

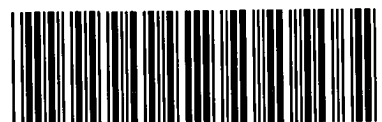
**Registered number: 06324658**

## **The Currency Cloud Group Limited**

**Annual report and financial statements**

**For the year ended 31 December 2021**

FRIDAY



\*ABDNC33E\*

A32

30/09/2022

#318

COMPANIES HOUSE

## THE CURRENCY CLOUD GROUP LIMITED

### Contents

	Page
<b>Company Information</b>	<b>1</b>
<b>Strategic report</b>	<b>2</b>
<b>Directors' report</b>	<b>6</b>
<b>Independent auditors' report to the members of The Currency Cloud Group Limited</b>	<b>10</b>
<b>Consolidated statement of comprehensive income</b>	<b>13</b>
<b>Consolidated statement of financial position</b>	<b>14</b>
<b>Company statement of financial position</b>	<b>15</b>
<b>Consolidated statement of changes in equity</b>	<b>16</b>
<b>Company statement of changes in equity</b>	<b>17</b>
<b>Consolidated cashflow statement</b>	<b>18</b>
<b>Notes to the financial statements</b>	<b>19</b>

## THE CURRENCY CLOUD GROUP LIMITED

### Company Information

<b>Directors</b>	M Laven
	J Hoffmeister (appointed 20th December 2021)
	R Livingston (appointed 20th December 2021)
<b>Company Secretary</b>	Abogado Nominees Limited
<b>Registered number</b>	06324658
<b>Registered address</b>	100 New Bridge Street
	London
	EC4V 6JA
<b>Independent auditors</b>	RSM UK Audit LLP
	25 Farringdon Street
	London
	EC4A 4AB

## THE CURRENCY CLOUD GROUP LIMITED

### Strategic report

### For the year ended 31 December 2021

#### Introduction

The directors have pleasure in presenting their Strategic report on The Currency Cloud Group Limited (the Company) and its subsidiaries (the Group) for the year ended 31 December 2021. The directors' aim is to present a balanced and comprehensive review of the development and performance of the Group's business during the year and its position at the year end. The review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties that the Group and Company faces.

#### Key Development in the Financial Year

Visa Open Connect Limited a subsidiary of Visa Inc purchased the Group on 20 December 2021. The composition of the Board changed following the acquisition. Further details are provided in the Directors' Report.

#### Business Environment & Principal Activities

2021 saw continued growth for digital payment companies. The continued impact of COVID-19 meant continued acceleration towards digital payment services. As a business that principally focuses on providing digital cross-border financial services, the Group has witnessed the effects of this shift first-hand. Currencycloud are the experts simplifying business in a multi-currency world, and we see the shift in digitalisation driving the next wave of Fintech innovation, as payments become increasingly embedded and unbundled from the banking system. The Group offers embedded financial services to other financial service providers who are looking to offer cross-border products and services. With leading-edge cloud native technology and everything from virtual wallets to the ability to send and receive multi-currency payments, the Group facilitates seamless money movement around the world.

As a result of the past year and growth experienced, the Group has built and continues to strengthen its proprietary cross-border technology infrastructure for future stars of financial services. The world of cross-border payments is complex, highly regulated and has high barriers to entry as a result. The Group's vision is for its technology to simplify this, and in doing so positively impact millions of people and businesses.

The Group's technology enables customers to embed cross-border solutions into their customer experience and move money more simply, faster and at a lower cost.

Embedded finance is fast becoming the newest layer in the modern technology stack and the Group is quickly emerging as a leader in providing embedded B2B cross-border solutions - Angela Strange at VC firm Andreessen Horowitz has asserted that in the future "every company will be a fintech company" because every company will be able to embed financial services. We are definitely seeing this become reality.

The Group serves Banks, FinTech companies and other financial institutions looking to build or enhance their cross-border offering. These companies are re-imagining how money flows around the digital economy and are building significant market share, displacing traditional players. With four different modules on offer - collect, convert, pay, manage - and a route to market through either the Group's direct platform or APIs, clients are able to cover the entire workflow of B2B payments, providing them clarity in what is a traditionally opaque market. The market potential is huge with significant opportunity for growth. By providing the infrastructure to a wide range of firms, the Group is well positioned to benefit from the shift to alternative payment methods.

#### Business Review

In spite of the global pandemic, 2021 has been a year of growth and success for the Group. Annual payment value has increased to £25.1bn (2020: £13.6bn), a record number of new customers were signed and the customer base increased by a quarter. Global headcount at year end grew by 60% to 420 employees (2020: 263), and the Group maintained its move as a remote-first company, investing significantly to embrace flexible working on a permanent basis, supporting staff to work from home and refurbishing offices to optimise for collaboration. Global expansion continued with the opening of an office in Singapore and the establishment of an on-the-ground team that included the appointment of a Managing Director for APAC.

## THE CURRENCY CLOUD GROUP LIMITED

### Strategic report (continued)

#### For the year ended 31 December 2021

The Group, whose clients already include many leading Fintechs and financial institutions (e.g. Starling Bank, Revolut, Penta and Visa), at year end had over 500 customers using its platform. Growth was particularly notable in North America and Asia where clients including Alviere and Unit were brought onboard.

The Group also continued to expand its partnership ecosystem, to enhance customer journeys, increase lead generation, and complement Currencycloud services with adjacent offerings. Ecosystem partner relationships expanded to include Integrated Finance, Drivewealth, Unit, Transact Payments, among others. In addition the partnership ecosystem includes developed relationships with consultancies such as Elixirr and Thistle Initiatives that provide regulatory and consulting services to prospective and existing clients

Product innovation and global expansion continue to be the cornerstones of our growth.

As the year closed it was confirmed on 20 December 2021 that Visa Inc. had agreed to acquire the Group for £700m.

The Board is pleased to report that, despite a challenging year with the continued COVID-19 pandemic, the value of payments processed through the platform has continued to grow, increasing by 84% to £25,061m (2020: £13,628m). Turnover increased by 69% to £62,035k (2020: £36,776k) and gross profit by 49% to £34,063k (2020: £22,792k). Administrative expenses at £48,289k (2020: £33,274k) increased 45% as we have continued to invest in recruiting staff, developing our technology infrastructure, operations and compliance functions. This has led to a loss for the year after tax of £10,967k (2020: loss of £8,499k). The Group has net assets at 31 December 2021 of £15,181k (2020: £24,315k). Cash at bank as at the balance sheet date is £62,861k (2020: £55,318k). Of this cash balance £10,947k (2020: £8,000k) is insured client money used for operational liquidity purposes. Further details of this arrangement are given in Note 17 of the Financial statements.

Other KPIs monitored by the business on an ongoing basis are the Employee Net Promoter Score which increased to 62 (2020: 60) when measured in September 2021, and customer count which increased by 115 to 567 (2020: 452).

### Principal risks and uncertainties

The Group is committed to operating appropriate governance for a business of its size and activities. Its risk appetite is set by the Board. The Group is committed to delivering growth and innovation without exposing customers to unacceptable risks.

#### *Principal risks*

The principal risks and uncertainties that the Group encounter include risks from: non-compliance with laws and regulations, banking partner activities, systems interruptions, operational errors occurring in the act of processing client transactions, cyber threats and foreign exchange exposures related to extreme rate fluctuations.

The Group continues to take steps in preventing and managing these risks including implementing comprehensive processes in respect of its technology platform and operations along with working with multiple service providers, in particular its banking partners. In respect of foreign exchange risks, this is managed by operating robust processes to monitor and manage exchange rate volatility and manage open exposures.

#### *Regulatory risk*

The Group operates in an industry subject to extensive and comprehensive regulation which has seen much change in recent years. As a result, the potential risk of non-compliance with laws and regulations increases as the Group both expands its regulatory footprint and the degree of scrutiny over the industry increases in the jurisdictions where licenses are already held. In particular, this includes the risk that the Group would execute payments on behalf of customers which contravene anti-money laundering or terrorist financing legislation.

The risk is mitigated by the robust policies and procedures currently in place for making Know Your Client checks, transaction monitoring and sanction screening using third party and proprietary data where appropriate. In addition, there are procedures for reporting suspicious transactions to the relevant bodies when detected. The Compliance function is adequately resourced in terms of staff and systems in order to fulfil its role and

## THE CURRENCY CLOUD GROUP LIMITED

### **Strategic report (continued)**

#### **For the year ended 31 December 2021**

management provide regular updates to the Directors on its performance. Further details on the risks faced by the Group can be found in the Directors' report.

#### *Political uncertainties*

There are uncertainties from global political changes, for example increased restrictions on access to the EU market as a result of the UK's departure from the European Union, as well as talent acquisition and retention. In response to these potential challenges the Group has acquired a regulatory license in the Netherlands and also now has access to a further talent pool as a result.

#### *COVID-19*

The COVID-19 virus has presented a number of challenges however the Group's priority has been the health and safety of its employees while continuing to serve our clients to the same high standard. The Group transitioned, ahead of the mandated government lockdown, to a mandatory remote working policy to ensure the wellbeing of all our colleagues while keeping business disruption to a minimum. The Group continues to support employees working remotely via a number of mental health initiatives.

The Group's business model provides confidence that it will be able to weather the ongoing market volatility and uncertainty caused by COVID-19. It serves a diverse range of customers across a variety of sectors and geographies and while certain sectors will undoubtedly be negatively impacted this will not be the case for all. The Group has a strong, liquid balance sheet and will be able to cope with any reasonable downturn in markets.

### **Section 172 Statement**

The Directors recognise that they have a duty under section 172 of the Companies Act 2006 to act in the way they consider, in good faith, would most likely promote the success of the Company for the benefits of its members as a whole and, in doing so, to have regard, amongst other matters, to the:

#### *The likely consequences of any decision in the long term*

The strategy of the Group is anchored on our mission of re-imagining the way money flows across borders to create a better future by enabling our customers to innovate, in order to benefit the businesses and individuals they in turn serve. This naturally results in decision making taking a long-term focus, exhibited by the investments we have made in developing our technology, the extension of scope of our product and the adoption of a group wide risk management framework.

#### *The interest of the Group's employees*

The board actively considers the interests of our people in decision making. The Directors regularly provide employees with information that is of concern to them, primarily in bi-weekly townhalls. These are used to ensure that our progress in achieving our goals is widely known by all staff. To ensure employee feedback is heard, the Group conducts regular staff surveys where employees are encouraged to give honest responses. Results are shared across the Group.

#### *The need to foster the Group's business relationships with suppliers, customers and others*

Customer satisfaction is closely tracked in monthly customer experience reporting and regular NPS surveys, with the results of these informing decision making and the Group's broader strategy. Maintaining strong ties with suppliers is key to delivering a high quality service to customers, in particular the Group has dedicated staff who manage our relationships with our network of banking and technology partners.

#### *The impact of the Group's operations on the community and the environment*

The Group is committed to operating in a sustainable manner, for example by promoting recycling in its offices and offsetting carbon emissions. To better understand how the Group can improve in this area a Carbon Footprint Report has recently been commissioned for the first time. Employees are given an allowance of one day per year to spend volunteering with a charity of their choice.

## THE CURRENCY CLOUD GROUP LIMITED

### **Strategic report (continued)**

#### **For the year ended 31 December 2021**


*The desirability of the Group maintaining a reputation for high standards of business conduct*

The Group is committed to conducting business to the highest standards given the heavily regulated industry it operates in and are conscious that our businesses across the world are regulated by many different authorities in various jurisdictions. Policies and procedures are in place to address compliance with GDPR, Anti-Money Laundering, Terrorist Financing and safeguarding rules with these frameworks being subject to external audits. All employees are required to complete annual compliance and IT security training. Communication with regulatory bodies is regular and transparent, either directly or via trade bodies such as Innovate Finance and AFEP. An explanation of our values is shared with all new joiners as well copies of our Anti-bribery and Whistleblowing policies.

*The need to act fairly between members of the company*

The Directors are committed to open engagement with all our shareholders, whether employees, strategic investors or venture capital funds. The level of information shared is provided for under our shareholders agreement and articles of association.

This report was approved by the board and signed on its behalf on 28 September 2022.

DocuSigned by:  
  
8D9D3F1F1DE24C5...

**M Laven**  
Director

## THE CURRENCY CLOUD GROUP LIMITED

### Directors' report

#### For the year ended 31 December 2021

The directors present their report and the audited company and consolidated financial statements for the year ended 31 December 2021.

### Principal activities

The Currency Cloud Group Limited ('the Company') and its subsidiaries (together 'the Group') provide international payments and currency conversion services via in-house developed technology. This platform is offered to white label partners as well as being offered as an Application Program Interface (API).

The Company is a private limited company, which is limited by shares and incorporated in England. The address of the registered office is 100 New Bridge Street, London, EC4V 6JA.

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were:

M Laven

J Hoffmeister (appointed 20th December 2021)

R Livingston (appointed 20th December 2021)

J White (resigned 20th December 2021)

R Moore (resigned 20th December 2021)

M Lenson (resigned 20th December 2021)

A Weiskam (resigned 20th December 2021)

T Bevan (resigned 1st March 2021)

C Ostrowski (resigned 12th March 2021)

M Knowles (appointed 1st March 2021, resigned 20th December 2021)

### Results and dividends

The loss for the year, after taxation, amounted to £10,967k (2020: loss £8,499k).

The Company has not paid an interim dividend (2020: £nil) and the Directors do not recommend the payment of a final dividend (2020: £nil).

### Future developments

The growth experienced in 2021 is expected to continue and accelerate in the coming years. The Group's investments will fuel future expansion, including opening an office in Australia and obtaining further regulatory licences to operate in the Asia-Pacific region. Alongside geographic growth, the Group is planning to further develop its product offering to strengthen and expand on the advancements made in 2021.

### Research and development

During the year the Group increased its expenditure on research and development to £8,617k (2020: £6,842k). Consistent with its accounting policy, the Group has written off this expenditure in the year incurred together with related product development and management costs.

### Employees

The Group has a policy of non-discrimination on grounds related to gender, disability, age, race or other factors irrelevant to employment. All job applications are considered equally and we operate policies to support and encourage diversity in our teams.

It is the Group's policy to give full and fair consideration to applicants for employment made by disabled persons, having regard to their particular attitude and abilities. Wherever possible, arrangements are made for



## THE CURRENCY CLOUD GROUP LIMITED

### **Directors' report (continued)**

#### **For the year ended 31 December 2021**

the continued employment of persons who have become disabled during service and for the appropriate training, career development and promotion of disabled persons.

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Risk management**

In the course of its business operations, the Group is exposed to a variety of risks including operational, financial, liquidity and credit risk. The Group's risk management policy seeks to mitigate and minimise the potential impact on the business' performance.

#### *Operational Risk*

This is the risk of a direct or indirect loss resulting from inadequacies or failures in project, processes or controls due to technology, staff, organisations or external factors.

To monitor and control operational risk, the Group maintains a system of comprehensive policies and control frameworks which are designed to provide a sound and well controlled operational environment.

#### *Financial Risk*

The key financial risk for the Group is foreign currency risk arising through the provision of foreign exchange services and the risk of extreme fluctuations. The Group manages this by fully hedging foreign exchange conversions offered to clients at its liquidity providers. Collateral is taken from clients when forward transactions are entered into and is managed by operating robust processes to monitor and manage exchange rate volatility in regard to open exposures.

#### *Liquidity Risk*

Liquidity risk is the risk of insufficient liquid funds being available to meet the Group's working capital requirements. The Group manages this by modelling cash flow forecasts covering a range of scenarios to ensure there is sufficient cash to meet its forward operational needs. Additionally, it monitors its liquidity levels and any regulatory capital requirements within its subsidiaries.

#### *Credit Risk*

Credit risk is the financial loss that arises if a customer or party fails to meet its contractual obligations. The Group has robust policies in place to review substantial credit exposures prior to entering into a transaction and for the ongoing monitoring of positions.

The Group's credit risk is attributable to its trade debtors, whose outstanding balance is closely monitored. The Group holds cash and deposits with banks and financial institutions and will assess the credit quality of the partner, taking into account past and current factors in managing its risk.

#### *Compliance Risk*

Compliance risk is the risk of non-compliance with the anti-money laundering, safeguarding, capital adequacy requirements and terrorism financing laws the Group is subject to, which could result in loss of either its Financial Conduct Authority or De Nederlandsche Bank license to operate as an Electronic Money Institution or financial penalty. The Group manages this risk by having robust procedures, systems and controls to mitigate this risk.

## THE CURRENCY CLOUD GROUP LIMITED

### Directors' report (continued)

### For the year ended 31 December 2021

#### *Cybersecurity and Data Privacy Risk*

This is the risk of a loss occurring as a result of a failure to adequately restrict access to systems and data as well as having inappropriate or outdated technology infrastructure which does not support the Group's operations. The Group handles a large amount of personal data on behalf of our customers and must adhere to stringent data protection regulations. The Group manages this risk by implementing systems and controls to mitigate the risk, periodically testing these measures and holding training sessions with all staff.

### Energy and Greenhouse Gas Report

The Group appointed Carbon Footprint Ltd, a leading carbon and energy consultancy company, to help support its analysis of its Greenhouse Gas (GHG) emissions in accordance with the UK Government's 'Environmental Reporting Guidelines: Including Streamlined Energy and Carbon Reporting Guidance'.

The GHG emissions have been assessed following the ISO 14064-1:2018 standard and has used the 2021 emission conversion factors published by Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). The assessment follows the location-based approach for assessing Scope 2 emissions from electricity usage. The financial control approach has been used.

The table below summarises the GHG emissions for the year ended 31 December 2021.

Scope	Activity	Tonnes CO <sub>2</sub> e
Scope 1	Site gas	31.87
<b>Scope 1 Sub Total</b>		<b>31.87</b>
Scope 2	Electricity generation	7.81
<b>Scope 2 Sub Total</b>		<b>7.81</b>
Scope 3	Electricity transmission and distribution	0.69
<b>Scope 3 Sub Total</b>		<b>0.69</b>
Total scope 1 and 2 tonnes of CO <sub>2</sub> e*		39.68*
Total tonnes of CO <sub>2</sub> e*		40.37*
Tonnes of CO <sub>2</sub> e per employee		0.14
Tonnes of CO <sub>2</sub> e £M turnover		0.65
Total energy consumption (kWh)*		210,782

\*includes gas and electricity consumption only

During the period 1<sup>st</sup> January 2021 – 31<sup>st</sup> December 2021, Currencycloud have seen a rebound in activity following the global COVID-19 pandemic. The company has continued to offer a flexible working model to its employees which has resulted in continuing lower levels of transport and emissions to/from a formal office. No other energy efficiency measures were implemented during this period.

### Going Concern

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue operating for at least the next 12 months. Visa Open Connect Limited have provided further funding since acquiring the Group via a series of equity injections and Visa International Services Association have provided a letter confirming its intention to continue providing this support for at least 12 months from the approval of these financial statements. Accordingly, the Directors consider that it is appropriate to prepare the Group's financial statements on a going concern basis.

## THE CURRENCY CLOUD GROUP LIMITED

### Directors' report (continued)

For the year ended 31 December 2021

### Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare group and company financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period.

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

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and the company will continue in business.

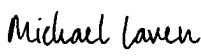
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and the company and enable them to ensure that the financial statements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

### Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

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

This report was approved by the board and signed on its behalf on 28 September 2022.

DocuSigned by:  
  
8D9D3F1F1DE24C5...

**M Laven**  
Director

## THE CURRENCY CLOUD GROUP LIMITED

# Independent auditors' report to the members of The Currency Cloud Group Limited

### Opinion

We have audited the financial statements of The Currency Cloud Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated cashflow statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- a. give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2021 and of the group's loss for the year then ended;
- b. have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- c. 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, 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

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

### Other information

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

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

We have nothing to report in this regard.

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

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

- a. 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
- b. the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## THE CURRENCY CLOUD GROUP LIMITED

### **Independent auditors' report to the shareholders of The Currency Cloud Group Limited (continued) For the year ended 31 December 2021**

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

In the light of the knowledge and understanding of the group and the parent company and their 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:

- a. adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- b. the parent company financial statements are not in agreement with the accounting records and returns; or
- c. certain disclosures of directors' remuneration specified by law are not made; or
- d. 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 set out on page 9, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

#### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- a. obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operate in and how the group and parent company are complying with the legal and regulatory framework;
- b. inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- c. discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

## THE CURRENCY CLOUD GROUP LIMITED

### **Independent auditors' report to the shareholders of The Currency Cloud Group Limited (continued) For the year ended 31 December 2021**

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities.

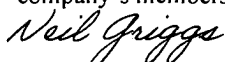
The most significant laws and regulations that have an indirect impact on the financial statements are the rules and principles set by the Financial Conduct Authority (FCA) as regulator for the financial services industry in the UK. We performed audit procedures to inquire of management whether the group is in compliance with these laws and regulations. We inspected compliance documentation and correspondence with the FCA as well as considering compliance with the conditions for authorization and other regulatory obligations.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. For revenue testing, we have carried out data analytics procedures and for a sample of transactions, have traced back to underlying documentation.

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

#### **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.



NEIL GRIGGS (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
25 Farringdon Street  
London  
EC4A 4AB

Date 29 September 2022

## THE CURRENCY CLOUD GROUP LIMITED

**Consolidated statement of comprehensive income  
For the year ended 31 December 2021**

		2021	2020
	Note	£'000	£'000
Revenue	4	62,035	36,776
Cost of sales		<u>(27,972)</u>	<u>(13,984)</u>
<b>Gross profit</b>		<b>34,063</b>	22,792
Administrative expenses		(48,289)	(33,274)
Other income	5	<u>3,466</u>	<u>2,204</u>
<b>Operating loss</b>	6	<b>(10,760)</b>	(8,278)
Finance income	11	8	28
Finance costs	12	<u>(218)</u>	<u>(244)</u>
<b>Loss before taxation</b>		<b>(10,970)</b>	(8,494)
Tax on loss	13	<u>3</u>	<u>(5)</u>
<b>Loss for the financial year</b>		<b><u>(10,967)</u></b>	<b><u>(8,499)</u></b>
Movement on foreign exchange reserve		<u>(3)</u>	<u>(172)</u>
<b>Other comprehensive expense for the year</b>		<b>(3)</b>	(172)
<b>Total comprehensive income for the year</b>		<b><u>(10,970)</u></b>	<b><u>(8,671)</u></b>

The Consolidated Statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

The Company has elected to take the exemption under section 408 of the Companies Act not to present the Company Statement of comprehensive income. The profit after tax of the Company for the year was £2,136k (2020: £1,756k).

The notes on pages 19 to 36 are an integral part of these financial statements.

## THE CURRENCY CLOUD GROUP LIMITED

**Consolidated statement of financial position  
As at 31 December 2021****Company Registration number: 06324658**

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Tangible assets	14	<u>952</u>	<u>719</u>
		<b>952</b>	<b>719</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	27,572	22,846
Cash at bank	17	<u>62,861</u>	<u>55,318</u>
		<b>90,433</b>	<b>78,164</b>
Creditors: amounts falling due within one year	18	(75,988)	(54,344)
<b>Net current assets</b>		<u>14,445</u>	<u>23,820</u>
<b>Total assets less current liabilities</b>		<b>15,397</b>	<b>24,539</b>
Provision for other liabilities	19	<u>(216)</u>	<u>(224)</u>
<b>Net assets</b>		<u><b>15,181</b></u>	<u><b>24,315</b></u>
<b>Capital and reserves</b>			
Called up share capital	22	26	23
Share premium account	23	95,958	94,351
Foreign exchange reserve	23	(287)	(284)
Other reserves	23	(3,235)	(2,835)
Profit and loss account	24	<u>(77,281)</u>	<u>(66,940)</u>
<b>Total equity</b>		<u><b>15,181</b></u>	<u><b>24,315</b></u>

The notes on pages 19 to 36 are an integral part of these financial statements.

The financial statements on pages 13 to 36 were authorised for issue by the Board of Directors on and signed on its behalf on 28 September 2022.

DocuSigned by:  
  
 8D9D3F1F1DE24C5...  
**M Laven**

Director



## THE CURRENCY CLOUD GROUP LIMITED

## Company statement of financial position

As at 31 December 2021

Company Registration number: 06324658

	Note	2021 £'000	2020 £'000
<b>Fixed assets</b>			
Investments	15	<u>12,998</u>	<u>11,788</u>
		<b>12,998</b>	<b>11,788</b>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	113,767	97,750
Cash at bank	17	<u>23,938</u>	<u>12,929</u>
		<b>137,705</b>	<b>110,679</b>
Creditors: amounts falling due within one year	18	(63,125)	(38,861)
<b>Net current assets</b>		<u><b>74,580</b></u>	<u><b>71,818</b></u>
<b>Net assets</b>		<u><u><b>87,578</b></u></u>	<u><u><b>83,606</b></u></u>
<b>Capital and reserves</b>			
Called up share capital	22	26	23
Share premium account	23	95,958	94,351
Other reserves	23	(3,235)	(2,835)
Profit and loss account	24	<u>(5,171)</u>	<u>(7,933)</u>
<b>Total equity</b>		<u><u><b>87,578</b></u></u>	<u><u><b>83,606</b></u></u>

The notes on pages 19 to 36 are an integral part of these financial statements.

The financial statements on pages 13 to 36 were authorised for issue by the Board of Directors and signed on its behalf on 28 September 2022.

DocuSigned by:

Michael Laven

8D9D3F1F1DE24C5...

**M Laven**

Director

## THE CURRENCY CLOUD GROUP LIMITED

**Consolidated statement of changes in equity**  
**For the year ended 31 December 2021**

	Called up share capital £'000	Share premium account £'000	Foreign exchange reserve £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 January 2020</b>	<b>23</b>	<b>94,324</b>	<b>(112)</b>	<b>(2,798)</b>	<b>(58,441)</b>	<b>32,996</b>
Loss for the year	—	—	—	—	(8,499)	(8,499)
Movement on foreign exchange reserve	—	—	(172)	—	—	(172)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>(172)</b>	<b>—</b>	<b>(8,499)</b>	<b>(8,671)</b>
Costs associated with equity issuance	—	—	—	(71)	—	(71)
Shares issued during the year	—	27	—	—	—	27
Share based payment charge	—	—	—	34	—	34
<b>Total transactions with owners</b>	<b>—</b>	<b>27</b>	<b>—</b>	<b>(37)</b>	<b>—</b>	<b>(10)</b>
<b>At 31 December 2020</b>	<b>23</b>	<b>94,351</b>	<b>(284)</b>	<b>(2,835)</b>	<b>(66,940)</b>	<b>24,315</b>
<b>At 1 January 2021</b>	<b>23</b>	<b>94,351</b>	<b>(284)</b>	<b>(2,835)</b>	<b>(66,940)</b>	<b>24,315</b>
Loss for the year	—	—	—	—	(10,967)	(10,967)
Movement on foreign exchange reserve	—	—	(3)	—	—	(3)
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>(3)</b>	<b>—</b>	<b>(10,967)</b>	<b>(10,970)</b>
Shares issued during the year	3	1,607	—	—	—	1,610
Share based payment charge	—	—	—	226	—	226
Transfer of share based payment reserve to Profit and loss account	—	—	—	(626)	626	—
<b>Total transactions with owners</b>	<b>3</b>	<b>1,607</b>	<b>—</b>	<b>(400)</b>	<b>626</b>	<b>1,836</b>
<b>At 31 December 2021</b>	<b>26</b>	<b>95,958</b>	<b>(287)</b>	<b>(3,235)</b>	<b>(77,281)</b>	<b>15,181</b>

## THE CURRENCY CLOUD GROUP LIMITED

**Company statement of changes in equity**  
**For the year ended 31 December 2021**

	Called up share capital £'000	Share premium account £'000	Other reserves £'000	Profit and loss account £'000	Total equity £'000
<b>At 1 January 2020</b>	<b>23</b>	<b>94,324</b>	<b>(2,798)</b>	<b>(9,689)</b>	<b>81,860</b>
Loss for the year	—	—	—	1,756	1,756
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>1,756</b>	<b>1,756</b>
Costs associated with equity issuance	—	—	(71)	—	(71)
Shares issued during the year	—	27	—	—	27
Share based payment charge	—	—	34	—	34
<b>Total transactions with owners</b>	<b>—</b>	<b>27</b>	<b>(37)</b>	<b>—</b>	<b>(10)</b>
<b>At 31 December 2020</b>	<b>23</b>	<b>94,351</b>	<b>(2,835)</b>	<b>(7,933)</b>	<b>83,606</b>
<b>At 1 January 2021</b>	<b>23</b>	<b>94,351</b>	<b>(2,835)</b>	<b>(7,933)</b>	<b>83,606</b>
Profit for the year	—	—	—	2,136	2,136
<b>Total comprehensive income for the year</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>2,136</b>	<b>2,136</b>
Shares issued during the year	3	1,607	—	—	1,610
Share based payment charge	—	—	226	—	226
Transfer of share based payment reserve to Profit and loss account	—	—	(626)	626	—
<b>Total transactions with owners</b>	<b>3</b>	<b>1,607</b>	<b>(400)</b>	<b>626</b>	<b>1,836</b>
<b>At 31 December 2021</b>	<b>26</b>	<b>95,958</b>	<b>(3,235)</b>	<b>(5,171)</b>	<b>87,578</b>

## THE CURRENCY CLOUD GROUP LIMITED

**Consolidated cashflow statement  
For the year ended 31 December 2021**

	2021	2020
	£'000	£'000
<b>Cash flows (used in) operating activities</b>		
Loss before tax	(10,970)	(8,494)
<b>Adjustments for:</b>		
Taxation paid	3	(5)
Share based payment charge	226	34
Depreciation of tangible assets	407	298
Interest paid	218	244
Interest received	(8)	(28)
Decrease / (Increase) in tax debtor	764	(204)
Increase in debtors	(5,284)	(2,956)
Increase in creditors	16,956	7,595
Decrease in BCR liability	(3,466)	(2,204)
Increase/(Decrease) in client money	2,947	(2,000)
Increase in client margin	6,353	2,049
Derivative fair value adjustment	(102)	(31)
<b>Net cash (used in)/from operating activities</b>	<b>8,044</b>	<b>(5,702)</b>
<b>Cash flows used in investing activities</b>		
Purchase of tangible assets	(640)	(547)
Interest received	8	28
<b>Net cash used in investing activities</b>	<b>(632)</b>	<b>(519)</b>
<b>Cash flows (used in)/from financing activities</b>		
Issue of ordinary shares	1,610	27
Repayment of loans	(1,258)	(1,577)
Costs associated with equity issuance	—	(71)
Interest paid	(218)	(244)
<b>Net cash (used in)/from financing activities</b>	<b>134</b>	<b>(1,865)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>7,546</b>	<b>(8,086)</b>
Cash and cash equivalents at beginning of year	55,318	63,576
Exchange loss on cash and cash equivalents	(3)	(172)
<b>Cash and cash equivalents at the end of the year</b>	<b>62,861</b>	<b>55,318</b>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
Cash at bank	62,861	55,318
	<b>62,861</b>	<b>55,318</b>

## THE CURRENCY CLOUD GROUP LIMITED

### Notes to the financial statements

For the year ended 31 December 2021

#### 1. General information

The Currency Cloud Group Limited ('the Company') and its subsidiaries (together 'the Group') provide international payments and currency conversion services via in-house developed technology. This platform is offered as a white label user interface to partners as well as being offered as an Application Program Interface (API).

The Company is a private limited company, which is limited by shares and incorporated in England. The address of the registered office is 100 New Bridge Street, London, EC4V 6JA.

#### 2. Accounting policies

The consolidated and company financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. Accounting policies have been applied consistently for all years unless otherwise stated.

**The following principal accounting policies have been applied:**

##### 2.1. Basis of preparation

These financial statements are prepared on a going concern basis under the historical cost convention, except where balance sheet items have been measured at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group 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 Note 3.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000 except where otherwise stated.

##### 2.2. Going concern

The Group was acquired by Visa Open Connect Limited on 20 December 2021. The Directors have obtained a letter from Visa International Service Association confirming Visa's intention to support the Group for at least the next 12 months from the date of approval of these financial statements. The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue operating for at least the next 12 months. Accordingly, the Directors consider that it is appropriate to prepare the Group's financial statements on a going concern basis.

##### 2.3. Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings. Consistent accounting policies are used across the Group.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

##### 2.4. Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises platform usage fees, transactional fees and commissions and services revenue for the provision of technological development work for customers. Revenue from arranging forward contracts in

## THE CURRENCY CLOUD GROUP LIMITED

### Notes to the financial statements (continued)

#### For the year ended 31 December 2021

foreign exchange are recognised on the date of trade execution. This revenue is included in accrued income until the settlement date of the transaction. Platform usage fees are monthly fees which are recognised in the month in which they are provided. Transactional fees and commissions are recognised on the date of transaction execution. Where a customer has prepaid for services, this payment is recognised as deferred income and recognised over the period the service is delivered. Services revenue is recognised on an accruals basis in the period in which the work was completed for the customer.

#### 2.5. Cost of sales

Cost of sales comprises payment fees, commission paid to partners, fees paid to third parties used to deliver technical development for services customers and market costs for cancelling and amending the settlement dates of forward contracts in foreign exchange. Cost of sale from arranging forward contracts in foreign exchange are recognised on the date of trade execution. This cost of sale is accrued on the balance sheet until the settlement of the transaction. Payments fees are recognised at the same time the corresponding transaction fee is recognised in income. Third party technical development costs are recognised on an accruals basis.

#### 2.6. Tangible assets

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Computer equipment	- Straight line over 3 years
Leasehold improvements	- Straight line over 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of comprehensive income.

#### 2.7. Trade debtors

Trade debtors are measured at transaction price, less any impairment for amounts believed to be irrecoverable.

#### 2.8. Cash at bank

Cash at bank comprises demand deposits and cash held in deposit notice accounts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Cash held in deposit notice accounts have a 32-day notice period. If notice is given of withdrawal, interest is paid at 0.15% below the Bank of England Base Rate. The balance in deposit notice accounts at the year end was £250k (2020: £10,034k).

The Group holds client money on behalf of clients in accordance with client money rules of the Financial Conduct Authority (firm reference number: 900199) and De Nederlandsche Bank (firm reference number R142701). Client monies held in segregated bank accounts in accordance with regulations and the corresponding liabilities to these clients are not recognised in the balance sheet because these monies are held in trust and the Group is not beneficially entitled to them. Where client monies have been insured and drawn down to be used for operational liquidity, they have been recognised on the balance sheet as cash. The amount of these monies is disclosed in Note 17.

#### 2.9. Financial instruments

In respect of recognition and measurement of financial instruments section 11 and 12 of FRS102 have been applied.

## THE CURRENCY CLOUD GROUP LIMITED

### Notes to the financial statements (continued) For the year ended 31 December 2021

#### (i) Financial assets

Basic financial assets, including trade debtors, other debtors, accrued income, amounts owed by group undertakings and cash and bank balances are initially recognised at transaction price less impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at a present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Where the entity has foreign exchange forward contracts open at the balance sheet date, these positions are marked to market to arrive at their fair value.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### (ii) Financial liabilities

Basic financial liabilities, including trade payables, other payables, amounts owed to group undertakings, accruals and client money are initially recognised at transaction price. Where the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of comprehensive income within Administrative expenses.

Amounts payable to clients comprise amounts received in advance from clients in respect of foreign currency transactions prior to the maturity date of a trade, currency owed to clients post maturity date awaiting settlement, and the market movements on client open trades.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

## 2.10. Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## THE CURRENCY CLOUD GROUP LIMITED

### Notes to the financial statements (continued)

### For the year ended 31 December 2021

#### 2.11. Foreign currency translation

##### (i) Functional and presentation currency

The Group's functional and presentational currency is pounds sterling and rounded to thousands.

##### (ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income within Administrative expenses.

#### 2.12. Finance costs

Finance costs consisting interest charged on the loan from Kreos Capital V (UK) is charged to the Statement of comprehensive income over the term of the debt using the effective interest method.

#### 2.13. Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, holiday pay, defined contribution pension plans and employee stock options.

##### (i) Defined contribution pension plan

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

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

##### (ii) Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

##### (iii) Annual bonus

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable estimate of the obligation can be made.

##### (iv) Share based payments

The group provides share based payment arrangements to certain employees.



## THE CURRENCY CLOUD GROUP LIMITED

### **Notes to the financial statements (continued)** **For the year ended 31 December 2021**

Equity-settled arrangements are measured at fair value (excluding the effect of non market based vesting conditions) at the date of the grant. The fair value is expensed on a straight-line basis over the vesting period. The amount recognised as an expense is adjusted to reflect the actual number of shares or options that will vest.

The group has no cash-settled arrangements.

#### **2.14. Interest Income**

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

#### **2.15. Research and development**

Research and development is expensed in the year in which it is incurred.

#### **2.16. Provisions for liabilities**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Group becomes aware of the obligation and are measured at the best estimate of the present value at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, the provision carried on the Statement of financial position is utilised.

#### **2.17. Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is the amount of income tax payable in respect of the taxable loss for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. It is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

#### **2.18. Other income**

Other income consists of income from grants awarded. Grants are recognised in other income over the periods in which the related costs for which the grant is intended to compensate are incurred. Until such time that these costs are incurred, grants are recognised on the Statement of financial position as deferred income.

## THE CURRENCY CLOUD GROUP LIMITED

### Notes to the financial statements (continued)

#### For the year ended 31 December 2021

#### 2.19. Operating leased assets

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

#### 2.20. Share capital

Ordinary and Preferred shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in other reserves as a deduction, net of tax, from the proceeds.

#### 2.21. Related party transactions

The Group discloses transactions with related parties which are not wholly owned with the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group's financial statements.

#### 2.22. Investments

Investments in subsidiary companies are held at cost less accumulated impairment losses.

#### 2.23. Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information in its company only accounts, as permitted by the reduced disclosure regime within FRS 102:-

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Interest income/expense and net gains/losses for financial instruments not measured at fair value, amount of any impairment loss, risks arising from financial instruments, and transferred financial assets not derecognised, loan defaults or breaches, and descriptions of hedging relationships.
- Section 26 'Share-based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements
- Section 33 'Related Party Disclosures' – Compensation for key management personnel

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

Estimates and judgments 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.

#### (a) Critical judgments in applying the entity's accounting policies

##### (i) Segregated client money accounts

Assessing whether segregated client money accounts, and the corresponding liability to return these funds to clients, is required to be reflected in the Balance sheet of the Group requires judgement. The directors have concluded that the criteria for recognition as an economic asset of the Group have not been met, namely the receipt of economic benefit from funds in these financial statements, therefore have not recognised within the financial statements. Disclosure has been made of the amount in Note 17 to the financial statements.

## THE CURRENCY CLOUD GROUP LIMITED

**Notes to the financial statements (continued)****For the year ended 31 December 2021**

Client money that has been insured and used for operational liquidity has been brought on balance sheet as it is considered the Group has an economic benefit from the funds. The amount of client money insured at 31 December 2021 was £10.9m (2020: £8m). If client money not used to provide operational liquidity was deemed to have met the recognition criteria, the result would be an additional £517m (2020: £193m) would be included in cash at bank.

**(i) Recoverability of intercompany receivables from The Currency Cloud Services Limited and carrying value of Investments in The Currency Cloud Services Limited**

As part of its impairment review of intercompany receivables, the directors have assessed the ability of companies within the Group to repay intercompany amounts owed on demand to the Company. With respect to the intercompany debtor the Company is owed by The Currency Cloud Services Limited (TCCSL) of £26,087k (2020: £23,294k), the directors acknowledge that TCCSL is loss making and has negative cashflows. The Directors consider that the recoverability of this balance is dependent on TCCSL being able to satisfy its obligations by realising the value of the intellectual property of the Group, which it is the owner of, on a timely basis. Based on the valuation placed on the Group in its acquisition by Visa Inc., the directors deem it reasonable that this is the case and therefore that the intercompany receivable is fully recoverable.

#### 4. Revenue

**An analysis of revenue of business is as follows:**

	2021 £'000	2020 £'000
Platform usage fee	23,707	16,363
Commission receivable	27,059	13,677
Transactional fee	10,634	5,855
Services revenue	635	881
<b>Total Revenue</b>	<b>62,035</b>	<b>36,776</b>

**An analysis of revenue by geography is as follows:**

	2021 £'000	2020 £'000
United Kingdom	42,820	24,767
Continental Europe	8,199	5,947
Asia-Pacific	4,439	3,263
Americas	6,429	2,472
Africa	148	327
<b>Total Revenue</b>	<b>62,035</b>	<b>36,776</b>

#### 5. Other income

	2021 £'000	2020 £'000
Grant income	3,466	2,204
	<b>3,466</b>	<b>2,204</b>

## THE CURRENCY CLOUD GROUP LIMITED

**Notes to the financial statements (continued)****For the year ended 31 December 2021**

The Company was awarded a £10m grant from the Capability and Innovation Fund by Banking Competition Remedies Limited (BCR) in 2019. The £425m fund, setup using funds from Royal Bank of Scotland in response to their receipt of state aid, was created to promote competition in the SME banking sector. The Company won the award to help facilitate the expansion of international payment services to UK SMEs, with the funds allowed to be used for eligible spend in the pursuit of this goal.

Further details of the commitments the Company made when applying for this grant are publicly available on the BCR website.

**6. Operating loss**

	2021 £'000	2020 £'000
The operating loss is stated after charging/(crediting):		
Research and development charged as an expense	8,617	6,842
Depreciation of tangible assets	407	298
Foreign exchange (gains)/losses	420	(87)
R&D tax credit	(660)	(1,319)
Operating lease rentals	1,147	1,142
Impairment of trade debtors	29	79

**7. Auditors' remuneration**

	2021 £'000	2020 £'000
<b>Audit fees</b>		
Fees payable to the Company's auditors for the audit of the Parent Company and consolidated financial statements	55	101
Fees payable to the Company's auditors and its associates for the statutory audit of the financial statements of subsidiaries of the Company	120	79
<b>Total audit fees</b>	<b>175</b>	<b>180</b>
<b>Non-audit services</b>		
Tax advisory services	—	8
<b>Total non-audit service fees</b>	<b>—</b>	<b>8</b>
	<b>175</b>	<b>188</b>

**8. Employee costs**

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £'000	Group 2020 £'000
Wages and salaries	28,108	18,970
Social security costs	3,164	2,248
Share based payments	226	34
Other pension costs	1,003	700
	<b>32,501</b>	<b>21,952</b>

## THE CURRENCY CLOUD GROUP LIMITED

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**9. Employee numbers**

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

	Group 2021 No.	Group 2020 No.
General Administrative	95	72
Sales	98	62
Technology	89	64
Compliance	62	36
	<u>344</u>	<u>234</u>

The Company has no employees.

**10. Directors' remuneration**

	2021 £'000	2020 £'000
Directors' emoluments	<u>409</u>	<u>366</u>
	<u>409</u>	<u>366</u>

The highest paid director received remuneration of £385k (2020: £340k). Two directors exercised share options in the year (2020: none), including the highest paid director. No pension contributions were made by the company in respect of the directors.

Key management personnel are considered to be the directors of the Group and in total the directors of the Group received compensation of £927k (2020: £815k).

**11. Finance income**

	2021 £'000	2020 £'000
Interest receivable	<u>8</u>	<u>28</u>
	<u>8</u>	<u>28</u>

**12. Finance costs**

	2021 £'000	2020 £'000
Loan interest payable	<u>218</u>	<u>244</u>
	<u>218</u>	<u>244</u>

## THE CURRENCY CLOUD GROUP LIMITED

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

**13. Tax on loss**

	2021 £'000	2020 £'000
<b>Corporation tax</b>		
Current tax on loss for the financial year	(3)	5
Total current tax	<u>(3)</u>	<u>5</u>

**Factors affecting tax charge for the year (Group)**

The charge for the financial year can be reconciled to the loss per the Statement of comprehensive income as follows:

	2021 £'000	2020 £'000
Loss before taxation	<u>(10,970)</u>	<u>(8,494)</u>
Loss before tax multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(2,084)	(1,615)
<b>Effects of:</b>		
Deferred tax asset not recognised	10,170	1,019
R&D expenses not subject to tax	—	752
Income not taxable	—	(251)
Expenses not deductible	192	69
Other permanent differences	27	(1)
Fixed asset differences	6	29
Foreign tax - other	—	4
Employee share scheme deductions	<u>(8,314)</u>	<u>(1)</u>
<b>Total tax charge for the financial year</b>	<u>(3)</u>	<u>5</u>

As of the statement of financial position date, there was £101,366k (2020: £43,888k) of trading losses available to be used against future trading profits. These remain unrecognised due to uncertainty of amount and timing of future taxable profits.

## THE CURRENCY CLOUD GROUP LIMITED

Notes to the financial statements (continued)  
For the year ended 31 December 2021

## 14. Tangible assets

Group	Computer equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost or valuation</b>			
At 1 January 2021	945	1,246	2,191
Additions	339	301	640
<b>At 31 December 2021</b>	<b>1,284</b>	<b>1,547</b>	<b>2,831</b>
<b>Accumulated depreciation</b>			
At 1 January 2021	704	768	1,472
Depreciation	199	208	407
<b>At 31 December 2021</b>	<b>903</b>	<b>976</b>	<b>1,879</b>
<b>Net book value</b>			
<b>At 31 December 2021</b>	<b>381</b>	<b>571</b>	<b>952</b>
At 31 December 2020	241	478	719

## 15. Investments

Company	Investments in subsidiary companies £'000s 2021	Investments in subsidiary companies £'000s 2020
<b>Cost or valuation</b>		
At 1 January	11,788	5,024
Additions	1,210	6,764
<b>At 31 December</b>	<b>12,998</b>	<b>11,788</b>
<b>Net book value</b>	<b>12,998</b>	<b>11,788</b>

During the year the Company subscribed for additional equity (£351k) in its wholly owned subsidiary The Currency Cloud Limited B.V. and made a capital contribution (£859k) to the same subsidiary. Both transactions were performed to ensure that regulatory capital requirements are adhered to.

In 2020 the Company subscribed for additional equity in its wholly owned subsidiaries The Currency Cloud Limited (£5,000k) and The Currency Cloud Limited B.V. (£1,764k) to ensure these subsidiaries continue to meet their regulatory capital requirements.

## THE CURRENCY CLOUD GROUP LIMITED

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2021**

Name	Registered Address	Principal Activity	Class of Share	Country of Incorporation
The Currency Cloud Limited	100 New Bridge Street, London, EC4V 6JA,	Foreign exchange and international payments	Ordinary	UK
The Currency Cloud Services Limited	100 New Bridge Street, London, EC4V 6JA,	In house specialist technology platform	Ordinary	UK
The Currency Cloud Inc.	20th Floor, 104 Fifth Avenue, NY 10001	Foreign exchange and international payments	Ordinary	USA
Currency Cloud PTE. Ltd	10 Collyer Quay, #10-01, Ocean Financial Centre, Singapore (049315)	Local business development	Ordinary	Singapore
Currency Cloud B.V.	296-298 Nieuwezijds Voorburgwal, 1012 RT Amsterdam	Foreign exchange and international payments	Ordinary	Netherlands
Currency Cloud Services B.V.	296-298 Nieuwezijds Voorburgwal, 1012 RT Amsterdam	Intra-group sales	Ordinary	Netherlands
Currencycloud PTY. Ltd	Level 39, Tower Two, International Towers Sydney 200 Barangaroo Ave Barangaroo, NSW 2000	Non-trading	Ordinary	Australia

All subsidiaries are wholly owned subsidiaries of The Currency Cloud Group Limited via direct ownership.

As part of Currency Cloud B.V. becoming regulated in the Netherlands, the Company was required by law to establish a Foundation to safeguard the funds of the customers of Currency Cloud B.V.'s customers. This foundation is named Currencycloud Stichting Derdengelden. The address of the registered office is 298 Nieuwezijds Voorburgwa, 1012 RT Amsterdam. This Foundation does not have authorised share capital and has no role outside the safeguarding of client money.



## THE CURRENCY CLOUD GROUP LIMITED

## Notes to the financial statements (continued)

For the year ended 31 December 2021

## 16. Debtors

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
<b>Due within one year</b>				
Trade debtors	4,228	2,529	—	—
Amounts owed by group undertakings	—	—	113,690	97,708
Other debtors	2,162	1,117	27	5
R&D tax credit	554	1,318	—	—
Collateral held at trading counterparty	6,754	6,769	—	—
Derivative financial assets	7,769	7,563	—	—
Prepayments	2,272	1,067	50	37
Accrued income	3,833	2,483	—	—
	<b>27,572</b>	<b>22,846</b>	<b>113,767</b>	<b>97,750</b>

Amounts owed by group undertakings are repayable on demand and do not bear any interest.

## 17. Cash at bank

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Cash at bank	62,861	55,318	23,938	12,929
	<b>62,861</b>	<b>55,318</b>	<b>23,938</b>	<b>12,929</b>

Excluded from the cash at bank is an amount of £471,977k (2020: £193,276k) held in segregated client accounts subject to FCA safeguarding restrictions. In accordance with the Group's accounting policies, these funds are not deemed to have met the criteria for recognition.

Separately, the Foundation established in the Netherlands, Currencycloud Stichting Dergengelden holds £44,727k (2020: £15,947k) in segregated client accounts subject to safeguarding restrictions. In accordance with the Group's accounting policies, these funds are not deemed to have met the criteria for recognition.

Included in the cash at bank is insured client money of £10,947k (2020: £8,000k) that has been insured and used for operational liquidity. This insurance policy means that were the Group to become insolvent (as described in section 22 of the Electronic Money Regulations 2011 (EMR 2011)), any shortfall up a limit of £27,000k (2020: £10,000) in relevant funds (as described in section 20 of the EMR 2011) would be paid by the insurer. As per the Group's accounting policies, these are deemed to have met the criteria for recognition.

## THE CURRENCY CLOUD GROUP LIMITED

## Notes to the financial statements (continued)

For the year ended 31 December 2021

## 18. Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Bank loans (note 20)	—	1,258	—	1,258
Trade creditors	3,631	2,160	10	73
Amounts owed to group undertakings	—	—	57,045	29,536
Taxation and social security	14,916	751	383	—
Other creditors	3,844	2,948	1,195	—
Amounts payable to clients	21,931	18,297	—	—
Client Money	10,947	8,000	—	—
Derivative financial liabilities	7,636	7,532	—	—
Accruals	6,252	2,977	162	198
Deferred income	6,733	10,421	4,330	7,796
Provision for other liabilities (note 19)	98	—	—	—
	<b>75,988</b>	<b>54,344</b>	<b>63,125</b>	<b>38,861</b>

Amounts owed to group undertakings are repayable on demand and do not bear any interest.

For terms of the bank loan please see note 20.

## 19. Provision for other liabilities

The Group had the following provisions during the year:

	Dilapidations provisions £'000	Total £'000
At 1 January 2021	224	224
Additions	90	90
At 31 December 2021	<b>314</b>	<b>314</b>

As part of the group's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The cost is charged to profit and loss as the obligation arises. The provision is expected to be utilised between 2022 and 2030 as the leases terminate.

	2021 £'000	2020 £'000
Provision to be utilised within 12 months	98	—
Provision to be utilised after 12 months	216	224
	<b>314</b>	<b>224</b>

## THE CURRENCY CLOUD GROUP LIMITED

## Notes to the financial statements (continued)

For the year ended 31 December 2021

## 20. Loans

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Bank loans	—	1,258	—	1,258
	<u>—</u>	<u>1,258</u>	<u>—</u>	<u>1,258</u>

Kreos Capital V (UK) Limited held a debenture over The Currency Cloud Group Limited and had fixed or floating charge over the assets of the Company and its subsidiaries. Interest accrued on the outstanding principal amount at a rate of 10% per annum and was fully repaid and all charges satisfied on 18 October 2021.

## 21. Financial Instruments

## Carrying amount of assets / (liabilities) carried at fair value

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Financial assets measured at fair value	7,769	7,563	—	—
Financial liabilities measured at fair value	(7,636)	(7,532)	—	—
	<u>133</u>	<u>31</u>	<u>—</u>	<u>—</u>

The Group enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency contracts. The financial derivative assets and liabilities are carried at their fair value.

At 31 December 2021 the fair value of forward exchange contracts in an asset position was £7,769k (2020: £7,563k) and the fair value of forward exchange contracts in a liability position was £7,636k (2020: £7,532k).

The Group entered into certain foreign exchange swap contracts to manage its operational liquidity. The fair value of these contracts at 31 December 2021 was £133k (2020: £31).

## 22. Called up share capital

Allotted, called up and fully paid	Number of shares			
	2021	2020	2021 £'000	2020 £'000
Class and nominal value				
Ordinary A shares of £0.0001 each	43,519,448	17,542,400	4	2
Ordinary B shares of £0.0001 each	7,357,340	7,357,340	1	1
A Preferred shares of £0.0001 each	33,704,870	33,704,870	3	3
B Preferred shares of £0.0001 each	25,551,413	25,246,649	3	3
C Preferred shares of £0.0001 each	40,925,000	40,000,000	4	4
D Preferred shares of £0.0001 each	45,368,289	44,444,444	5	4
E Preferred shares of £0.0001 each	64,563,317	64,373,887	6	6
	<u>260,989,677</u>	<u>232,669,590</u>	<u>26</u>	<u>23</u>

## THE CURRENCY CLOUD GROUP LIMITED

### Notes to the financial statements (continued)

#### For the year ended 31 December 2021

As of 20 December, 100% of Share Capital was acquired by subsidiaries of Visa Inc. (Note 27). On the date of acquisition 24,002k Ordinary A shares were issued for total consideration to the Company of £1,490k. Separately during the year, 1,975k shares were issued for £120k total consideration to the Company.

#### Share option scheme

Employees are granted share options in the company as part of the all-employee share scheme. The options are granted with a fixed exercise price, are exercisable up until the 40 days after an Option holder ceases to be an employee of the Group and expire 10 years after the date of the grant. Employees are not entitled to dividends until the shares are exercised. On exercise of the options by the employees, the company issues new shares.

#### Options table

A reconciliation of share option movements over the year to 31 December 2021 is shown below:

	No. (‘000)	2021 Weighted average exercise price £	No. (‘000)	2020 Weighted average exercise price £
Opening Option pool	30,641	0.058	31,113	0.058
Exercised options	(25,979)	0.058	(472)	0.058
Lapse of unallocated options	(4,662)	0.058	—	0.058
Closing Option pool	—	0.058	30,641	0.058

The group is unable to directly measure the fair value of employee services received. Instead the fair value of share options granted during the year is determined by calculating the restricted market value less the exercise price. The valuation exercise undertaken to arrive at the restricted market value considers many different factors, including trading results, profit and loss projections, acquisitions of similar companies and the details of recent share purchases.

On 20th December 2021, Visa Open Connect Limited acquired control of the Group which triggered the exercise of all eligible option grants. Unallocated options at that date were extinguished.

The total expense for the year was £226k (2020: £34k), and no liability (2020: £nil) is outstanding in respect of share based payments as at 31 December 2021.

## 23. Reserves

#### Share premium account

This represents the amount above the nominal value of shares that have been issued by the Company.

#### Foreign exchange reserve

This reserve comprises translation difference arising on the translation of financial statements of the Group's foreign entities into sterling.

#### Other reserves

This reserve comprises legal fees incurred supporting previous fundraising rounds and the share option reserve.

# THE CURRENCY CLOUD GROUP LIMITED

## Notes to the financial statements (continued) For the year ended 31 December 2021

### Profit and loss account

This reserve comprises all current and prior year retained losses.

### Called up share capital

This represents the nominal value of shares that have been issued by the Company.

### 24. Profit and loss account

This reserve comprises all current and prior year retained losses.

### 25. Pension commitments

The Company operates a defined contribution pension scheme. The pensions cost charge represents contributions payable by the Company to the fund and amount to £1,003k (2020: £700k). As at 31 December 2021, £167k (2020: £113k) was outstanding.

### 26. Related party transactions

As of 31 December 2021 the Group had the following balances receivable/(payable) to Visa Europe Limited;

	£'000
Trade debtors	109
Accrued income	45
Trade payables	(30)
	<u>124</u>

Visa Europe Limited a subsidiary of Visa Open Connect Limited who acquired the Company on 20 December 2021. The associated services were provided prior to Visa Europe Limited becoming a related entity.

### 27. Ultimate controlling party

The ultimate parent company is Visa Inc, a company incorporated in the United States of America. The immediate parent company is Visa Open Connect Limited (a company incorporated in the United Kingdom) who acquired the Company on 20 December 2021.

### 28. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Not later than 1 year	1,080	839
Later than 1 year and not later than 5 years	3,056	3,583
Later than 5 years	543	857
<b>Total</b>	<u>4,679</u>	<u>5,279</u>

**THE CURRENCY CLOUD GROUP LIMITED**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2021**

**29. Post balance sheet events**

Visa Open Connect Limited purchased 4,470,272 Ordinary A shares for a consideration of £10m on 12 April 2022 and another 4,470,272 Ordinary A shares for a consideration of £10m on 31 August 2022.

The Group signed an extension on the lease on its New York office, the lease was due to expire on 31 October 2022 but has now been extended to the 31 October 2023.