.

Signed by order of the Board

Jonathan Rowland
Chairman

DIRECTORS' REMUNERATION REPORT

The information included in this report is not subject to audit other than where specifically indicated.

Remuneration policy

Mode has implemented a Remuneration policy to steer the board of directors in determining and providing oversight of the remuneration of the Company's Board, directors, and employees, ensuring that the Company is able to attract, retain and motivate suitably skilled personnel.

The Remuneration policy aims to ensure that remuneration across the Company is competitive, fair, aligned to the Company values and rewards the right behaviours that deliver value to the business. This is being reviewed in light of the changes to the future strategic redirection.

The Remuneration Policy covers the following aspects:

- the determination of board members and (where appropriate) other senior management remuneration, ensuring that such remuneration promotes long-term success, is aligned with Company purpose and values; is compliant with all legal and regulatory requirements and is aligned to the company risk policies and appetites
- within the terms of the policy, and in consultation with the Chairman as appropriate, help determine the total individual remuneration package of each board member;
- the design of all long-term incentive plans within the Company; and
- determining the Company's overall philosophy and approach to remuneration for all staff, ensuring that it supports and takes into account the strategic objectives, purpose and values of the Company.

The remuneration committee was made up of Jonathan Rowland (Chairman) and Richard Morecroft (COO).

Directors' interests

The directors' interests in the share capital of the Company are set out in the Directors' report.

Directors' emoluments

The directors' salaries, fees and long-term incentive plans are also set out in the Directors' report.

Shareholder approval

At the next Annual General Meeting of the Company, a resolution approving this report is to be proposed as an ordinary resolution.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MODE GLOBAL HOLDINGS PLC

For the year ended 31 December 2022
Independent auditor's report to the members of Mode Global Holdings PLC

Opinion

We have audited the financial statements of Mode Global Holdings plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2022 which comprise the Consolidated statement of comprehensive income, the Consolidated statement of changes in equity, the Consolidated statement of financial position, the Company statement of financial position, the Consolidated 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 International Financial Reporting Standards as adopted in the United Kingdom (IFRS).

In our opinion, the financial statements:

- *give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2022 and of the group's loss for the year then ended;*
- *have been properly prepared in accordance with IFRS; and;*
  have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to the going concern note in the accounting policies, concerning the Group's ability to continue as a going concern.

The matters explained indicate that the Group needs to raise further funds to enable the Group to invest in future ventures as they deem appropriate at the time.

Additionally, £1.6 million of convertible loan notes have expired on 28 June 2023. The directors are in discussions with the holders of the convertible loan notes to extend the term of the loan notes as the Group does not currently have sufficient funds to settle these loan notes in full.

As at the date of approval of these financial statements there are no legally binding agreements relating to securing the extension. These events or conditions along with the matters set forth in in the accounting policies indicate the existence of a material uncertainty which may cast significant doubt over the Group's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITOR'S REPORT (continued)

We have highlighted going concern as a key audit 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 evaluation of the Directors' assessment of the Group and the Parent Company's ability to continue to adopt the going concern basis of accounting included (but not limited to):

- Review of managements cash flow projections for the period ended 30 June 2024;
- Review of management's assumptions based on historical expenditure and contractual commitments;
- Sensitivity analysis on cash flow forecast to consider the available headroom under different reasonably possible scenarios;
- Consideration of certainty of receipt of finance inflows including review of conditions precedent on financing agreements; and
- Review of adequacy and completeness of disclosures in the financial statements in respect of the going concern assumption.

Our approach to the audit

In planning our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates. As in all of our audits, we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to issue an opinion on the financial statements as a whole, taking into account the structure of the group and the parent company, the accounting processes and controls, and the industry in which they operate.

Key Audit Matters

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

The use of the Going Concern basis of accounting was assessed as a key audit matter and has already been covered in the previous section of this report. The other key audit matter identified is noted below.

Key audit matter	How our work addressed this matter
Convertible loan notes The Company entered into a £2 loan facility during the year. The terms of the loan are complex and due to IFRS financial reporting requirements and the use of a number of assumptions potentially included in the accounting treatment, we consider this to be a significant risk.	**Our audit work included, but was not restricted to:** • *Confirming amounts received to drawdowns and confirming liability at year end to confirmation;* • *Reviewing management's proposed accounting treatment for the loan facility, agreeing terms to loan agreements and considering against the requirement of the financial reporting framework;* • *Reviewing management expert's report;* • *Considering competence of management's expert as required under ISA (UK);* • *Confirming the inputs used in the valuation to supporting information; and* • *Confirming the disclosures in regards the loan and the related financial instruments are appropriately disclosed.*

Our application of materiality

We apply the concept of materiality both in planning and performing our audit and in evaluating the effect of misstatements. We consider materiality to be the magnitude by which misstatements, including omissions could influence the economic decisions of reasonable users that are taken on the basis of the financial statements.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We consider loss before tax to be the most significant determinant of the Group's financial performance used by the users of the financial statements. We have based materiality on 5% of reported loss before tax for each of the operating entities Fibermode Limited and Mode Global Limited. Materiality for each of Greyfoxx Limited, JGOO Limited and Fibere Limited was set at 25% of group materiality. Overall materiality for the group was therefore set at £270,000. For each component, the materiality set was lower than the overall group materiality.

Other information

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

INDEPENDENT AUDITOR'S REPORT (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

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

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

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 it 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:

- *We obtained an understanding of the legal and regulatory frameworks within which the Company operates focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and relevant taxation legislation.*
- *We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.*

Because of the field in which the parent company operates, we identified that employment law, LSE Listing Rules and compliance with the Companies Act 2006 are most likely to have a material impact on the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Other matters that we are required to address

We were appointed on 20 March 2023 and this is the first year of our engagement as auditors for the Group.

We confirm that we are independent of the Group and have not provided any prohibited non-audit services, as defined by the Ethical Standard issued by the Financial Reporting Council.

Our audit report is consistent with our additional report to the Audit Committee / Board of Directors explaining the results of our audit.

Use of our report

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

Paul Randall FCA (Senior Statutory Auditor)
For and on behalf of RPG Crouch Chapman LLP

Chartered Accountants
Registered Auditor
5th Floor, 14-16 Dowgate Hill
London
EC4R 2SU
30 June 2023

GROUP FINANCIAL STATEMENTS – MODE GLOBAL HOLDINGS PLC (12794676)

Consolidated Statement of Income

	Note	FY 31-Dec-2022 £'000	FY 31-Dec-2021 £'000
Continuing operations			
Revenue	4	1,081	1,313
Cost of sales		(1,012)	(1,151)
Gross profit		**69**	**162**
Administrative expenses	5	(6,938)	(9,382)
Operating Loss		**(6,869)**	**(9,220)**
Investment Revenue		-	5
Finance costs		(64)	-
Loss before taxation		**(6,933)**	**(9,215)**
Taxation	7	520	269
Loss for the period		**(6,413)**	**(8,946)**
Basic and diluted loss per share (pence)	8	(6)	(10)

Consolidated Statement of Comprehensive Income

	Note	FY 31-Dec-2022 £'000	FY 31-Dec-2021 £'000
Loss for the period		(6,413)	(8,946)
Other Comprehensive Income:			
Reclassified to profit or loss when specific conditions are met		(194)	(261)
Total Comprehensive Loss for the year		**(6,607)**	**(9,207)**

The notes on pages 31 to 47 form an integral part of this consolidated financial information.

Consolidated Statement of Financial Position

	Note	FY 31-Dec-2022 Audited £'000	FY 31-Dec-2021 Audited £'000
Assets			
Non-current Assets			
Property, plant and equipment	**10**	11	33
Intangible Non-Current Assets			
Software		21	57
Intangible Current Assets			
Treasury BTC	**9**	-	463
Current Assets			
Inventory – Crypto		45	-
Trade and other receivables	**11**	176	1,260
Cash and cash equivalents	**12**	814	4,155
Total Assets		**1,067**	**5,967**
Equity and Liabilities			
Equity attributable to equity holders of the Group			
Share Capital - Ordinary shares	**14**	1,029	915
Share Premium account	**14**	17,050	16,721
Profit and Loss Account		(20,152)	(14,719)
Group Reorganisation Reserve		454	454
Revaluation Reserve		-	194
Share Option Reserve	**15**	77	1,058
Total Equity		**(1,542)**	**4,623**
Current Liabilities			
Convertible Loan Notes	**16**	1,622	-
Current trade and other payables	**13**	987	1,344
Total Liabilities		**2,609**	**1,344**
Total Equity and Liabilities		**1,067**	**5,967**

These financial statements were approved and authorised for issue by the board of directors on 30th June 2023 and were signed on its behalf by:

Jonathan Rowland
Chairman

Consolidated Statement of Changes in Equity

	Note	Share capital £'000	Share premium £'000	Accumulated deficit £'000	Group Reorganisation Reserves £'000	Revaluation Reserve £'000	Share Option Reserve £'000	Convertible loan note £'000	Total equity £'000
As at 31 December 2020		**805**	**11,091**	**(6,878)**	**454**	**455**	**315**	-	**6,242**
Shares issued		109	5,632	-	-	-	-	-	**5,741**
Share Option Reserve		-	-	-	-	-	743	-	**743**
Gain on sale of Bitcoin assets		-	-	1,105	-	-	-	-	**1,105**
Total Comprehensive Loss for the year		-	-	(8,946)	-	(261)	-	-	**(9,207)**
As at 31 December 2021		**914**	**16,723**	**(14,719)**	**454**	**194**	**1,058**	-	**4,623**
Shares issued		114	329	-	-	-	-	-	**443**
Share Option Lapsing		-	-	981	-	-	(981)	-	-
Total Comprehensive Loss for the year		-	-	(6,413)	-	(194)	-	-	**(6,607)**
As at 31 December 2022		**1,029**	**17,050**	**(20,151)**	**454**	-	**77**	-	**(1,540)**

The accompanying notes are an integral part of these financial statements.

Consolidated Statement of Cashflows

	FY 31-Dec-2022 Audited £'000	FY 31-Dec-2021 Audited £'000
Cash flows from operating activities		
Operating loss	(6,933)	(9,220)
(Increase)/decrease in receivables	1,082	(797)
Increase/(decrease) in payables	(356)	908
Finance Income	-	(5)
Finance Costs	64	-
Adjustment for:		
Depreciation and amortisation	16	28
Share based payment	-	743
Impairment of BTC	369	-
Interest (paid) / received	(64)	5
Research and development tax credit claim	520	269
Net cash generated from operations	**(5,302)**	**(8,069)**
Cash flows from investing activities		
Purchase of Property, plant & equipment	-	(29)
Purchase of BTC Treasury	-	(1,933)
Net cash from financing activities	**-**	**(1,952)**
Cash flows from financing activities		
Sale of BTC Treasury	-	3,064
Issue of shares	-	5,741
Convertible loan note issue	2,000	-
Net cash from financing activities	**2,000**	**8,805**
Net increase in cash and cash equivalents	(3,302)	(1,216)
Cash and cash equivalents at the beginning of the period	4,155	5,365
Effect of exchange rate changes on cash and cash equivalents	(39)	6
Cash and cash equivalents at end of period	**814**	**4,155**
Represented by: Bank balances and cash	**814**	**4,155**

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Mode Global Holdings is the holding company for a group of companies that trade under the name 'Mode Global'. Mode Global Holdings was incorporated on 5 August 2020 under the laws of England with a registered number of 12794676. Mode Global Holdings is in the financial services business. Its business address is Finsgate, 5-7 Cranwood Street, London, United Kingdom, EC1V 9EE.

Mode Global Holdings wholly owns Mode Global Limited ("Mode Global"), which in turn owns 100% of JGOO Limited ("JGOO®"), 100% of Greyfoxx Limited ("Greyfoxx") and 100% of Fibere Limited ("Fibere"). Greyfoxx wholly owns Fibermode Limited ("MODE®"). Mode Global Holdings, together with its subsidiaries, are referred to herein as the "Group". All the limited companies are incorporated and domiciled in England. The registered company numbers of these companies are 09768854 (Mode Global Limited) 10805100 (JGOO Limited), 12123111 (Greyfoxx Limited), 12408852 (Fibere Limited) and 11085143 (Fibermode Limited).

Name	Country of incorporation	Holding	Ownership	Nature of Business
Mode Global Limited	United Kingdom	Direct	100%	Holding Company
JGOO Limited	United Kingdom	Indirect	100%	Global Payments Platform
Fibermode Limited	United Kingdom	Indirect	100%	Mode Digital Wallet (including Cryptocurrency)
Greyfoxx Limited	United Kingdom	Indirect	100%	Mode for Business
Fibere Limited	United Kingdom	Indirect	100%	Mode Store

Mode provides customers the ability to manage their traditional (fiat) money and their digital assets (cryptocurrency) using the same mobile (or web) application. Through MODE's mobile interface, customers have an all-encompassing view of their traditional fiat and cryptocurrency balances and will be able to initiate various transactions in both.

JGOO is a payment processing, marketing and advertising company. It aims to provide the next generation of a social media and mobile payments platform, enabling consumers, merchants, and brands to make and receive payments without the need for card platforms, using their mobile phones to make and accept payments. JGOO's initial focus has been on enabling British brands to engage with Chinese shoppers, both face-to face and online, but will widen its markets in the future.

Greyfoxx became a Financial Conduct Authority (FCA) authorised electronic money institution as of 23rd June 2021, meeting various conditions set out by the FCA. Greyfoxx aims to provide e-money services to both JGOO and MODE.

Fibere Limited is the Mode Clothing Store where customers can get Bitcoin cashback for buying items that advertise Mode as a brand.

The Group's principal activity is to invest in fintech companies. Its core platform, 'Mode', is a financial services ecosystem which is a fully regulated, UK-based institution, providing the full scope of banking and financial services to the holders of both traditional and crypto-assets.

The consolidated financial statements comprised of the Company and its subsidiaries (together referred to as "the Group") as at 31 December 2022 and for the year to 31 December 2022.

2. Accounting policies

The principal accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

Basis of preparation
This financial information has been prepared in accordance with IFRS, including IFRS Interpretations Committee (IFRIC) interpretations issued by the International Accounting Standards Board (IASB) as adopted by the UK and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The financial information has been prepared under the historical cost convention. The principal accounting policies adopted are set out below and these policies have been consistently applied.

The preparation of financial statements, in compliance with adopted IFRSs, requires the use of certain critical accounting estimates. It also requires the Group's management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect are disclosed below.

Basis of consolidation
The consolidated financial statements include the results of the Group as if they formed a single entity for the full period or, in the case of acquisitions, from the date control is transferred to the Group. The Company controls an entity when the Company has the power, either directly or indirectly, to govern the financial and operating policies of another entity or business so as to obtain benefits from its activities, whereby it is classified as a subsidiary. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases.

Subsidiaries are all entities over which Mode Global Holdings plc has the power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights. All subsidiaries have a reporting date of 31 December.

Changes in accounting policies and disclosures
The accounting policies adopted are consistent throughout the financial period. Standards and amendments to IFRS effective as of 01 January 2021 have been applied by the Group.
There were a number of standards and interpretations which were in issue at 31 December 2021 but were not effective at 31 December 2022 and have not been adopted for these Financial Statements.

These include:

- Amendments to IFRS 3 Business Combinations - change in reference to the conceptual framework (applicable on or after 1 January 2022)

- Amendments to IFRS 17 Insurance Contracts - measurement of insurance liabilities (applicable on or after 1 January 2023)

- Amendments to IAS 1 Presentation of Financial Statements – further disclosure requirements including additional detail around accounting policies (applicable on or after 1 January 2023)

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates (applicable on or after 1 January 2023)

- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (applicable on or after 1 January 2022)

The Directors have assessed the impact of these accounting changes on the Group. To the extent that they may be applicable, the Directors have concluded that none of these pronouncements will cause material adjustments to the Group's Financial Statements.

There are no other IFRS or IFRIC interpretations that are effective for the first time in this financial year that would be expected to have a material impact on the Group.

Going concern

The consolidated financial statements are prepared on the going concern basis. As expected for any start-up, the Group has incurred significant operating losses and negative cashflows.

The Directors have created multiple scenarios for Mode Global Holdings PLC's cash forecasts over the next 12 months. This process included a base case scenario which shows that the Group, through careful management of it's balance sheet and cash spend, will be able to continue to operate for a period of greater than 12 months.

As part of this process, The Group's board approved for Mode Global Limited to enter into a Company Voluntary Arrangement with it's creditors. The process is continuing but Directors are confident that they come to an positive arrangement for the Group and external creditors.

To secure a longer-term future of the Mode Global Holding PLC status, the Board of Directors are in conversations with multiple parties to raise funds and to therefore enable the vehicle to invest in future ventures as they seem appropriate at the time.

Additionally £1.6 million of convertible loan notes have expired on 28 June 2023. The directors are in discussions with the holders of the convertible loan notes to extend the term of the loan notes as the Group does not currently have sufficient funds to settle these loan notes in full. The directors are confident of being able to extend and renegotiate the terms of the loans.

For these reasons, we continue to adopt the going concern basis of accounting in preparing the annual financial statements. The financial statements do not include any adjustments that would result from the going concern basis of preparation being inappropriate.

The directors are aware of the risks and uncertainties facing the business, but the assumptions used are the directors' best estimates of the future development of the business.

Foreign currency

The functional currency of the Group and subsidiaries are Pound Sterling (£). The presentational currency of the Group and subsidiaries are £ because a significant amount of its transactions is in £.

Transactions entered by the Group's entities in a currency other than the reporting currency are recorded at the rates ruling when the transaction occurs. Foreign currency monetary assets and liabilities are translated at the rates ruling at the statement of financial position date. Exchange differences arising on the re-translation of outstanding monetary assets and liabilities are also recognised in the income statement.

Share capital

The costs directly associated with the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds. For the options, these have been detailed below as share based payments.

Revenue recognition

Digital Wallet – Fibermode

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business.

Revenue represents commission on customer trading activities and includes interest received on Bitcoin holdings lent out to a third-party Network. Commission is recognised on the day the trade completes.

Global Services - JGOO

Revenue is recognised in accordance with IFRS 15 'Revenue from Contracts with Customers'. The Company recognises revenue on the transfer of services to customers in an amount that reflects the consideration to which the entity expects to be entitled, in exchange for those services. This core principle is delivered in a five-step model framework:

1. Identify the contract(s) with the customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised on service contracts at the point at which the service has been completed, or for contracts covering a period of time, monthly over the period of the contract. Revenues exclude intra-group sales and value added taxes and represent funds received on a gross basis, as the transaction revenue is received by JGOO as the principal in respect of completing the payment transaction. We control the service of completing payments on our payments platform and bear primary responsibility for the fulfilment of the payment service. JGOO has full discretion in determining fees charged to UK merchants, which is independent of the revenue we receive from Alipay and WeChat Pay. We therefore bear the risk when completing transactions and report these items as separate transactions.

Employee benefits

(i) Short-term benefits
Wages, salaries, paid annual leave and sick leave and non-monetary benefits are accrued in the period in which the associated services are rendered by employees of the Company.

(ii) Defined contribution plan
As at year ended 31 December 2022, the Company had a defined contribution pension scheme for employees with Scottish Widows. For this defined contribution plan, the Company pays contributions to a privately administered pension insurance plan on a mandatory basis. The contributions are recognised as an employee benefit expense when they are due.

Operating leases

The Group has elected not to recognise right-of-use assets and lease liabilities for its leases, all of which qualify as short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Current taxation:

Current tax is the amount of income tax payable (or refundable) in respect of the taxable profit (or loss) for the year or prior years. Tax is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted by the period end. Research and development tax credits are recognised on a cash basis due to the uncertainty around whether claims will be approved by the UK tax authorities.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries where the Group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the deferred tax liabilities or assets are settled or recovered. Deferred tax balances are not discounted.

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities.

The Group is entitled to a tax deduction on the exercise of certain employee share options. A share-based payment expense is recorded in the income statement over the period from the grant date to the vesting date of the relevant options. As there is a temporary difference between the accounting and tax bases, a deferred tax asset may be recorded. The deferred tax asset arising on share option awards is calculated as the estimated amount of tax deduction to be obtained in the future (based on the Group's share price at the balance sheet date) pro-rated to the extent that the services of the employee have been rendered over the vesting period. If this amount exceeds the cumulative amount of the remuneration expense at the statutory rate, the excess is recorded directly in equity, against retained earnings. Similarly, current tax relief in excess of the cumulative amount of the Share-based payments expense at the statutory rate is also recorded in retained earnings.

Cash and cash equivalents
Cash and cash equivalents include cash in hand and deposits held on call, together with other short term highly liquid investments which are not subject to significant changes in value and have original maturities of less than three months.

Equity instruments
Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from proceeds. Dividends on ordinary shares are recognised as liabilities when approved for distribution.

Share-based payments
The Company operates an unapproved share-based compensation plan, under which the company receives services from employees as consideration for equity instruments (options) of Mode Global Holdings PLC. The awards were granted, on two separate dates being October 27th 2020 and 4th November 2020, by Mode Global Holdings PLC, and the fair value of the employee services received in exchange for the grant of the options is recognised as an expense under IFRS 2. A credit is recognised directly in equity (Share Option Reserve). The total amount to be expensed was determined by reference to the fair value of the total options granted using the Black Scholes model - see Note 15.

No options were able to be exercised prior to April 2021. Since then, no options have been exercised as the share price remains below the original strike price.

The latest date that the options can be exercised is the tenth anniversary of the Grant Date, and if not exercised before then the options would automatically lapse.

Intangible assets - Software
Software has a finite life and is therefore carried at cost less accumulated amortisation. Amortisation is calculated using a straight-line method to allocate the cost of software and websites over their estimated useful lives of three years.

Accounting for cryptocurrencies
The Group's cryptocurrencies are held for the purpose of liquidity and settling customer trades in a timely manner. As a result, we account for cryptocurrencies as inventory under IAS2. Inventory is held at the lower of cost and net realisable value. Impairments are taken to the Profit and Loss account.

Property, plant and equipment
Property, plant and equipment are stated at historical cost less subsequent accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the assets.

Subsequent costs are included in the asset's carrying amount, or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

Depreciation on property, plant and equipment is calculated using the straight-line method to write off their cost over their estimated useful lives at the following annual rates:

Computer equipment: 33% straight-line
Plant and machinery: 33% straight-line

Financial assets and liabilities

Recognition and initial measurement

The Group initially recognises loans and advances, trade and other receivables/payables, and borrowings plus or minus transactions costs, when and only when the Group becomes party to the contractual provisions of the instruments.

Financial assets at amortised cost

The Group's financial assets at amortised cost comprise trade and other receivables. These represent debt instruments with fixed or determinable payments that represent principal or interest and where the intention is to hold to collect these contractual cash flows. They are initially recognised at fair value, included in current and non-current assets, depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise trade and other payables. They are classified as current and non-current liabilities depending on the nature of the transaction, and are subsequently measured at amortised cost using the effective interest method.

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or when it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised) and the sum of (i) the consideration received (including any new asset obtained less any new liability assumed) and (ii) any cumulative gain or loss that had been recognised in OCI is recognised in profit or loss.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled, or expire.

Summary of critical accounting estimates and judgements

The preparation of financial information, in conformity with IFRS, requires the use of certain critical accounting estimates. It also requires the directors to exercise their judgement in the process of applying the accounting policies which are detailed above. These judgements are continually evaluated by the directors and management, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key estimates and underlying assumptions concerning the future, and other key estimated uncertainties at the date of the financial statements, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, 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.

Management do not believe there to be estimates or judgements which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Share-based payments
The basis for the share-based payments expense for 2022 has been set out in Note 15. In accounting for the fair value of options and warrants, the Company makes assumptions regarding share price volatility, risk free rate, and expected life, in order to determine the amount of associated expense to recognise.

3. Financial risk management

Financial instruments

Financial assets	31-Dec-22	31-Dec-21
	£'000	£'000
Cash and cash equivalents	814	4,155
Treasury BTC	45	463
Trade receivables – net of provision	-	13
Other receivables	176	1,116
Financial assets	**1,035**	**5,747**

Financial liabilities		
Convertible Loan Notes	1,622	-
Trade payables	805	708
Other payables	143	127
Accruals	40	508
Financial liabilities	**2,609**	**1,344**

Fair value hierarchy
All the financial assets and financial liabilities recognised in the financial statements which are short-term in nature are shown at the carrying value, which also approximates the fair values for short-term financial instruments. Therefore, no separate disclosure for fair value hierarchy is required. The disclosure on fair value hierarchy does not apply to the financial leases.

The Group's activities expose it to a variety of financial risks, mainly credit risk, liquidity risk and interest rate risk.

Credit risk
Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. In order to minimise this risk, the Group endeavours only to deal with companies which are demonstrably creditworthy.

The aggregate financial exposure is continuously monitored. The maximum exposure to credit risk is the value of the Group's outstanding bank balances. The Group's exposure to credit risk on cash and cash equivalents is considered to be low as the bank accounts are with banks with high credit ratings.

Liquidity risk
The Group currently holds cash and Bitcoin balances to manage trading activity and is managed centrally. Trade and other payables are monitored as part of normal management operations.

The below, for 2022, is predominantly made up of accrued costs and tax liabilities relating to payroll:

2022	Within 1 year	1-2 years	2-5 years
	£'000	£'000	£'000
Trade and other payables	2,609	-	-
Total	**2,609**	**-**	**-**

2021	Within 1 year	1-2 years	2-5 years
	£'000	£'000	£'000
Trade and other payables	1,344	-	-
Total	**1,344**	**-**	**-**

Market risk - interest rate risk

The Group carries no interest rate risk at the respective year ends.

Capital risk management

The Group's capital management objectives are to ensure that the Group continues to operate as a going concern, and provide an adequate return to shareholders by pricing products and services commensurate with the level of risk.

To meet these objectives, the Company reviews the budgets and forecasts on a regular basis to ensure there is sufficient capital to meet the needs of the Company through to profitability, and achieve a positive cash flow.

All working capital requirements are financed from existing cash resources.

4. Segment information

The Group's Revenue is made up of the trading commission on cryptocurrency assets (Fibermode), as well as bespoke payment and marketing solutions on its Global Services platform (JGOO).

The Group currently only operates in the UK and so for now the presentation of a geographical split is not applicable.

	31-Dec-22			
	JGOO	**Fibermode**	**Other**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Revenue	927	154	-	1,081
Cost of sales	(916)	(96)	-	(1,012)
Gross Profit	**11**	**58**	**-**	**69**
Administrative expenses	(414)	(762)	(5,762)	(6,938)
Operating Loss	**(405)**	**(704)**	**(5,762)**	**(6,869)**
Assets	68	619	380	1,067
Liabilities	3,366	6,428	(7,185)	2,609
Equity	(3,298)	(5,809)	7,565	(1,542)
Total Liabilities & Equity	**68**	**619**	**380**	**1,067**

	31-Dec-21			
	JGOO	**Fibermode**	**Other**	**Total**
	£'000	**£'000**	**£'000**	**£'000**
Revenue	721	656	(64)	1,313
Cost of sales	(694)	(452)	(5)	(1,151)
Gross Profit / (Loss)	**27**	**204**	**(69)**	**162**
Administrative expenses	(936)	(2,466)	(5,980)	(9,382)
Operating Loss	**(909)**	**(2,262)**	**(6,049)**	**(9,220)**
Assets	188	911	4,868	5,967
Liabilities	2,585	5,040	(6,281)	1,344
Equity	(2,397)	(4,129)	11,149	4,623
Total Liabilities & Equity	**188**	**911**	**4,878**	**5,967**

5. Loss from operations

	Year to 31 December 2022	Year to 31 December 2021
	£'000	£'000
Operating loss is stated after charging:		
Directors Fees	150	132
Consulting and advisory fees	1,367	530
Premises	102	80
Software costs	669	872
Advertising	182	1,394
Legal and professional fees	556	639
Audit fees	35	26
Share option expense	-	743
Other administrative expenses	3,879	4,966
Total administrative expenses	**6,938**	**9,382**

6. Employment costs & directors

The average number of employees (including directors) during the period was made up as follows:

	Year ended 31-Dec-22 Number	Year ended 31-Dec-21 Number
Directors (including non-executive directors)	6	6
Administrative	33	38
Total	**39**	**44**

2022	Male Number	Female Number
Directors (including non-executive directors)	5	1
Administrative	19	14
Total	24	**15**

The cost of employees (including directors) during the period was made up as follows:

	Year ended 31-Dec-22 £'000	Year ended 31-Dec-21 £'000
Salaries and wages (including directors)	2,226	3,048
Social security costs	280	335
Pension Costs	28	36
Share Based Remuneration	(981)	743
Staff costs	**1,553**	**4,162**

The compensation of key management personnel, principally directors of Mode Global Holdings PLC, for the period were as follows:

	Year ended 31-Dec-22 £'000	Year ended 31-Dec-21 £'000
Salaries/fees	295	484
Social security costs	40	45
Other benefits and pension contributions	3	5
Share Based Remuneration	-	389
Total	**338**	**923**

The above remuneration (including share-based payments) of directors includes the following amounts paid to the highest paid Director:

	Year ended 31-Dec-22 £'000	Year ended 31-Dec-21 £'000
Highest paid Director	172	374

No directors or key management personnel received termination benefits upon their departure.

7. Taxation

	Year ended 31 December 2022 £'000	Year ended 31 December 2021 £'000
Total current tax (Relief for R&D)	(520)	(269)
Factors affecting the tax charge for the period		
Loss on ordinary activities before taxation	(6,933)	(9,215)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2020: 19%)	(1,317)	(1,751)
Effects of:		
Non-deductible expenses	-	143
Depreciation	54	5
Research & Development tax credits	(520)	(269)
Tax losses carried forward	1,264	1,602
Current tax charge/(credit) for the period	**(520)**	**(269)**

Changes in tax rates

The UK small company's corporation tax rate has been maintained at 19% for the two periods. Accordingly, the deferred tax asset has been calculated based on the rate of 19% at the balance sheet date. Future enacted tax rates of 19% will apply from 1 April 2020 and from 1 April 2021. No liability to UK corporation tax arose on ordinary activities for the current period.

The Group has estimated tax losses of £19,093,000 (2021: £12,752,000) available for carry forward against future trading profits.

The tax losses have resulted in a deferred tax asset of approximately £3,638,000 (2021: £2,423,000) which has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

8. Earnings per share (EPS)

	Year ended 31-Dec-22	Year ended 31-Dec-21
Basic and diluted		
Loss for the period and earnings used in basic & diluted EPS (£)	(6,414,636)	(8,946,882)
Weighted average number of shares used in basic and diluted EPS	104,791,280	89,593,045
Loss per share (p)	(6)	(10)

Basic earnings per share is calculated by dividing the loss attributable to equity holders of the Company by the number of ordinary shares in issue at the end of the period.

9. Intangible assets - Treasury BTC

	31-Dec-22 £'000	31-Dec-21 £'000
At period start (1 January)	**463**	**832**
Additions	41	1,933
Revaluation	(369)	(261)
Disposals	-	(2,041)
Reclassification to inventory	(135)	-
At period end (31 December)	**-**	**463**

10. Tangible assets

	31-Dec-22 £'000	31-Dec-21 £'000
At period start (1 January)	**33**	**14**
Additions	-	29
Revaluation	(6)	-
Depreciation	(16)	(10)
At period end (31 December)	**11**	**33**

Tangible Assets comprises of computer equipment.

11. Trade and other receivables

	31-Dec-22 £'000	31-Dec-21 £'000
Trade receivables	-	13
Other receivables	86	1,117
Prepayments	-	40
VAT Receivable	90	90
Total	**176**	**1,260**

12. Cash and cash equivalents

Where cash at bank earns interest, the interest accrues at floating rates based on daily bank deposit rates. The fair value of the cash and cash equivalents is as disclosed below. For the purpose of the cash flow statement, cash and cash equivalents comprise of the amounts shown below.

	31-Dec-22 £'000	31-Dec-21 £'000
Cash at bank and in hand	814	4,155

13. Trade and other payables

	31-Dec-22 £'000	31-Dec-21 £'000
Trade payables	805	708
Other payables	143	127
Accruals	40	509
	987	**1,344**

14. Share capital

	Ordinary shares	Nominal value/share	Share capital	Share premium	Total consideration
	Number	£	£'000	£'000	£'000
At 31 December 2021	**91,446,096**	**0.01**	**915**	**16,721**	**17,636**
Ordinary Shares issued on Placing	11,455,147	0.01	114	329	443
At 31 December 2022	**102,901,243**	**0.01**	**1,029**	**17,050**	**18,080**

All shares of the Company rank pari passu in all respects.

15. Share-based remuneration

The parent operates an unapproved share option plan for all employees of the Group.
In accordance with standard vesting terms, the full award will vest four years after the start of the vesting date (5th October 2021), with 20% vesting on the initial IPO date and a further 5% of the options vested on each three-month anniversary. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

The details of the movements in the share scheme are as follows:

	Unapproved Options	
	Number of share options (millions)	Average Exercise price per share (£)
Outstanding as at 31 December 2021	8,737,063	0.50
Granted during the period	5,100,000	0.075
Exercised during the period	-	-
Forfeited during the period	(13,414,244)	0.075
Outstanding as at 31 December 2022	422,819	0.50

No options were exercisable at the end of the period. No share-based payments were settled during the period and therefore the method of settlement is not applicable.

The weighted average fair values of the options granted under the unapproved options scheme were £0.18 per option using the Black Scholes model.

In September 2022, new employees were granted 5.1m options at an exercise price of £0.075 and all existing options were modified to have an exercise price of £0.075 also. Based on a fair value assessment of the share option modification it was assessed that the fair value had decreased however, in line with IFRS 2, we continued to account for the share options of the original grant at the original fair value. The significant inputs into the model are as follows:

Current Price (£) on date issued	0.55
Option Exercise Price (£)	0.5
Expected Life of Options in years	4
Volatility	59%
Dividend Yield	-
Risk free interest rate	0.72%

Adjustment for sub-optimal exercise factor	20%

The expected volatility was determined using the trading prices for MGH plc from the period it listed until February 16th 2021 to allow for sufficient time to provide enough scope. The reason for only considering MGH is that there were no other similar companies listed in the UK with comparable operations to MGH.

Following the year end, all options (except for two ex-employees) were lapsed following the discontinued operations. Any charge booked in 2022 was therefore reversed in year and for prior year grants, the charge booked in prior years was reversed through the share option reserve and retained earnings.

16. Convertible Loan Notes

In July 2022, £2.0m convertible loans notes were issues repayable in July 2023. This attracted interest at a rate of 8% pa.

The notes shall be converted by the Company on the earlier to occur of:

i). a change of control (in respect of which the Company shall have provided the Noteholders with reasonable notice to allow it to exercise its conversion rights hereunder); or

ii). a qualifying financing being completed; or

iii). the maturity date (28 June 2023).

The convertible loan has been treated as a short term liability as the maturity date is less than 12 month. Interest has been accrued on a quarterly basis.

During the year, £441k of loan notes were converted for 11,455,147 shares in Mode Global Holdings PLC.

Note, management believe the requirement for the separation of the derivative element of the CLN share conversion term to be immaterial and have therefore not accounted for this separately.

17. Reserves

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

Share premium	Amount subscribed for share capital in excess of nominal value.
Retained earnings	Retained earnings represent all other net gains and losses and transactions with shareholders (example dividends) not recognised elsewhere.
Revaluation Reserve	Revaluation Reserve is the excess over nominal value for the purchased Intangible Bitcoin Assets
Group Reorganisation Reserve	The consolidation of Mode Global Limited and its subsidiaries resulted in the elimination of the parent's investment in the subsidiaries, and the recognition of a group reorganisation reserve

Share Based Payment Reserve	Cumulative estimated expense amount based on the price of MGH's share options

The Other Reserves noted on the Statement of Changes in Equity include Group Reorganisation Reserve, Share Based Payments Reserve and the Revaluation Reserve.

18. Capital commitments

The Company has no capital commitments at the years ended 31 December 2022 and 31 December 2021.

19. Related Party Transactions

During the year the following related parties transactions were entered into. These were at an arm's length received no favourable terms.

On the 13 July 2022, the following related parties subscribed to the Convertible Loan Note issuance. See Note 16 for more details on the Convertible Loan Note terms.

Related Party	**Convertible Loan Note Subscribed (£)**	**Outstanding Convertible Loan Notes (£)**
Liwathon Limited	£550,000	£436,067
Linley Limited	£500,000	£305,944
Rita Liu (Chief Executive Officer)	£20,000	£20,000
Michael Robertson (Non-executive director)	£20,000	£20,000
David Shrier (Non-executive director)	£25,000	£25,000

Note, Liwathon Ltd and Linley Limited are controlled by close Rowland Family members and management deem them to be related parties for this purpose.

19. Events after the reporting date

Post year end the Group made the decision to cease operations and wind down all subsidiaries in order to maximise cash reserves in the parent Company.

The Board of Directors also approved a Company Voluntary Arrangement ("CVA") for Mode Global Limited and this was approved by the courts on the 5th April 2023.

Management are in the process on settling creditors and employee claims in line with this agreement.

Fibermode Limited has agreed with the Financial Conduct Authority ("FCA") a plan for winding down the customer operations and returning customers fiat and crypto deposits over an extended period of time deemed sufficient by both parties.

20. Ultimate controlling party

There is no ultimate controlling party of the Company.

Company Statement of Financial Position

	Note	2022 £'000	2021 £'000
Assets			
Non-current Assets			
Net amounts due from subsidiaries	**3.1**	-	-
Investment in group companies	**3.3**	-	-
Current Assets			
Trade and other receivables		101	169
Cash and cash equivalents		7	3,307
Total Assets		**108**	**3,476**
Equity and Liabilities			
Equity attributable to equity holders of the Group			
Share Capital - Ordinary shares		1,029	914
Share Premium account		17,050	16,723
Profit and Loss Account		(46,917)	(42,197)
Merger Relief Reserve		26,940	26,940
Share Option Reserve		77	1,058
Total Equity		**(1,822)**	**3,438**
Current Liabilities			
Convertible Loan Notes		1,622	-
Current trade and other payables		308	38
Total Liabilities		**1,930**	**38**
Total Equity and Liabilities		**108**	**3,476**

The Company profit and loss account has been approved by the directors, and the use of the exemption under s408 of the Companies Act has been applied to publish an individual profit & loss statement.

These financial statements were approved and authorised for issue by the board of directors on 30th June 2023 and were signed on its behalf by:

Jonathan Rowland
Chairman

Company Statement of Changes in Equity

	Note	Share capital £'000	Merger Relief Reserve £'000	Share premium £'000	Accumulated deficit £'000	SBP Reserve	Total equity £'000
As at 31 December 2020		**806**	**26,940**	**11,091**	**(278)**	**315**	**38,874**
Shares issued (incl Placing)		108	-	5,632	-	-	**5,740**
Share Option Reserve		-	-	-	-	743	**743**
Loss for Year		-	-	-	(41,919)	-	**(41,919)**
As at 31 December 2021		**915**	**26,940**	**16,723**	**(42,197)**	**1,058**	**3,438**
Shares issued		114	-	327	-	-	**442**
Share Option Reserve		-	-	-	981	(981)	**-**
Loss for Year		-	-	-	(5,701)	-	**(5,701)**
As at 31 December 2022		**1,029**	**26,940**	**17,050**	**(46,917)**	**77**	**(1,821)**

Share capital is the amount subscribed for shares at nominal value.

Merger relief reserve is the excess over the nominal value for shares issued as part of a share-for-share exchange.

The accompanying notes are an integral part of these financial statements.

NOTES TO THE COMPANY FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

Mode Global Holdings Plc is an investment company incorporated by shares in the United Kingdom. The address of the registered office is Finsgate, 5-7 Cranwood Street, London, United Kingdom, EC1V 9EE. The Company was incorporated and registered in England and Wales on 5th August 2020 as a public limited company.

As at 31 December 2022 the Company had shareholdings in five entities, a direct holding in Mode Global Limited, and indirect holdings in JGOO Limited 100%, Greyfoxx Limited 100%, Fibermode Limited (100%) & Fibere Limited (100%).

2. Accounting policies

Basis of preparation

The financial statements of the parent company have been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' ("FRS101") and the requirements of the Companies Act 2006 in accordance with applicable accounting standards.

These policies have been consistently applied.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 40A to 40D, 111 and 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member ; and
- the requirements of paragraphs 130(f)(ii), 130(f)(iii), 134(d) to 134(f), and 135(c) to 135(e) of IAS 36 Impairment of Assets.

The Company has also taken advantage of the exemption under Section 408 of the Companies Act 2006 from presenting its own profit and loss account.

The preparation of financial statements, in conformity with FRS101, requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in the Company statement of financial position. Although these estimates are based on management's experience and knowledge of current events and actions, actual results may ultimately differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimates are 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.

(a) Changes in accounting policies and disclosures

(a) New, amended standards, interpretations not adopted by the Company

- Amendments to IFRS 3 Business Combinations – change in reference to the conceptual framework (applicable on or after 1 January 2022)
- Amendments to IFRS 17 Insurance Contracts – measurement of insurance liabilities (applicable on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements – further disclosure requirements including additional detail around accounting policies (applicable on or after 1 January 2023)
- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – definition of accounting estimates (applicable on or after 1 January 2023)
- A number of narrow-scope amendments to IFRS 3, IAS 16, IAS 17, IAS 37 and some annual improvements on IFRS 1, IFRS 9, IAS 41 and IFRS 16 (applicable on or after 1 January 2022)

* Subject to endorsement

Management has not yet fully assessed the impact of this standard, but does not believe it will have a material impact on the financial statements.

Financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Company becomes party to the contractual provisions of the instrument. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire or when the contractual rights to those assets are transferred. Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expired.

Trade and other receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Appropriate provisions for estimated irrecoverable amounts are recognised in the statement of comprehensive income using the expected credit loss method. The carrying amount of these assets approximates their fair value.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, demand deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The carrying amount of these assets approximates their fair value.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are recognised initially at their fair value and are subsequently measured at their amortised cost using the effective interest rate method. Due to the short-term nature of these balances, the carrying amount of trade payables approximates to their fair value.

Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Critical accounting estimates and judgments

The Company makes certain judgements and estimates which affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Company's accounting policies, which are described above, the directors do not believe that they have had to make any assumptions or judgements that would have a material effect on the amounts recognised in the financial information.

Financial risk management

The Company's activities may expose it to some financial risks. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

Capital risk

The Company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. Investments are closely monitored.

Investments in subsidiary companies

The Company's investment in its subsidiaries is carried at cost less provision for any impairment. Investments denominated in foreign currency are recorded using the rate of exchange at the date of acquisition.

Impairment of investments in subsidiaries

The Company assesses investments for impairment whenever events or changes in circumstances indicate that the carrying value of an investment may not be recoverable. If any such indication of impairment exists, the Company makes an estimate of the recoverable amount. If the recoverable amount of the cash-generating unit is less than the value of the investment, the investment is considered to be impaired and is written down to its recoverable amount. An impairment loss is recognised immediately in the profit and loss account.

3. Notes to the financial statements

3.1 Net amounts due from subsidiaries

	Year ended 31-Dec-22 £'000	Year ended 31-Dec-21 £'000
Amounts due from subsidiaries	19,740	13,394
Impairment provision	(19,740)	(13,394)
Net amounts due from subsidiaries	-	-

During the period, management reviewed the future cash flow projections and market value of Mode Group Holdings Plc's subsidiary undertakings and deemed it appropriate to pass an impairment provision to reduce their values to nil. Management will continue to review the forecasts of the subsidiary undertakings and assess whether it is appropriate to reverse this impairment charge in future periods.

3.2 Capital risk management

The directors' objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. At the date of this financial information, the Company had been financed by the introduction of capital. In the future, the capital structure of the Company is to consist of borrowings and equity attributable to equity holders of the Company, comprising issued share capital and reserves.

3.3 Investments in subsidiary undertakings

The principal undertakings in which the Company has an interest at the period-end is as follows:

Name	Country of incorporation	Holding	Ownership	Nature of Business
Mode Global Limited	United Kingdom	Direct	100%	Holding Company
JGOO Limited*	United Kingdom	Indirect	100%	Global Payments Platform
Fibermode Limited**	United Kingdom	Indirect	100%	Mode Digital Wallet (including Cryptocurrency)
Greyfoxx Limited*	United Kingdom	Indirect	100%	Mode for Business
Fibere Limited*	United Kingdom	Indirect	100%	Mode Apparel Store

*- direct 100% investments of Mode Global Limited
**-direct 100% investment of Greyfoxx Limited

Share in group undertakings

	31-Dec-22 £'000	31-Dec-21 £'000
At period start (1 January)	-	**27,490**
Additions	5,805	-
Impairment	(5,805)	(27,490)
At period end (31 December)	-	-

During the period, management reviewed the future cash flow projections and market value of Mode Group Holdings Plc's subsidiary undertakings and deemed it appropriate to pass an impairment to reduce their values to nil. Management will continue to review the forecasts of the subsidiary undertakings and assess whether it is appropriate to reverse this impairment charge in future periods.

3.4 Share capital

For details of the share capital see Note 14 of the consolidated financial statements.

3.5 Related party transactions

During the year ended 31 December 2022 and 2021, there were no related party transactions that occurred other than disclosed in note of the consolidated financial statements.

3.6 Merger relief reserve

The merger relief reserve was created to recognise the excess over par value of the shares issued as part of the share-for-share exchange with the previous shareholders of Mode Global Limited.

3.7 Share-based payment reserve

See Note 15 of the consolidated financial statements.

3.8 Contingent liabilities

The Company has no contingent liabilities in respect of legal claims arising from the ordinary course of business.

3.9 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

3.10 Ultimate controlling party

There is no ultimate controlling party of the Company.