

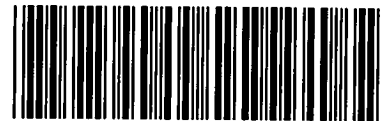
CORNERSTONE PAYMENT SOLUTIONS LTD

Strategic Report, Report of the Directors and

Financial Statements

For the year ended 31 December 2022

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Company No. NI602461

CORNERSTONE PAYMENT SOLUTIONS LTD

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CORNERSTONE PAYMENT SOLUTIONS LTD

Company Information

For the year ended 31 December 2022

DIRECTORS:

Judy Happe
James Hickman
Jordanna Curtis

REGISTERED OFFICE

1 Elmfield Avenue
Warrenpoint
Newry
County Down
Northern Ireland
BT34 3HQ

REGISTERED NUMBER:

NI602461

AUDITOR:

Haysmacintyre LLP
10 Queen St Pl,
London
EC4R 1AG

CORNERSTONE PAYMENT SOLUTIONS LTD

Strategic Report

For the year ended 31 December 2022

The Directors present their Strategic report for the year ended 31 December 2022.

BUSINESS REVIEW

The year-ended 31 December 2022 represented a year of aggressive growth in line with our stated strategy. Reported revenue from foreign exchange commission more than doubled in the year increasing to 104% to £4.7m (2021: £2.3m). The growth has been driven both organically and supported by acquisitions made within the wider Cornerstone group, namely the acquisition of Capital Currencies Limited and Pangea FX Limited, who have migrated their client bases across to the Company during the year.

In line with our stated strategy, this growth primarily reflects a significant increase in revenue generated by clients that we serve directly. The proportion of total revenue that was accounted for by direct clients increased to 78%, compared with 56% for the previous year, being £3.8m (2021: £1.3m). Revenue generated through our introducer network accounted for 22% of total revenue (2021: 44%) and was £1.1m (2021: £1.0m).

By client type, there was an increase in revenue generated by both corporate accounts and HNWI's. This includes particularly strong growth in revenue from HNWI's, which was primarily due to the addition of the Asia team in 2021. As a result, the proportion of total revenue accounted for by HNWI's increased to 53% (2021: 25%) with corporate accounts contributing 47% (2021: 75%). However, for the majority of the HNWI revenue (and nearly exclusively for the Asia team's HNWI revenue), whilst the underlying transaction is with an individual, the relationship is via a corporate that provides services to the HNWI – and, as a result, it is a recurring revenue stream for us. As noted above, we have been successfully expanding this referral network.

More significantly, supported by this revenue increase, the Company became profit-generative during the year-ended 31 December 2022, generating a profit from operations of £397,108 compared to a loss from operations of £274,024 in 2021. The result represents the first profitable period since the Company was acquired in October 2020.

The Company provides software development services for its parent undertaking Cornerstone FS plc, who license the platform back to the Company. For the year ended 31 December 2022, the value of software development services provided was £0.5m (2021: £0.5m) and included implementation of a straight-through-processing payment flow, further integration of Banking Circle and other counterparties and improvements to our Microservices infrastructure. This is part of our ongoing programme of investment and development of our technology platform as we look to continuously expand and upgrade its features, benefitting future revenue generation by the Company.

In addition to these trading improvements, the Company also sought to expand its service offering during the year. We have established new counterparty partnerships, which enable us to broaden the number of currencies and countries where we can transact as well as expanding the business sectors that we can serve.

During the year-ended 31 December 2022 the Company also took steps to realise the value of a non-core asset and in December 2022 entered into an agreement for the sale of our subsidiary Avila House Ltd ("Avila") to Aspire Commerce Ltd for £300,000. Completion of the sale was subject to change in control approval by the Financial Conduct Authority ("FCA") which was received post-year end and the sale of Avila completed on 26 April 2023. The Company acquired Avila in 2020. Avila is registered with the FCA as a small electronic money institution, however, this more limited licence was supplanted by the Company subsequently being approved by the FCA as an authorised electronic money institution.

CORNERSTONE PAYMENT SOLUTIONS LTD

Strategic Report (continued)

For the year ended 31 December 2022

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider the principal risks and uncertainties facing the Company, and the key measures taken to mitigate those risks, are as follows:

Regulation

The Company is authorised and regulated by the FCA as an AEMI. The withdrawal of, or any amendment to, a regulatory approval required by Company or any of the Directors or employees could result in an adverse change to, or the cessation of, the Company's business or a material part thereof. The FCA has recently shown increased activity declaring that they are paying closer attention to firms' compliance with specific areas of regulation such as consumer duty, wind down planning, operational resilience and more.

The Company employs an experienced Compliance and Money Laundering Reporting Officer who is responsible for monitoring the Company's activities, managing the Company's regulatory and reporting obligations and ensuring that all FCA requirements are adhered to. The Company retains the services of Compliancy Services, a specialist regulatory and compliance advisory service. In addition, the Company has benefitted from the appointment of John Burns to its parent company's board; John has significant experience regarding regulation in the payments industry. Both Compliancy Services and John Burns support the Compliance and Money Laundering Officer. Further, the Company monitors all FCA communication and has multiple working groups, consisting of employees from across the business, established to ensure compliance with all regulatory requirements

Macroeconomic

International trade is a key driver of demand for foreign exchange services. A slowdown in international trade caused by global macro-economic factors – such as economic and political conditions (such as the conflict in the Ukraine and interest rate volatility), and natural disasters and epidemics / pandemics – could adversely impact the Company's business transaction turnover.

The Company's experienced management team seeks to adapt to adverse conditions. The cost base is closely monitored and cost saving measures would be implemented to maintain solvency if required. The Company is also focusing on growing its sales teams with expertise across multiple geographic locations to reduce dependencies on specific regions. With regards to the current conflict in the Ukraine, the Company does not have any business in the Ukraine or Russia and does not have any exposure to the Rouble. Therefore management does not consider the Company to be adversely impacted by the sanctions.

Liquidity

There is a risk that the Company will not have sufficient capital to meet the regulatory capital requirement for an authorised financial services business and that it is unable to meet its financial obligations when due.

The Company has an experienced finance team that provides effective management of the Company's operational financial exposures, with a strong focus on cash control. This includes ensuring sufficient ring fencing of capital to meet its regulatory obligations.

Credit

The Company is exposed to credit risk if a client fails to deliver currency at maturity of the contract or fails to deposit margin when a margin call is made.

The Company operates a matched-principal brokerage model, meaning it executes a matching trade with its liquidity providers on receipt of a client order. The Company does not enter into speculative trades or trades funded from its own balance sheet and does not fund client margin calls from its own funds. In addition, the Company has an experienced finance team that provides effective management of the Company's operational financial exposures, with a strong focus on cash control.

Counterparty

There is a risk that the Company's liquidity services provider could terminate its agreement with the Company or that its systems may fail or are not operational for a period of time, which could have a materially adverse impact on the Company's business and operations.

CORNERSTONE PAYMENT SOLUTIONS LTD

Strategic Report (continued)

For the year ended 31 December 2022

The Company has a very good working relationship with Velocity Trade International Ltd, its liquidity services provider, and has been trading on agreed terms for over ten years. The Company has also appointed Banking Circle and Sucden as further liquidity providers to which the Company could transfer its business should Velocity choose to terminate the agreement or should its systems fail.

Competition

There is a risk that competitors with greater financial resources may develop software that is superior to the Company's platform, and they may also adopt more aggressive pricing models or undertake more extensive advertising and marketing campaigns. Such competitors may also attract the Company's key employees or prospective employees, which could impact the level of service that the Company can give to its customers or the ability to expand its service offering.

Significant barriers to entry exist in the markets in which the Company operates, such as the requirement for regulatory authorisation and the technical skill, expertise and experience required to develop a proprietary technology platform. The Company's management has extensive experience in the foreign exchange payments market, including of designing, building and running IT systems and departments in the financial services sector. The Company also intends to leverage its ability to handle difficult payment flows by targeting certain underserved markets/industries where there will be fewer competitors. The Board has established an employee share incentive scheme and the majority of its senior management are significant shareholders or option holders, aligning their interests with those of the Company. The Company has also implemented measures to enhance employee engagement.


KEY PERFORMANCE INDICATORS

The Company uses foreign exchange commission as the Key Performance Indicator.

	31 December 2022	31 December 2021
Gross commission	£4.7million	£2.30 million

FUTURE DEVELOPMENTS

For the first quarter of 2023, the Company achieved revenue of approximately £1.9m, compared to £0.9m in the same quarter of 2022. The Company also completed sale of Avila generating sales proceeds of £300,000. As a result of this strong momentum, combined with the continued broadening of our counterparty and partnership offerings, we remain confident in the future and look forward to reporting on our progress.



.....
Judy Happe
Director

Date: 15 May 2023

CORNERSTONE PAYMENT SOLUTIONS LTD

Report of the Directors For the year ended 31 December 2022

The Directors present their report with the financial statements of the Company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The Company's principal activity is the provision of foreign exchange services.

DIRECTORS

The directors shown below have held office during the year commencing 1 January 2022 to the date of this report.

Judy Happe

Terence Everson (resigned 03/02/23)

William Newton (resigned 01/06/22)

Stephen Flynn (resigned 01/06/22)

David Mason (resigned 31/03/2022)

Julian Wheatland (resigned 01/06/22)

James Hickman (appointed 30/01/23)

Jordanna Curtis (appointed 30/01/23)

DIVIDEND

No dividends were paid or proposed in respect of the current period (2021: £nil).

FINANCIAL INSTRUMENTS

Information about the recognition of financial instruments by the Company is given in note 17 to the accounts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Reporting Standards, as adopted by the United Kingdom.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

SECTION 172 STATEMENT

Section 172 of the Companies Act 2006 requires each Director of the Company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members as a whole. In this way, Section 172 requires a director to have regard, amongst other matters, to the: likely consequences of any decisions in the long-term; interests of the Company's employees; need to foster the Company's business relationships with suppliers, customers and other material stakeholders; impact of the Company's operations on local communities and the environment; desirability of the Company maintaining a reputation for high standards of business conduct; and need to act fairly between members of the Company. In discharging its Section 172 duties, the Board has considered the factors set out above and the views of key stakeholders.

CORNERSTONE PAYMENT SOLUTIONS LTD

Report of the Directors (continued) For the year ended 31 December 2022

Details of the key stakeholder engagement undertaken, and intended, by the Company to inform decision-making and enhance Board understanding are set out below.

Customers

The Directors engage with direct customers on an informal basis to ensure that the Company's quality, efficiency and service levels meet both the standard expected by the customer and the very high standards the Company sets for itself.

Employees

The Directors engage regularly with employees and maintain an open dialogue. Due to the small size of the Company's current workforce, this is currently conducted on an ad hoc basis, but the Directors intend to implement a formal structure as the team expands.

Counterparties, white label partners and introducers

The Company operates an extensive network of white label and introducing broker relationships and there is a regular and ongoing dialogue with these business partners, proportional to their scale and importance to the Company.

The Company's principal counterparties, such as its liquidity provider, Velocity, are some of its longest standing stakeholder relationships and the Directors aim to have regular interaction with these partners.

Shareholders

The Company is a 100% subsidiary of Cornerstone FS plc. Ongoing dialogue is achieved through management structures in place within the Company which ultimately report to executive directors of the parent company. This is strengthened further by monthly management team meetings which comprise senior management of the Company and executive directors of Cornerstone FS plc.

GOING CONCERN

As outlined in the Strategic Report, the Company's financial standing has markedly improved during the year ended 31 December 2022. In the year the Company made a profit after tax of £427,565 compared to a loss of £268,432 for the year ended 31 December 2021. The net assets of the Company as at 31 December 2022 were £751,471 (including cash and cash equivalents of £169,612). Post year-end, the Company's balance sheet has strengthened following the completion of the sale of Avila House Limited on 26 April 2023 and receipt of sales proceeds of £300,000.

The trading position of the Company has continued to improve since the year-end with a strong focus on cost control combined with strong revenue growth. As a result, the Company expects to widen its profitability during 2023.

The Directors have prepared cash flow forecasts covering a period to 31 December 2024. The Directors have derived forecast assumptions that are their best estimate of the future development of the Group's business taking into account projected increase in revenues, continued investment in the development of the software platform and organic sales and marketing efforts.

The Directors have prepared various scenario planning forecasts alongside their best-estimate forecast assumptions, including a scenario in which sales growth falls below management expectations and various cash mitigation measures are implemented, which all indicate sufficient cash resources to continue to finance the Group's working capital requirements over the forecast period.

For these reasons, the Directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

CORNERSTONE PAYMENT SOLUTIONS LTD

Report of the Directors (continued) For the year ended 31 December 2022

STATEMENT OF DISCLOSURE TO THE AUDITORS

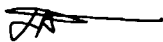
Each of the persons who are directors at the time when this Director's report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as director in order to be aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

AUDITOR

Haysmacintyre LLP have been proposed for appointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
Judy Happe
Director

Date: 15 May 2023

CORNERSTONE PAYMENT SOLUTIONS LTD

Independent Auditor's Report to the Members of Cornerstone Payment Solutions Ltd For the year ended 31 December 2022

Opinion

We have audited the financial statements of Cornerstone Payment Solutions Ltd (the 'company') for the year ended 31 December 2022 which comprise the Statement of Comprehensive income, the Statement of Financial Position, Statement of Changes in Shareholder's Equity, and the 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 (IFRS) as adopted by the United Kingdom and as applied in accordance with the provisions on the Companies Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

CORNERSTONE PAYMENT SOLUTIONS LTD

Independent Auditor's Report to the Members of Cornerstone Payment Solutions Ltd (continued)

For the year ended 31 December 2022

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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the Directors' report.

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

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

Responsibilities of the Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to regulatory requirements for the company and trade regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006 and sales tax.

CORNERSTONE PAYMENT SOLUTIONS LTD

Independent Auditor's Report to the Members of Cornerstone Payment Solutions Ltd (continued)

For the year ended 31 December 2022

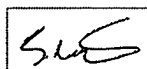
We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- inspecting correspondence with HMRC;
- discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- evaluating management's controls designed to prevent and detect irregularities;
- identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- challenging assumptions and judgements made by management in their critical accounting estimates.

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

Use of our report

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



S Wilks (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
15 May 2023

10 Queen Street Place
London
EC4R 1AG

CORNERSTONE PAYMENT SOLUTIONS LTD

Statement of Comprehensive Income For the year ended 31 December 2022

	Notes	31 December 2022 £	31 December 2021 £
TURNOVER	3	5,216,784	2,793,297
Cost of Sales		<u>(1,587,149)</u>	<u>(1,079,974)</u>
Gross profit		3,629,635	1,713,323
Administrative expenses		<u>(3,232,527)</u>	<u>(1,987,347)</u>
OPERATING PROFIT / (LOSS)	4	397,108	(274,024)
Interest receivable		37,929	1,622
Interest payable and similar charges	7	<u>(7,472)</u>	<u>(360)</u>
PROFIT / (LOSS) BEFORE TAXATION		427,565	(272,762)
Tax credit	8	-	4,330
PROFIT / (LOSS) FOR THE YEAR		<u>427,565</u>	<u>(268,432)</u>
TOTAL COMPREHENSIVE PROFIT / (LOSS) FOR THE YEAR		<u>427,565</u>	<u>(268,432)</u>

All recognised gains and losses are included in the income statement.

All turnover and profit / loss are derived from continuing operations.

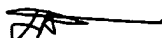
The notes on pages 15 to 27 form part of these financial statements.

CORNERSTONE PAYMENT SOLUTIONS LTD

Statement of Financial Position As at 31 December 2022

	Notes	31 December 2022 £	31 December 2021 £
NON-CURRENT ASSETS			
Intangible assets	9	-	-
Tangible assets	10	30,922	21,542
Investments	11	92,520	92,520
TOTAL NON-CURRENT ASSETS		123,442	114,062
CURRENT ASSETS			
Debtors	12	2,403,441	886,701
Cash at Bank	13	169,612	208,476
TOTAL CURRENT ASSETS		2,573,053	1,095,177
TOTAL ASSETS		2,696,495	1,209,239
EQUITY			
Capital and reserves attributable to the Company's equity shareholders			
Called up share capital	14	237,596	233,596
Share premium	16	2,595,414	2,579,414
Profit and loss account	16	(2,081,539)	(2,509,104)
TOTAL EQUITY		751,471	303,906
CURRENT LIABILITIES			
Trade and other payables	15	1,945,024	905,333
TOTAL EQUITY AND LIABILITIES		2,696,495	1,209,239

The financial statements were approved and authorised for issues by the Board of Directors and were signed on its behalf



.....
Judy Happe
Director

Date: 15 May 2023

The notes on pages 15 to 27 form part of these financial statements.

CORNERSTONE PAYMENT SOLUTIONS LTD

Statement of Changes in Shareholder's Equity For the year ended 31 December 2022

	Share capital	Share premium	Retained earnings	Total Equity
	£	£	£	£
Balance at 31 December 2020	193,596	2,419,414	(2,240,672)	372,338
Issue of shares	40,000	160,000	-	200,000
Loss and comprehensive income	-	-	(268,432)	(268,432)
	<u>233,596</u>	<u>2,579,414</u>	<u>(2,509,104)</u>	<u>303,906</u>
Balance at 31 December 2021				
	£	£	£	£
Balance at 1 January 2022	233,596	2,579,414	(2,509,104)	303,906
Issue of shares	4,000	16,000	-	20,000
Profit and comprehensive income	-	-	427,565	427,565
Balance at 31 December 2022	<u>237,596</u>	<u>2,595,414</u>	<u>(2,081,539)</u>	<u>751,471</u>

The notes on pages 15 to 27 form part of these financial statements.

CORNERSTONE PAYMENT SOLUTIONS LTD

Statement of Cash Flows For the year ended 31 December 2022

	Notes	31 December 2022	31 December 2021
		£	£
Cash flows from operating activities			
Profit / (Loss) for the year before taxation		427,565	(272,762)
<i>Adjustments for:</i>			
Depreciation charge	4	7,818	4,293
Amortisation charge	4	-	2,173
Finance income		(37,929)	(1,622)
Finance costs	7	7,472	360
Increase in trade and other receivables	12	(1,516,740)	(26,953)
Increase in trade and other payables	15	1,039,691	227,479
Cash used in operations		(72,123)	(67,032)
Income tax received	8	-	4,330
Cash used in operating activities		(72,123)	(62,702)
 Purchase of tangible fixed assets	 10	 (17,198)	 (17,371)
Net cash generated used in investing activities		(17,198)	(17,371)
 Issue of shares (net of costs)	 14	 20,000	 200,000
Interest and similar income		37,929	1,622
Interest and similar charges	7	(7,472)	(360)
Net cash generated from financing activities		50,457	201,262
 Net increase/(decrease) in cash		 (38,864)	 121,189
 Cash and cash equivalents at beginning of year		 208,476	 87,287
Cash and cash equivalents at end of year	13	169,612	208,476

The notes on pages 15 to 27 form part of these financial statements.

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

1. ACCOUNTING POLICIES

1.1 General information

Cornerstone Payment Solutions Ltd is a private company limited by shares incorporated in Northern Ireland, company registration number NI602461. The registered office address is 1 Elmfield Avenue, Warrenpoint, Newry, County Down, Northern Ireland, BT34 3HQ.

The principal place of business is 75 King Willam Street, London EC4N 7BE.

The Company's principal activity is the provision of foreign exchange services.

1.2 Basis of preparing the financial statements

The financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and adopted by the United Kingdom ("IFRS").

The financial statements have been prepared using the measurement bases specified by IFRS for each type of asset, liability or expense. The detailed measurement bases and principal accounting policies of the Company are set out below. The financial statements are presented in pounds sterling ("£"), which is also the functional currency for the company, except when otherwise indicated. The principal accounting policies adopted in the preparation of the financial statements are set out below and have been applied consistently throughout all periods presented. These financial statements have been prepared under IFRS for the first time, however the policies applied under the entity's previous accounting framework are not materially different to IFRS and have no impact on equity or profit or loss.

The preparation of financial statements in conformity with IFRS 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 at the end of this section.

The Company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established and registered in the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

This information is included in the consolidated financial statements of Cornerstone FS plc as at 31 December 2022 and these financial statements may be obtained from Companies House.

The financial statements are prepared on the historical cost basis except for the measurement of certain financial instruments.

New standards and interpretations

As of the date of approval of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- IFRS 17 Insurance Contracts (effective date of 1 January 2023).
- Amendments to IAS 1, presentation of financial statements on classification of liabilities (effective p/c on or after 1 January 2023).
- Amendments to IAS 8 – definition of accounting estimates (effective date of 1 January 2023)

The Directors anticipate that the adoption of these Standards and Interpretations in future periods will have no material impact on the financial statements of the Company. The Company does not intend to apply any of these pronouncements early.

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

Impact of new international reporting standards, amendments and interpretations

The following Standards and Interpretations have been considered and applied in these financial statements.

- COVID-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

There have been no material impact on the financial statements as a result of adopting these Standards and Interpretations.

1.3 Financial instruments

Trade and other debtors

Trade and other debtors are initially measured at fair value. Subsequently, they are measured at amortised cost.

Appropriate allowance for estimated irrecoverable amounts is recognised in the Statement of Comprehensive Income where there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables

Trade and other payables are initially measured at fair value. Subsequently, they are measured at amortised cost.

1.4 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and deposits held at call with banks.

1.5 Going concern

The financial statements have been prepared on the going concern basis, which assumes the ability of the Company to continue its activities for the foreseeable future, being a period not less than twelve months from the date of approval of these accounts.

During the year ended 31 December 2022, the Company made a profit after tax of £427,565 and the net assets of the Company as at 31 December 2022 were £751,471. Post year-end, the Company's balance sheet has strengthened following the receipt of £300,000 in respect of Avila House Limited on 26 April 2023 and the trading position of the Company has also continued to improve.

The Directors have prepared cash flow forecasts covering a period to 31 December 2024. The Directors have derived forecast assumptions that are their best estimate of the future development of the Group's business taking into account projected increase in revenues, continued investment in the development of the software platform and organic sales and marketing efforts.

The Directors have prepared various scenario planning forecasts alongside their best-estimate forecast assumptions, including a scenario in which sales growth falls below management expectations and various cash mitigation measures are implemented, which all indicate sufficient cash resources to continue to finance the Group's working capital requirements over the forecast period.

For these reasons, the Directors continue to adopt the going concern basis of accounting in preparing the Company's financial statements.

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

1.6 Revenue

The Company applies IFRS 15 Revenue from Contracts with Customers for the recognition of revenue. IFRS 15 established a comprehensive framework for determining whether, how much and when revenue is recognised. It affects the timing and recognition of revenue items, but not generally the overall amount recognised.

The performance obligations of the Company's revenue streams are satisfied on the transaction date or by the provision of the service for the period described in the contract. Revenue is not recognised where there is evidence to suggest that customers do not have the ability or intention to pay. The Company does not have any contracts with customers where the performance obligations have not been fully satisfied.

Spot and forward revenue is recognised when a binding contract is entered into by a client and the rate is fixed and determined. Revenue represents the difference between the rate offered to clients and the rate the Company receives from its banking counterparties. Options revenue is recognised when a binding contract is entered into by a client and the revenue is fixed and determined.

Revenue represents the difference between the premiums offered to clients and the premium the Company receives from its banking counterparties.

When the Company enters into a contract with a client, it immediately enters into a separate matched contract with its banking counterparty.

1.7 Property, Plant & Equipment

Owned assets

Property, plant and equipment is stated at cost less accumulated depreciation and impairment losses.

Depreciation

Depreciation is charged to the statement of comprehensive income on a straight-line basis over the estimated useful lives of each item of property, plant and equipment. Estimated residual values are included in the calculation of depreciation. The estimated useful lives of property, plant and equipment are as follows:

Computer equipment - 4 years straight line

The residual values and useful lives are reviewed by the Directors and adjusted if appropriate at the end of each reporting period.

1.8 Intangible assets

Intangible assets consist of internally developed software.

Internally developed software costs are amortised over the useful life of the asset on a straight-line basis over 3 years being the period of expected future benefit. Amortisation is recorded in operating expenses.

1.9 Investments

Investments in subsidiary undertakings are accounted for at cost less impairment.

1.10 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in share premium as a deduction from the proceeds.

1.12 Finance costs

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

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

2. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the Company's financial statements requires management to make estimates, judgements and assumptions about the carrying amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets or liability affected in the future.

The estimates and underlying assumptions are reviewed on an ongoing basis. In the process of applying the Company's accounting policies, management has made the following judgements and estimates which have the most significant effect on the amounts recognised in the financial statements:

Trade and intercompany debtors

The recoverability of trade and intercompany debtors has been assessed as at the year end and up until the date of signing these financial statements. Management have based the decision to provide for any amounts based on their judgement of all available information, and their experience of the specific nature of the trade debtor in question. At the balance sheet date, the carrying amount of trade debtors was £221,669 (2021: £nil) and the carrying amount of intercompany debtors was £1,405,368 (2021: £435,659).

Depreciation, amortisation and residual values

The Directors have reviewed the asset lives and associated residual values of all fixed asset classes, and have concluded that asset lives and residual values are appropriate. At the balance sheet date, the carrying amount of fixed assets was £30,922 (2020: £21,542) and the carrying amount of intangible fixed assets was £nil (2021: £nil).

3. SEGMENTAL REPORTING

The Directors consider that there is only one activity undertaken by the Company, that of foreign exchange services. All of this activity was undertaken in the United Kingdom.

	31 December 2022	31 December 2021
	£	£
Foreign exchange commission	4,683,204	2,301,172
Software development	533,580	492,125
	<u>5,216,784</u>	<u>2,793,297</u>

4. EXPENSES BY FUNCTION

The operating loss is stated after charging

	31 December 2022	31 December 2021
	£	£
Operation lease rentals	244,808	86,434
Depreciation (see note 10)	7,818	4,923
Amortisation (see note 9)	-	2,173
Staff costs (see note 5)	1,409,594	1,107,875
Audit fees	<u>35,700</u>	<u>24,000</u>

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

5. STAFF COSTS

	31 December 2022 £	31 December 2021 £
Wages and salaries	1,235,682	1,027,027
Social security costs	151,080	119,743
Other pension costs	22,832	21,067
	<u>1,409,594</u>	<u>1,107,875</u>

The average monthly number of employees during the period was as follows

	31 December 2022	31 December 2021
Directors	2	7
Sales, administrative & support staff	19	11
	<u>21</u>	<u>18</u>

Directors Emoluments

The remuneration of the Directors is set out below in aggregate.

	31 December 2022 £	31 December 2021 £
Salaries and fees	202,389	409,101
Social security cost	26,256	53,238
Other pension costs	2,095	6,434
	<u>230,740</u>	<u>468,773</u>

The number of Directors to whom retirement benefits were accruing under a defined contribution scheme were as follows:

	31 December 2022	31 December 2021
Directors	<u>1</u>	<u>2</u>

The remuneration in respect of the highest paid director was:

	31 December 2022 £	31 December 2021 £
Salaries and fees	86,722	110,000
Social security cost	11,306	14,265
	<u>98,028</u>	<u>124,265</u>

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

6. PENSION COSTS

The Company operates a defined contribution pension scheme. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £22,832 (2021: £21,067). As 31 December 2022 contributions of £24,827 remained outstanding and are included within other payables (2020: £8,931).

7. INTEREST AND SIMILAR ITEMS

	31 December 2022 £	31 December 2021 £
Bank interest receivable	37,929	1,622
Interest payable and other charges	(7,472)	(360)

8. TAXATION

Analysis of the tax charge

The tax credit on the profits on ordinary activities for the period are as follows

	31 December 2022 £	31 December 2021 £
Current tax:		
UK corporation tax	-	4,330
Deferred tax	-	-
Tax on profit on ordinary activities	-	4,330

Factors affecting the tax charge

The tax assessed for the period is lower than the standard rate of corporation tax in the UK. The difference is explained below

	31 December 2022 £	31 December 2021 £
Profit / (loss) on ordinary activities before tax	427,565	(272,762)
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	81,237	(51,825)
Effects of		
Surrender of tax losses for research & development tax credit	-	(4,330)
Expenses not deductible for tax purposes	2,433	373
Capital allowances in excess of depreciation	(2,893)	(2,310)
Other adjustments	1,121	-
Tax losses (consumed) / carried forward	(81,898)	53,762
Current tax credit	-	(4,330)

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

As at 31 December 2022, the Company had tax losses carried forward of £2,320,705 (31 December 2020: £2,754,593). Deferred tax has not been recognised in relation to these tax losses. The standard rate of corporation tax applicable to the Company for the year ended 31 December 2021 was 19.0%. The UK government has announced, with effect from 1 April 2023, an increase in the corporation tax main rate from 19% to 25% for companies with profits over £250,000 and the introduction of a small profits rate of 19% applicable to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

9. INTANGIBLE FIXED ASSETS

	Software £
COST	
At 1 January 2022	
and at 31 December 2022	15,611
	<hr/>
AMORTISATION	
At 1 January 2022	
and at 31 December 2022	15,611
	<hr/>
NET BOOK VALUE	
At 31 December 2022	-
	<hr/>
At 31 December 2021	-
	<hr/>

10. PROPERTY, PLANT & EQUIPMENT

	Computer Equipment £
COST	
At 1 January 2022	33,046
Additions	17,198
	<hr/>
At 31 December 2022	50,244
	<hr/>
DEPRECIATION	
At 1 January 2022	11,504
Charge for the year	7,818
	<hr/>
At 31 December 2022	19,322
	<hr/>
NET BOOK VALUE	
At 31 December 2022	30,922
	<hr/>
At 31 December 2021	21,542
	<hr/>

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

11. INVESTMENT

	Investment in Avila House £
COST	
At 1 January 2022 and 31 December 2022	92,520
NET BOOK VALUE	
At 31 December 2021 and 31 December 2022	92,520

The following was a subsidiary undertaking of the Company:

Subsidiary	Principal Activity	Country of incorporation	Registered Office	Percentage of ownership
Avila House Limited	E-money and Payment Services	England and Wales	The Old Rectory, Addington, Buckinghamshire, MK18 2JR	100 per cent.

The Company's investment as at 31 December 2022 represents its initial investment in its direct subsidiary Avila House Limited.

On 19 October 2020 Cornerstone Payment Solutions Ltd acquired the entire issued share capital of Avila House Limited, a company which has a small electronic money institution licence focused on multi-currency e-wallets, for a total consideration of £92,685 (satisfied by £60,000 in shares and £32,685 in cash). The acquisition was made in line with the Company's strategy to allow clients to leave funds on deposit, effectively providing them with multi-currency current accounts.

The net assets acquired at the date of acquisition were determined to be £92,520, representing the fair value of the FCA registered small electronic money institution licence which was the only asset held by Avila House Limited at the time of acquisition. No goodwill arose as a result of the acquisition.

During the year ended 31 December 2022 Avila House Limited generated revenue of £372,627 (2021: £197,996) via a white label agreement with Cornerstone Payment Solutions (its sole source of income during the year) and generated a profit of £1,990 (2021: £2,418). As at 31 December 2022 the total share capital of Avila House Limited was £27,083 and it had net assets of £1,332 (2021: net liabilities of £3,322).

On 23 December 2022, the Company announced the agreement of the sale of Avila House Limited to Aspire Commerce Ltd for consideration of £300,000. The deal completed on 26 April 2023 following receipt of regulatory approval from the FCA.

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

12. TRADE AND OTHER RECEIVABLES

	31 December 2022	31 December 2021
	£	£
Trade receivables	221,669	-
Derivative financial assets at fair value	635,473	359,110
Other receivables	49,601	32,525
Prepayments and accrued income	91,330	59,407
Intercompany receivables	1,405,368	435,659
	<hr/>	<hr/>
	2,403,441	886,701

13. CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
	£	£
Cash at bank	169,612	208,476
	<hr/>	<hr/>

14. CALLED UP SHARE CAPITAL

Authorised, allotted and called up	31 December 2022	31 December 2021
	£	£
237,595,862 (December 2021: 233,595,862)		
Ordinary shares of £0.001 each	237,596	233,596
	<hr/>	<hr/>

On 28 September 2022 the Company issued 4,000,000 Ordinary shares of £0.001 each to its parent company Cornerstone FS plc for consideration of £20,000.

As at 31 December 2022 £220,336 (31 December 2021: £200,336) of issued share capital remained unpaid.

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

15. TRADE AND OTHER PAYABLES

	31 December 2022	31 December 2021
	£	£
Trade payables	196,394	129,176
Derivative financial liabilities at fair value	563,676	290,292
Amounts owed to group undertakings	571,800	280,352
Other payables and accruals	195,251	167,190
Taxes and social security	417,903	38,323
	<u>1,945,024</u>	<u>905,333</u>

16. RESERVES

Share Premium

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

Profit and loss account

This reserve comprises all current and prior years' retained profits and losses.

17. FINANCIAL INSTRUMENTS

FINANCIAL ASSETS	31 December 2022	31 December 2021
	£	£
DERIVATIVE FINANCIAL ASSETS		
Foreign currency forward contracts with customers	504,106	359,077
Foreign currency forward contracts with international counterparty	131,367	33
	<u>635,473</u>	<u>359,110</u>
Cash and cash equivalents	169,612	208,476
Trade debtors	221,669	-
Other debtors	1,546,299	527,591
	<u>2,573,053</u>	<u>1,095,177</u>
FINANCIAL LIABILITIES	£	£
DERIVATIVE FINANCIAL LIABILITIES		
Foreign currency forward contracts with customers	165,156	290,292
Foreign currency forward contracts with institutional counterparty	398,520	-
	<u>563,676</u>	<u>290,292</u>
Trade payables	196,394	129,176
Other payables	767,051	447,542
	<u>1,527,121</u>	<u>867,010</u>

All financial assets and liabilities have contractual maturity of less than one year.

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

Derivative financial assets and liabilities

Derivative financial assets not designated as hedging instruments

	31 December 2022		31 December 2021	
	Fair Value	Notional Principal	Fair Value	Notional Principal
	£	£	£	£
Foreign currency forward contracts with customers	504,106	9,042,956	359,077	12,508,939
Foreign currency forward contracts with institutional counterparty	131,367	3,377,597	33	12,544
	<u>635,473</u>	<u>12,420,553</u>	<u>359,110</u>	<u>12,521,483</u>

Derivative financial liabilities not designated as hedging instruments

	31 December 2022		31 December 2021	
	Fair Value	Notional Principal	Fair Value	Notional Principal
	£	£	£	£
Foreign currency forward contracts with customers	165,156	3,337,362	290,292	9,874,438
Foreign currency forward contracts with institutional counterparty	398,520	8,715,534	-	-
	<u>563,676</u>	<u>12,052,896</u>	<u>290,292</u>	<u>9,874,438</u>

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Foreign currency forward contracts are measured at fair value on a recurring basis.

There are three levels of fair value hierarchy:

- Level 1 – the fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period.
- Level 2 – valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Foreign currency forward contracts with customers generally require immediate settlement on the maturity date of the individual contract and fall into level 2 of the fair value hierarchy above. Level 2 comprises those financial instruments which can be valued using inputs other than quoted prices that are observable for the asset or liability either directly (i.e. prices) or indirectly (i.e. derived from prices). The fair value of forward foreign exchange contracts is measured using observable forward exchange rates for contracts with a similar maturity at the reporting date.

The net gain on financial assets at fair value through profit or loss for year ended 31 December 2022 was £3,300 (2021: net loss of £29,661).

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

Financial instruments – risk management

Financial assets primarily comprise trade and other receivables, cash and cash equivalents and derivative financial assets. Financial liabilities comprise trade and other payables, shareholder loans and derivative financial liabilities. The main risks arising from financial instruments are market risk (including foreign currency risk and interest rate risk), liquidity risk, credit risk and counterparty risk.

Market risk

Market risk for the Company comprises foreign exchange risk and interest rate risk. The Company operates as a riskless matched principal broker for deliverable non-speculative spot and forward foreign currency transactions, with each trade with its clients matched with an identical trade with an institutional counterparty. Therefore, foreign exchange risk is mitigated through the matching of foreign currency assets and liabilities between clients and institutional counterparties which move in parity.

The Company's cash balances are primarily held in Pound Sterling and the Company does not hold significant cash balances in foreign currencies.

Interest rate risk affects the Company to the extent that it implicitly impacts the price of foreign currency forward contracts. However, this risk is mitigated in the same way as foreign currency risk.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has extensive controls to ensure that it has sufficient cash or working capital to meet its cash requirements to mitigate this risk.

As per the Going Concern note above, the Directors have prepared a cash flow forecast taking into account a projected increase in revenues, continued investment in organic sales & marketing efforts and continued support from its parent company Cornerstone FS plc. The Board reviews cash flow projections on a regular basis and have authority controls in place so as not to commit to material expenditure without being satisfied that sufficient funding is available to the Company.

The Company also has systems in place to monitor the margin requirements of its clients and its margin requirement with the institutional counterparty for the back-to-back foreign currency forward contract on a real time basis and request any necessary top up payment from the clients. The Company also has the right to close any position if no margin is given.

Credit risk

Credit risk is the risk that clients do not meet their contractual obligations in respect of the currency spot and forward contracts which leads to a financial loss. All customers are subject to credit verification checks. Approximately 90% of the Company's trades are spot currency contracts which are required to be settled within two working days. For forward currency contracts, as noted above, clients are required to provide margin which mitigates credit exposure. Trade limits are applied to all clients. The Company has systems to monitor trade limits and collateral requirements on a real time basis. The Company does not have any significant concentration of exposures within its client base.

Counterparty risk

Each trade between a client and the Company is matched with an identified trade with Velocity Trade International ("Velocity"), which is a global foreign exchange liquidity and trade provider that provides pricing, execution and settlement services for the Company.

The Company also has brokerage accounts with alternative institutional counterparties and could transact with them instead if Velocity is unable to provide liquidity.

CORNERSTONE PAYMENT SOLUTIONS LTD

Notes to the Financial Statements For the year ended 31 December 2022

Management of settled and open trades are conducted via Currency Cloud, the GV (formerly Google Ventures) backed global payments and FX platform and Banking Circle. Client funds are safeguarded with Banking Circle in line with the Company's requirements under the Electronic Money Regulations 2011 for additional protection and to reduce counterparty risk.

18. RELATED PARTY DISCLOSURES

Details of key management compensation are included in note 5. Key management are considered to be the Directors of the Company.

Transactions with group companies

During the year, the Company and Cornerstone FS plc entered into various transactions with each other including software development charges, licenses fees and working capital support. The net balance of transactions between the companies are held on an interest-free inter-Group loan which has no terms for repayment. At the year end, the Company was owed £1,404,408 (2021: £435,659) by Cornerstone FS plc.

During the year, the Company incurred charges under marketing support agreements with other entities within the Cornerstone Group. Further, the Company provided working capital support to some of the group entities. The net balance of transactions between the companies are held on an interest-free inter-Group loan which has no terms for repayment. At the year end, the Company was owed £1,260 (2021: £nil) by Pangea FX Limited. The Company owed £304,423 (2021: £189,392) to Avila House Limited, £201,646 (2021: £90,960) to Cornerstone – Middle East FZCO and £65,731 (2021: £nil) to Capital Currencies Limited.

Other related parties

As at 31 December 2022 a loan of £8,750 owed by Terry Everson to the Company remained unpaid (2021: £8,750).

During the year ended 31 December 2022 the Company generated revenue of £1,617,467 under a referral agreement with APA, a significant shareholder of the Company's 100% parent company Cornerstone FS plc (year ended 31 December 2021: £481,330). As at 31 December 2022, APA owed the Company £221,669 (31 December 2021: £nil).

19. FINANCIAL COMMITMENTS

The Company is not considered to have any operating lease commitments. The offices utilised by the Company are serviced offices, which have a short notice period and therefore it has not been considered necessary to disclose these as an operating lease commitment.

20. CONTROLLING PARTY

The immediate controlling party is Cornerstone FS plc which acquired 100% of the share capital of the Company on 9 September 2020. The registered office of the parent company is The Old Rectory, Addington, Buckinghamshire, MK18 2JR. The smallest and largest group in which the results were consolidated was headed by Cornerstone FS plc.

There is no ultimate controlling party.

21. EVENTS AFTER THE REPORTING DATE

On 26 April 2023 the Company completed the disposal of its 100% subsidiary Avila House Limited for consideration of £300,000.