Global presence, local understanding

Moneycorp Group Limited
Annual Report and Accounts 2023

Introduction

WHO WE ARE

With over 45 years of market experience, Moneycorp is a leading cross-border payments business with banking licences and operations across the entire value chain of the international payments and foreign exchange industry.

Moneycorp provides businesses, financial institutions and individuals with unparalleled reach to global markets and tailored solutions that are relevant to the unique needs of each client.

Read more About Moneycorp
Page 02

OUR MISSION

To reduce friction and help clients navigate the complex global payments market.

Read more Moneycorp's value proposition
Page 05

HOW WE DO IT

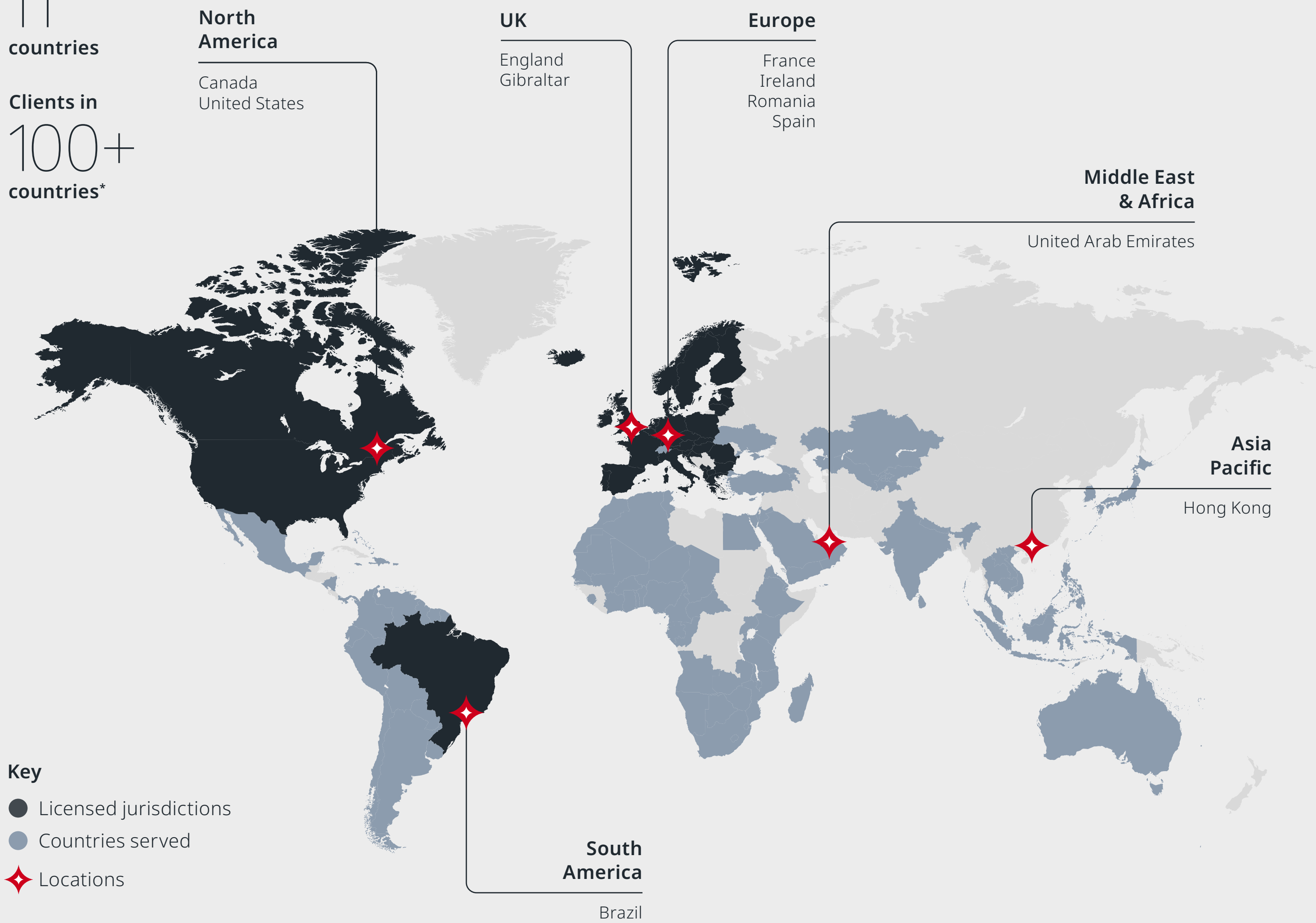
Through our distinctive technology, we have created a platform which, when partnered with our global network, allows us to meet our clients' ever-evolving needs. We deliver this by carefully combining smart technology, personalised service and extensive regulatory credentials.

Read more Our business model
Page 20

Where we operate

Offices in
11
countries

Clients in
100+
countries*



* Based on clients traded in 2023.

CONTENTS

About Moneycorp

A leading and diversified cross-border payments, FX and wholesale currency platform

With over 600 employees, located in 11 countries, we serve 11,000 B2B clients, 250 financial institutions, and over 23,000 individuals in some of the world's most dynamic markets. We provide tailored solutions to suit local needs, resulting in seamless cross-border payments for our clients globally.

OUR SEGMENTS

Payments – Corporate

WHO WE SERVE

Small and Medium-sized Enterprises (SMEs) and larger corporates

WHERE WE OPERATE FROM

UK
North America: US and Canada
Europe: Ireland, Spain, Romania and France
Brazil

WHAT WE OFFER

A range of cross-border payment services, risk management products and payment solutions

Read more Business review
Page 30

Payments – Private

WHO WE SERVE

High-Net-Worth Individuals (HNWIs)

WHERE WE OPERATE FROM

UK
North America: US and Canada
Europe: Ireland, Spain, Romania and France
Brazil

WHAT WE OFFER

Support for cross-border payments, providing bespoke solutions to cater to individual needs

Read more Business review
Page 32

Payments – Financial Institutions

WHO WE SERVE

Financial institutions, primarily central and commercial banks

WHERE WE OPERATE FROM

EMEA: UK, UAE and Brazil
APAC: Hong Kong
Gibraltar

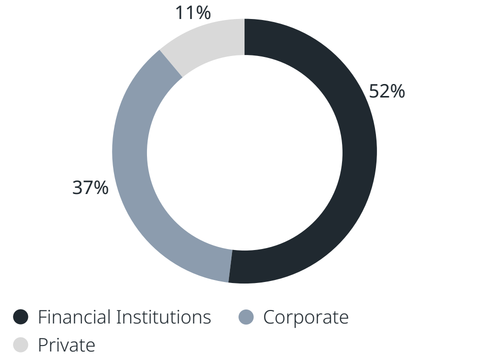
WHAT WE OFFER

Seamless connections to support wholesale currency transactions between suppliers and end users globally

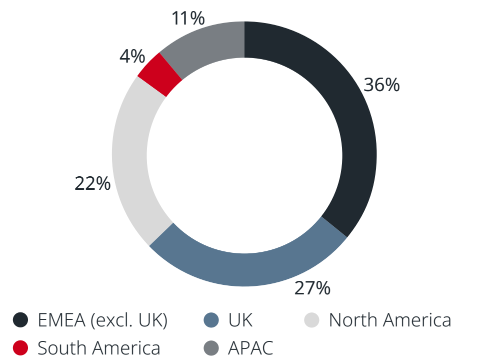
Read more Business review
Page 34

REVENUE*

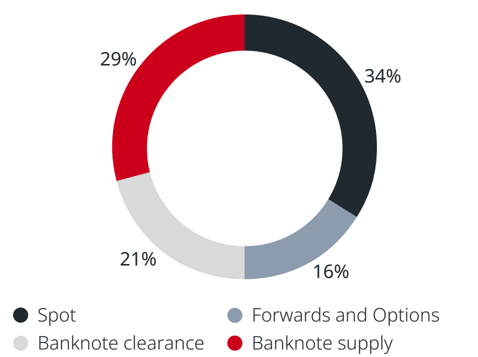
BY CLIENT SEGMENT



BY CLIENT REGION



BY PRODUCT TYPE



* Revenue percentages have been calculated using client flow-based revenue and therefore excludes interest and other income.

About Moneycorp continued

Our evolution

As we grew our business, we expanded our international network and geographic reach, whilst always maintaining our local expertise and regulatory excellence.

"We started in 1979 as a single, foreign exchange office in London, and today, we are a world-leading cross-border payments business with operations across the entire value chain of international payments and foreign exchange. What an impressive journey!"

Velizar Tarashev Chief Executive Officer

Moneycorp has undergone a significant evolution over the last 10 years, transitioning from a primarily UK retail bureau de change business into an international payments and foreign exchange (FX) platform, as well as a major player in the global wholesale currency market.

In 2014, the retail segment (now discontinued) accounted for 57% of the Group's revenue, with 98% derived from UK revenue streams. Today, Moneycorp's revenue is predominantly derived from corporates and financial institutions, with 90% of gross revenue now from B2B activity.

Expansion of our global reach has taken place through three phases since 2014:

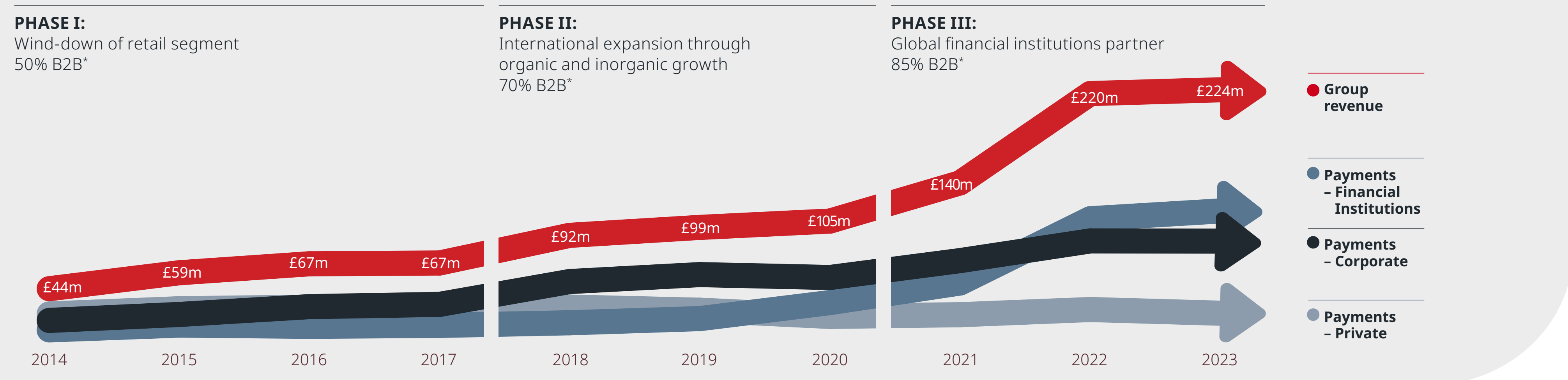
- The wind down of our retail segment and exiting airport and high street leases, in order to focus on our core markets.
- International expansion through successful organic and inorganic growth such as acquiring Commonwealth FX (now Moneycorp US Inc) in 2018, significantly expanding our US footprint.
- Developing our network, in particular obtaining access to the Federal Reserve Bank of New York's (FRBNY's) Foreign Bank International Cash Services (FBICS) program in Q4 2019, allowing us to become a global financial institutions partner, directly connecting central and commercial banks around the world to physical USD liquidity.

Throughout this period we have demonstrated revenue and profit growth whilst delivering significant change. Revenue has grown five fold from £44m in 2014 to £224m in 2023, a 20% revenue compound annual growth rate (CAGR).

Our evolution will continue in the coming years by driving core business growth via our existing product set and geographies. In addition, we are taking strategic steps to expand our global connectivity and geographical footprint.

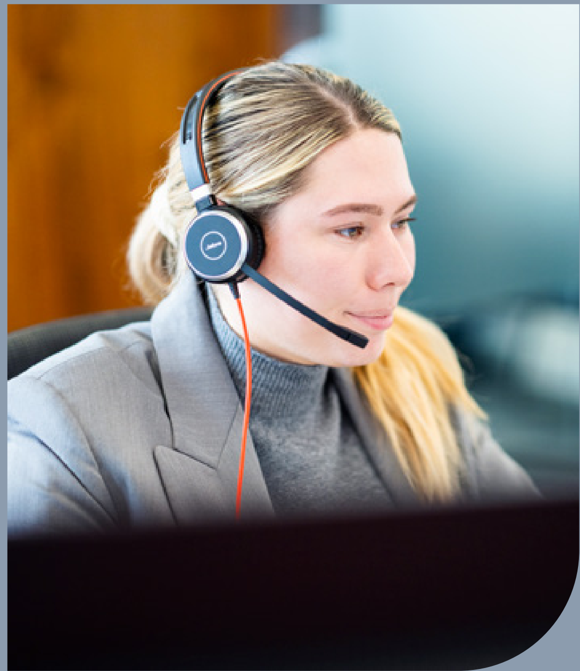
Read more Our strategic priorities Page 26

OUR JOURNEY OVER THE PAST 10 YEARS



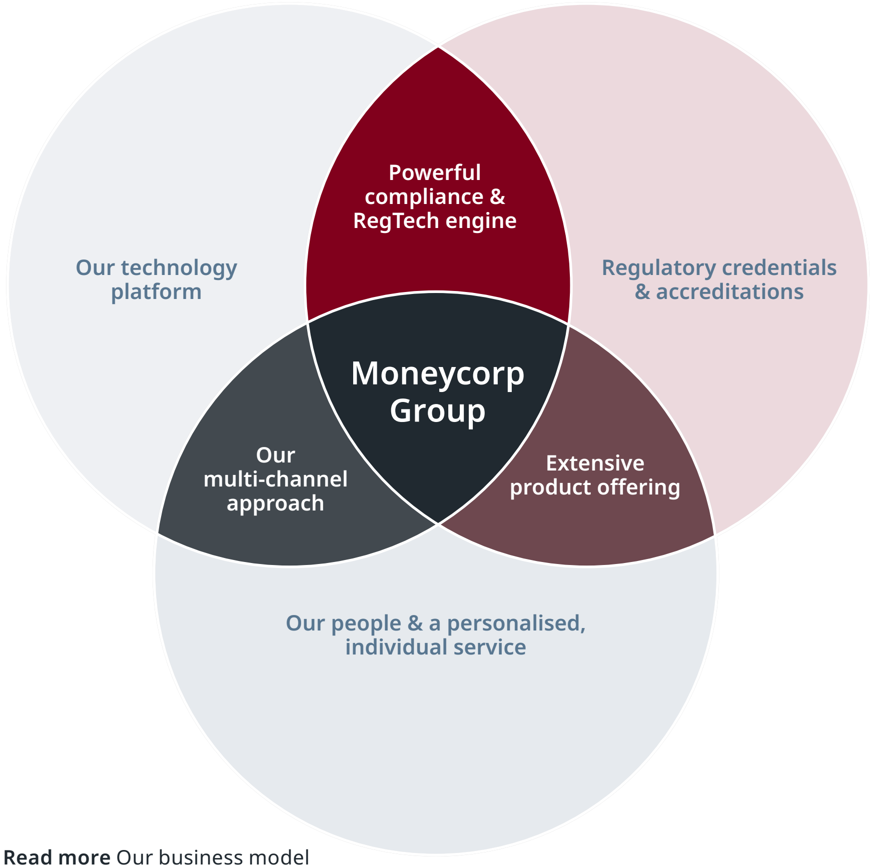
* Percentages reported relate to the first year in each phase.

Strategic report



Moneycorp's value proposition

An innovative ecosystem helping clients navigate global payments



Read more Our business model
Page 20

We proudly stand apart from our peers by combining exceptional regulatory strength, a smart technology platform and a personalised, client-centric approach to ensure seamless local execution of global payments.

STRONG RISK AND COMPLIANCE CULTURE ENSURING THE SAFETY AND SECURITY OF CLIENT FUNDS

Our regulatory strength is a significant factor considered by clients – particularly SMEs – when choosing to work with us. Our ISO 27001 accreditation on information security management ensures protection against technology-based risks and increases resilience to cyber attacks.

>1m

Payments screened via Soteria – our in-house transaction monitoring system

AN EXTENSIVE PRODUCT OFFERING

Enabled by our extensive licences and accreditations, we offer a broad range of specialist solutions.

120+

Send payments in over 120 currencies to 190 countries

MULTI-CHANNEL APPROACH WITH PROVEN CUSTOMER SERVICE

A multi-channel approach via our best-in-class technology, coupled with local knowledge and expertise, makes us unique from our competitors.

100+

Dedicated relationship managers and 600+ total colleagues

GLOBAL NETWORK

Our extensive network of liquidity and banking partners ensures our clients receive competitive pricing and comprehensive payment rail access.

16

Global liquidity providers

FINANCIAL STRENGTH AND STABILITY

Operating in the market for 45 years, we have proven financial stability with a consistent track record of profitability and growth.

5x

Revenue growth since 2014

Moneycorp's value proposition continued

Global presence

Our network, agile technology and extensive regulatory credentials provide global reach. This, coupled with high-touch local execution and a bank-standard risk and compliance culture, helps us reduce friction in global cross-border payments for clients.

The Top 100 Cross-Border Payment Companies
Moneycorp is listed as one of the world's top 100 cross-border payment companies, as per FX intelligence, The Top 100 Cross-Border Payment Companies (fxcintel.com)

A GLOBALLY CONNECTED NETWORK, BENEFITING CLIENTS

Since 1979, we have built connections and relationships with regulators, liquidity providers and payment rail banking partners. Our network is robust, diversified and provides reach that is challenging to replicate.

Our network and platform encompasses:

- A panel of 16 global liquidity providers, including most major banks, which allows for real-time quotation and competitive pricing via e-auction processing.
- A comprehensive network of 800+ corporate bank accounts allowing for fast and secure payments with uninterrupted global liquidity routing via all major schemes/rails.
- 11 partner banks who in turn have relationships with a network of correspondent banks, allowing payment access to over 120 currencies and 190 countries.
- Strong relationships with our regulators including the Financial Conduct Authority (FCA), Gibraltar Financial Services Commission (GFSC), Central Bank of Brazil and Central Bank of Ireland amongst others, allowing for a comprehensive range of relevant product solutions.

Read more Our regulatory credentials
Page 25

SCALING A RESILIENT GLOBAL SOLUTION VIA OUR PLATFORM

Our purpose-built platform has been designed for scalability and growth. It allows us to be highly agile, integrating with our network and our clients globally as we continue to evolve.

Read more Our technology
Page 22

MARKET REACH

We have continued to expand our geographic presence in order to reach clients with cross-border payment needs. With 63 regulatory permissions, our existing footprint covers 45% of global trade with 80% of settled global payments flows in currencies in which we have a local presence: USD/EUR/GBP/BRL.

In 2023 we helped clients in over 100 countries send payments to 180 locations across the globe.

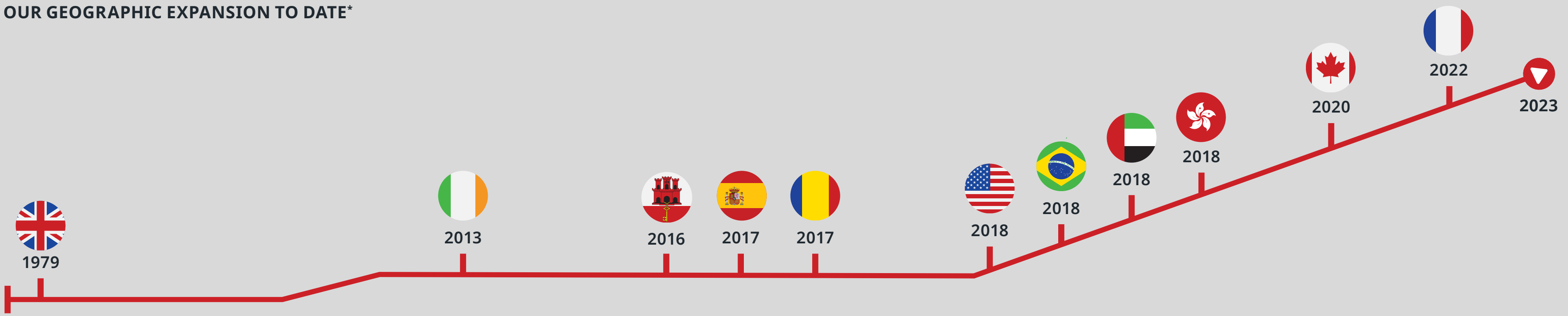
Read more Our markets
Page 17

190
PAYMENT ABILITY TO 190 COUNTRIES

63
REGULATORY PERMISSIONS**

16
GLOBAL LIQUIDITY PROVIDERS

OUR GEOGRAPHIC EXPANSION TO DATE*



* Dates represent our most significant entry or establishment in each location.

** For details of our 63 regulatory permissions see Our regulatory credentials on page 25.

Moneycorp's value proposition continued

Local understanding

Our presence spans Asia Pacific, North America, South America, Europe, the UK and the Middle East. We have offices in 11 countries allowing local client and regulatory relationships, in all markets in which we operate.

PERSONALISED SERVICE

We pride ourselves on our client-oriented approach to everything we do. For 45 years we have been helping clients navigate complexity by understanding their cross-border payment requirements (including any local market nuances), identifying tools and solutions to match their needs, and supporting them with a dedicated relationship manager.

Read more Serving our clients
Page 23

CONNECTIVITY AT A LOCAL LEVEL

With growing global payments requirements, we also focus on strengthening connectivity at a local level. Access to domestic payment rails and compliance with local regulatory standards are essential for local delivery and successful execution. Without connection to the domestic payments architecture, clients require multiple local payment counterparties, increasing time and cost and inevitably ending in a worse customer experience. Our global networks help clients connect seamlessly both locally and internationally.

STRONG COMPLIANCE WITH LOCAL REGULATORS

The payments industry continues to undergo significant and rapid transformation and, in particular, increasing global and local regulatory change.

At Moneycorp we pride ourselves on our regulatory strength and ensuring client funds and payments safety and security. Our business model ensures each business unit has a dedicated compliance officer providing expertise in local rules and regulations in every market in which we operate.

Read more Protecting our clients
Page 24

11
COUNTRIES WITH GLOBAL OFFICES

600+
EMPLOYEES

35k+
CLIENTS SERVED IN OVER 100 COUNTRIES

Our year in review

Operational milestones

Client ESG People

We achieved a number of milestones across our people, client and ESG objectives in 2023 as we continue to successfully execute our strategy.

New leadership
Velizar Tarashev appointed as Chief Executive Officer (CEO) in July.

Read more CEO's review
Page 12

Unrelenting focus on client safety
System and Organisation Controls (SOC) 2 certified in June, ensuring the highest standards of security and data protection for our clients.

Read more Risk Management
Page 43

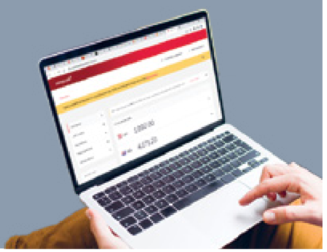
Supporting early careers
The Moneycorp Academy launched in September and welcomed 18 apprentices across operational and commercial teams.

18
apprentices

Read more Our people
Page 36

Excellence recognised
We were delighted to receive the Platinum Award for 10 years of trusted service by Feefo.

Advancing our technology
Integration of CRM D365 and client on-boarding platform for Brazil.



Building a sustainable future
Partnered with a leading provider of carbon offset solutions to offset 100% of our Scope 1 and 2 emissions.

Read more Our approach to ESG
Page 38

Empowering women
On International Women's Day we launched our Women's Mentoring Programme, aligned to our ESG pillar of Empowering Women.

Read more Our approach to ESG
Page 38

Nurturing a culture our colleagues are proud of
Reintroduced our employee satisfaction survey as we focus on culture and values.

91%
are proud members of their Moneycorp team

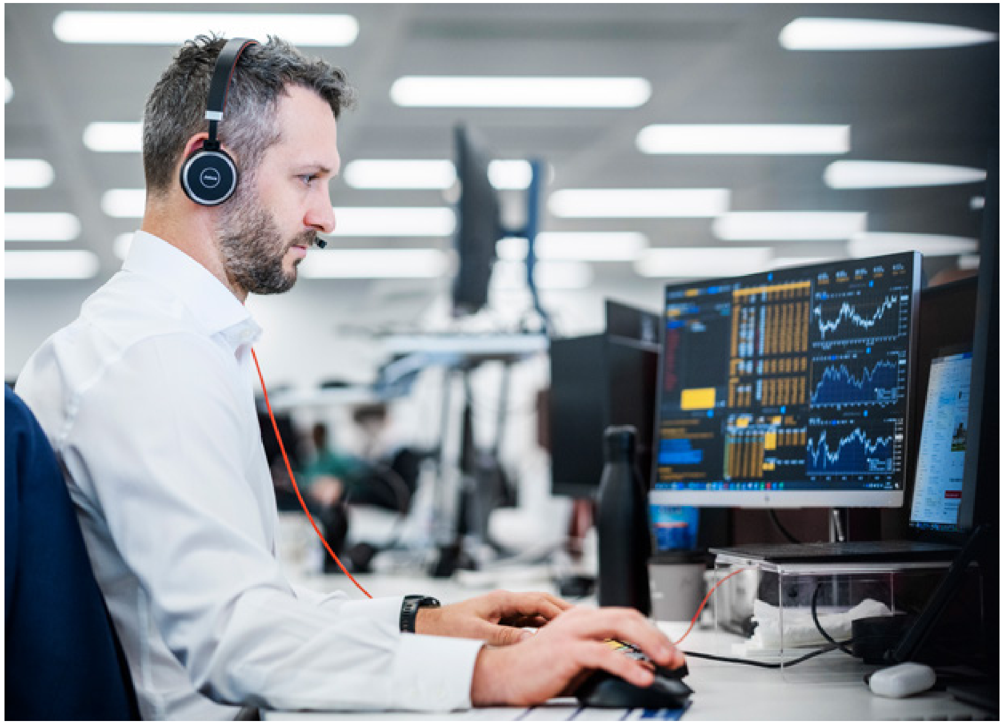
Read more Our people
Page 36

Our year in review continued

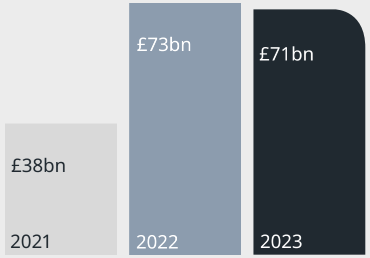
Financial results

Strong EBITDA growth based on sustained revenue performance and operational excellence, whilst we continued to invest in our platform and people.

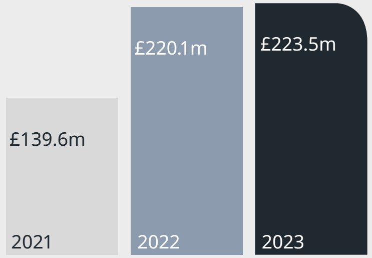
Read more Key performance indicators
Page 28



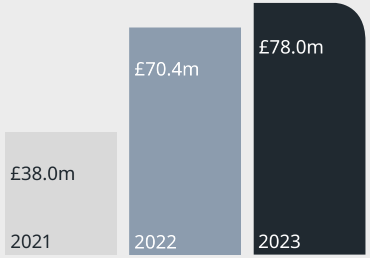
TRADING VOLUME (FLOW)*
FY22-23 decline 3%



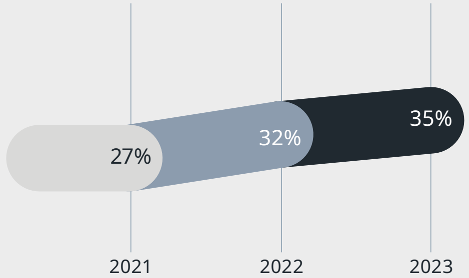
REVENUE
FY22-23 growth 2%



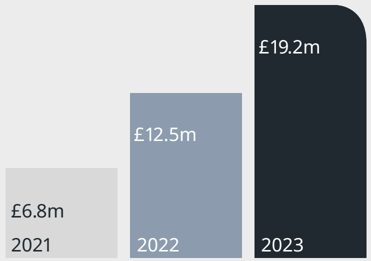
EBITDA
FY22-23 growth 11%



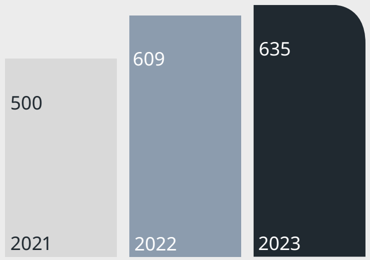
EBITDA MARGIN



CAPITAL EXPENDITURE INVESTMENT
FY22-23 growth 53%



STAFF BASE – FULL-TIME EQUIVALENT
FY22-23 growth 4%



* Trading volumes represent flow measured as single currency leg transaction volume.

Chair's statement

Positioning for the future

I am pleased to present Moneycorp's Annual Report for 2023. Since 2020, Moneycorp has evolved to become a world-leading, cross-border payments business with a local understanding across our global presence.

Alan Bowkett Chair

INTRODUCTION

In 2023, we supported global financial institutions, SMEs and high-net-worth individuals execute £71bn of transaction flow. On the back of an exceptional performance in 2022, amidst volatile market conditions, I am pleased to report that in 2023 we showed continued momentum and growth against our Key Performance Indicators (KPIs) with reporting EBITDA growth of 11% to £78m.

BOARD APPOINTMENTS*

In July 2023, we announced that Velizar Tarashev would succeed Mark Horgan as Group CEO. I would like to thank Mark for his outstanding contribution to, and development of, Moneycorp over his tenure in role. Mark continues with the Group in a non-executive capacity as Deputy Chair.

Since joining the Group as Chief Financial Officer (CFO) in 2021, Velizar has been instrumental in continuing the development and implementation of Moneycorp's strategy, business model and culture. The appointment of Velizar to CEO has helped accelerate the next phase of Moneycorp's evolution and growth. We strive to deliver on our long-term strategic objectives of delivering world-class payment, FX management and physical currency solutions for our current and future clients. We do this through a resilient, diversified and expanding business model, products and services in an ever more uncertain world.

To support our focus on the execution of strategy we have supplemented the team with a number of other senior hires, including Richard Brice as our new Group CFO who brings a wealth of knowledge and experience to Moneycorp, and has joined us on the Board.

* Board changes discussed related to Moneta Topco Limited, the ultimate Moneycorp Group holding company. Directors of Moneycorp Group Limited, the reporting company, are detailed on page 101.

** Total full-time-equivalent (FTE) staff base at December 2023.

Trading volumes (flow)

£71bn

Total FTE staff base**

635

New Board appointments

2

Chair's statement continued

There have been a number of other changes to the Board since the last annual report with Colin Buchan retiring and David Yates and Edward Goble stepping down. I would like to personally thank them for their valuable contribution to the Moneycorp Board. Of particular mention, I must thank Colin whose sage advice has been inestimable to a number of iterations of the Board. His friendship and quiet presence are sorely missed and we wish him a long and healthy retirement.

In 2024, we have welcomed to the Board Benoit Alteirac as a non-executive Bridgepoint investor director.

Furthermore, on our senior executive team we welcome the new additions of Adrian Walkling (UK CEO), Srini Kasturi (Group Chief Technology Officer) and Anabela Figueiredo (Group Chief Marketing Officer).

We have a very capable executive team supported by an experienced and highly engaged Board, and I am confident that we have the depth and breadth of expertise across the Group to deliver on our future success.

MARKET OPPORTUNITY AND STRATEGIC PROGRESS

Under the new executive leadership, we are making continued progress against our refreshed strategic pillars for 2024 which encompass scaling our core platform and building a global electronic payments network with direct access.

We are well-positioned to grow our existing business, with an established presence in many of the world's largest and most important cross-border payments markets. We have a uniquely connected network, including a panel of 16 global liquidity providers, and over 600 employees located across 11 countries, which supports our purpose of serving the growing international payment needs of global financial institutions, importers and exporters, online sellers and private clients.

Having grown rapidly over the past decade, we are now moving into a much steadier and sustainable phase of growth, which will deliver consistent returns for all our stakeholders. We continue to actively explore opportunities in adjacent markets and products to supplement our core business growth.

In April 2024, Moneycorp submitted its application for a banking charter to the US State of Connecticut's Department of Banking. This is a significant step for Moneycorp and our strategy to continue to broaden our presence in one of the most competitive markets in the world and help us deliver our vision of global reach powered by local payment connectivity. Collectively, the opportunities in extending our banking licence footprint will provide the potential for incredible reach and relevance for our clients, particularly our 250 financial institution clients.

LOOKING AHEAD

2024 looks to be an exciting year for Moneycorp. We have a clear roadmap and remain focused on growing our core business, whilst also progressing our application for a US uninsured banking charter. With significant investment in our people and technology in recent years, we are poised for growth.

The macro-economic environment for 2024 presents its own challenges with an unprecedented number of local elections happening globally and continued uncertainty over inflation and interest rates. However, in an increasingly uncertain world, our market opportunities will continue to increase as we help clients navigate complexity in cross-border payments and mitigate risk.

As a Board we are focused on promoting the long-term success of the business and delivering value to stakeholders through continued and enhanced oversight and governance. Regulatory adherence and continuous improvement on risk management is the foundation stone of our strategy.

Finally, I would like to thank all those that have contributed to our success, which would not have been possible without the commitment and support you continue to show. The hard work and dedication from every member of the Moneycorp team has been the driving force behind our achievements. Together, we have accomplished a great deal and I look forward to building on this success in the coming year. I am confident that Moneycorp will seize the opportunity ahead and continue to go from strength to strength. We remain focused on continuing to deliver excellence for our clients and generating strong and growing returns in 2024 and beyond.

Alan J. Bowkett

Alan Bowkett
Chair

"We are well-positioned to grow our existing business, with an established presence in many of the world's largest and most important cross-border payments markets."

Alan Bowkett Chair

Chief Executive Officer's review

Well positioned for the next phase of our journey

We have built a strong and differentiated proposition, providing value to all of our stakeholders.

Over the last decade, Moneycorp has undergone notable transformation. We have evolved into a global payments and FX platform with exposure to the largest and most important geographic markets, all while maintaining robust top-line momentum. As I complete my first full year as Chief Executive, I am pleased to report that the Group continues to perform well and is poised for growth, capitalising on the vast opportunities in the cross-border payments and FX sector.

Velizar Tarashev Chief Executive Officer

As we stand on the threshold of a new era of growth, we have a considerable opportunity to progress with pace and scale. It is often said that today's outcomes are a result of the past, and that the outcomes of the future depend on what we do in the present. Therefore, our strategy will drive value by pursuing excellence across our four "Rs" – Reach, Relevance, Resilience and Results.

REACH

The market of global cross-border payments, estimated at $150tn annually and growing at 5% per year*, positions Moneycorp at the centre of a dynamic, expansive, and rapidly growing ecosystem. Delivering unparalleled reach, our payments platform provides a network of connectivity to virtually all countries and currencies of the world, allowing clients to conduct cross-border transactions seamlessly, efficiently and at reduced costs. This exceptional capability positions us perfectly to expand our market share and enhance our proposition to clients and prospects.

Read more Our markets
Page 17

RELEVANCE

The future of cross-border payments will be dependent on a combination of global presence and local expertise. Moneycorp offers tailored solutions to meet the specific needs of each client, ensuring maximum value for the client segments we operate in. As our clients' payments and FX requirements grow increasingly complex, involving multi-currency and multi-jurisdictional transactions, Moneycorp's extensive network and adherence to local regulatory standards ensure successful delivery and execution.

Revenue compound annual growth rate**

20%

With over 40 years of market experience and industry knowledge, we have built a strong and differentiated proposition, providing superior pricing, service and security for a diverse client base, from high-net-worth individuals to SMEs to sophisticated financial institutions. Our well-established, diversified, and efficient liquidity and payment networks reduce friction, and serve the bespoke needs of our clients.

Read more Moneycorp's value proposition
Page 05

RESILIENCE

Moneycorp's robust infrastructure and risk management protocols ensure resilience against market volatility, regulatory changes and cybersecurity threats, instilling confidence in our clients and regulators. Our competitive position is underpinned by long-standing customer relationships, proprietary technology, global coverage and a bank-led approach to regulation and compliance. Building such networks takes decades, and they are challenging to replicate, creating high barriers to entry.

Read more Risk management
Page 43

RESULTS

I am pleased to report that since 2014, we have increased revenue fivefold and achieved a 20% compound annual growth rate. This year has been another period of growth for Moneycorp, with record EBITDA of £78m, which grew 11% on prior year from continued revenue growth and prudent cost management.

* "Regulated Liability Network (RLN) – A potential strategic roadmap for cross-border payments" – EY (2023).

**2014 to 2023 revenue compound annual growth rate.

Chief Executive Officer's review continued

Strategic pillars for 2024

As we now enter a new phase of the Moneycorp journey, we have taken the opportunity to refresh our strategic priorities in line with our identified avenues for growth: scaling our core platform and building a global payments network with direct access.

Clients
Focus on building deeper, stronger client relationships and being an integral business partner – expanding wallet share and growth opportunities.

Performance
Commitment to profitability, growth and KPIs. Focus on revenue generation and cost optimisation.

Disciplined Entrepreneurship
Drive accountability and delivery across our strategic programmes.

Regulatory
Be consistent and proactive in our 'regulatory-first' commitment to compliance and controls.

Culture
Strengthening our values, collaboration and accountability.

Read more Our strategic priorities
Page 26

Despite lower levels of FX volatility, we delivered 2% revenue growth, supported by rising interest revenue with client flow materially in line with 2022.

The EBITDA margin increased to 35%, reflecting our efficient operating model and ongoing prudent investment in core operations, technology and support functions.

Read more Chief Financial Officer's review
Page 14

Throughout the year, we made significant progress against our strategic priorities. We continue to focus relentlessly on client service and satisfaction, expanding our product offering and improving platform accessibility.

TALENT AND LEADERSHIP

I was honoured to be appointed CEO of Moneycorp in July 2023, following my tenure as CFO since 2021. I am delighted to welcome several new senior colleagues to the Board and Executive Committee. Richard Brice joined as our new CFO in December from Barclays, where he held senior roles for 12 years. Adrian Walkling joined the Executive Committee as CEO of UK International Payments. Our new Chief Marketing Officer, Anabela Figueiredo, has joined us to further develop our brand strategy and customer engagement. Most recently, Srini Kasturi joined us as Group Chief Technology Officer with over 25 years of experience in banking, fintech, payments and digital innovation.

All four senior hires bring top-quality expertise and I look forward to working with them to continue executing our strategy and delivering value.

I would like to acknowledge the hard work and commitment of our colleagues this year. Their dedication to our clients has been inspiring, and I am grateful to each one of them for their contribution to our progress.

LOOKING AHEAD

As we look forward to 2024, the market is likely to remain challenging with ongoing geopolitical uncertainties. However, we have built a business that delivers stable, predictable and highly profitable returns, capable of withstanding international market volatility.

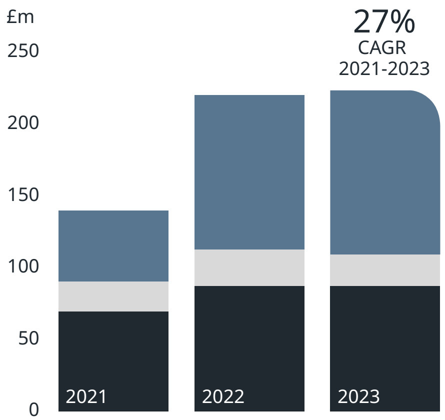
As we embark on a new phase of the Moneycorp journey, our strategy will evolve to increase performance through enhanced operational sophistication. We have several targeted initiatives underway to scale our core platform, including refreshing our go-to-market proposition to support new business revenue growth, leveraging existing client relationships, and utilising artificial intelligence (AI) and automated processes to transform our operations.

Furthermore, we continue to broaden our offering from a purely FX-based payments provider to a comprehensive infrastructure platform, connecting clients to key local and global electronic payments networks. This will enable us to capture greater electronic payments flow and additional FX revenues.

A key strategic move is our expansion into the United States, which has commenced with our formal application for a bank charter from the Department of Banking in Connecticut.

> "As we stand on the threshold of a new era of growth, we have a considerable opportunity to progress with pace and scale."

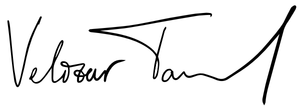
GROUP REVENUE



- Payments – Corporate
- Payments – Private
- Payments – Financial Institutions

This licence will support our growth strategy with a robust regulatory framework, increase our platform reach and resilience, and provide us with access to the direct payments infrastructure of the US. We continue to work closely with regulatory authorities and are making good progress.

I am excited about the opportunities ahead in 2024 and beyond. We have leading positions across our business segments, providing a solid foundation for long-term value creation for all stakeholders. I am confident we are ideally positioned to seize the opportunities before us.



Velizar Tarashev
Chief Executive Officer

Chief Financial Officer's review

Strong results in a dynamic market

Moneycorp continues to consolidate on a strong position in the market, delivering double-digit EBITDA growth whilst investing for the future. After exceptional growth in recent years, the business has matured and become a true B2B, cross-border payments specialist, providing high quality FX, risk management and payment services, as well as serving global wholesale currency markets.

Richard Brice Chief Financial Officer

The Group reported a strong set of results for 2023 with EBITDA of £78m and revenue of £224m representing growth of 11% and 2% respectively.

These financial results reflect a maturing business, with diversified revenue streams, that continues to grow and invest diligently to drive future growth as we deliver for our clients.

In 2023, we saw a more normalised market environment, when compared to the prior year, with lower volatility, although with higher inflation and interest rates. The combination of these dynamics contributed to a dampening effect on the trading revenues compared to the prior year. However, improved interest income and a close management of costs, whilst we continued to invest for growth, resulted in double-digit EBITDA growth and a strengthening in our EBITDA margin, a core measure of our ability to convert revenue to profits.

From a business perspective, the Payments – Corporate segment delivered £40.5m of EBITDA contribution, an increase of 14% on 2022. This was achieved from a broadly flat revenue outcome of £87.1m, where a reduction in flow, reflecting the market conditions and lower client activity, was offset by improved interest income. A reduction in trading costs and close management of operating costs drove the improved EBITDA. Within those results all regions achieved income and EBITDA growth with the exception of our build out business in Brazil.

Payments – Private delivered £10.0m EBITDA and £22.1m revenue, a decline of 18% and 13% respectively. Increased inflation and interest rates was a contributor to this decline given the nature of transactions our High Net Worth Clients are generally executing. We continue to value the contribution from this segment and anticipate improved results in the future as the market environment improves and we focus on the clients we are best placed to serve.

EBITDA

£78m

EBITDA growth

11%

EBITDA margin

35%

Payments – Financial Institutions EBITDA grew 12% to £59.1m driven by a 7% increase in revenue to £114.3m. Revenue growth was delivered from an increase in client flow to £54.1m, which was 3% up on the prior year, as we continue to see strong client retention as well as sustained acquisition of new clients. Given the exceptional growth in this business in 2022, we are very pleased to have been able to retain and further grow the business in 2023, positioning us well for the future.

In achieving the above, we have continued to invest in our people and our technology during the year with more than £19m capital expenditure spend to support and develop our service and capability. This is all possible given the cash generative capacity of the business.

Moneycorp continues to be very strongly positioned to deliver on its strategy and financial objectives into the future.

You can find a detailed review of each business unit on pages 30-35.

Chief Financial Officer's review continued

GROUP REVENUE AND EBITDA

For the year ended 31 December 2023

	2023 £000	2022 £000	Growth £000	Growth %
Gross revenue				
Payments – Corporate	**87,090**	87,254	**(164)**	**(0%)**
Payments – Private	**22,115**	25,426	**(3,311)**	**(13%)**
Payments – Financial Institutions	**114,272**	107,249	**7,023**	**7%**
Other	**33**	156	**(123)**	**(79%)**
	223,510	220,085	**3,425**	**2%**
Direct trading costs	**(61,848)**	(66,586)	**4,738**	**7%**
Operating and administrative costs				
– Staff costs	**(58,269)**	(57,757)	**(512)**	**(1%)**
– Non-staff costs	**(25,356)**	(25,375)	**19**	**0%**
Group EBITDA	**78,037**	70,367	**7,670**	**11%**
EBITDA contribution				
Payments – Corporate	**40,474**	35,589	**4,885**	**14%**
Payments – Private	**10,025**	12,299	**(2,274)**	**(18%)**
Payments – Financial Institutions	**59,079**	52,637	**6,442**	**12%**
Group support	**(31,541)**	(30,158)	**(1,383)**	**(5%)**
	78,037	70,367	**7,670**	**11%**
EBITDA margin	**35%**	32%		

"Our 2023 financial results demonstrate a robust and mature business model, achieving growth through diversification of revenue streams, process and system optimisation and disciplined cost control."

PAYMENTS – CORPORATE

The Corporate segment supports clients with cross-border transaction and payment needs across our four main geographical hubs. With 11,000 SME clients around the world, during the year we generated revenue of £87.1m with the largest contributors coming from the UK and North America. Heighted growth in flows and revenue during 2022, linked to periods of elevated market and FX volatility, was followed by a more subdued market in 2023 resulting in revenue being flat to prior year despite the growth of interest income to the top line. Overall segment EBITDA contribution for the year, however, was £40.5m, up 14% on the prior year, with interest income and lower direct trading costs being the main contributors.

PAYMENTS – PRIVATE

Private is the smallest of the three segments however served the greatest number of clients in 2023 with 24,000 High Net Worth Individuals (HNWIs) transacting. 2023 saw a decline in both revenue and EBITDA of 13% and 18% respectively. A large contributor to this was increased inflation and interest rates impacting client volumes of high value purchases such as international property purchases, compared to 2022 when many clients made the most of the strong USD rate. The segment contributed £10.0m EBITDA, with an EBITDA contribution margin of 45%.

PAYMENTS – FINANCIAL INSTITUTIONS

The Financial Institutions segment was the most significant contributor to revenue growth in 2023. After successfully gaining access to the FRBNY FBICS program in 2019, we continue to see year-on-year growth in all areas. The Financial Institutions Group (FIG) business was able to achieve high-teens EBITDA growth in APAC, where we continue to invest and gain market share. Given very strong growth in EMEA in 2022 and a maturing of the business, EBITDA growth was high single-digits. Moneycorp Bank achieved significant EBITDA growth in 2023, as the business benefitted most from interest rate rises together with steady payments growth including increased FX revenue from MiFID product expansion. Overall, Financial Institutions contributed £59.1m in EBITDA, a 12% increase on prior year.

DIRECT TRADING AND OPERATING COSTS

Trading costs comprise approximately 43% of our cost base, and primarily relate to cash-in-transit security costs which represents the costs paid to third parties to ensure the safe distribution of physical liquidity to and from our clients in relation to the Group's Financial Institutions business. Trading costs fell 7% in 2023, reflecting lower volumes and close cost management.

Operating and administrative costs include the staff and other costs incurred in the ongoing running of the business. Diligent cost management and targeted investment resulted in these costs growing by 1% to £83.6m.

Chief Financial Officer's review continued

STATUTORY PROFIT FOR THE YEAR

The Group's overall statutory operating profit for the year of £60.0m improved by £11.5m (24%) compared to the prior year (2022: £48.5m) primarily as a result of the increase in interest income, lower direct expenses, due to the decline in client flows, and a disciplined management of other expenses.

The Group reported a statutory profit after tax from continuing operations for the year of £44.3m (2022: £34.3m). Financing costs, depreciation and amortisation, and one-off items are the drivers of the difference between EBITDA and statutory profit after tax.

A detailed reconciliation from the management accounts to the statutory results is shown on page 97.

LIQUIDITY

Moneycorp is highly cash-generative, with a significant proportion of revenue and EBITDA converting to cash soon after being recognised. With the exclusion of client funds and corresponding balance sheet liability balances, the Group is balance-sheet light. During the year, the Group continued to develop and evolve its management of FX flows with its liquidity providers which, combined with an easing in the 2022 market volatility, resulted in a reduction in variation margin being required by liquidity providers in the year as well as the sensitivity to future potential market stresses.

CONTINUED INVESTMENT

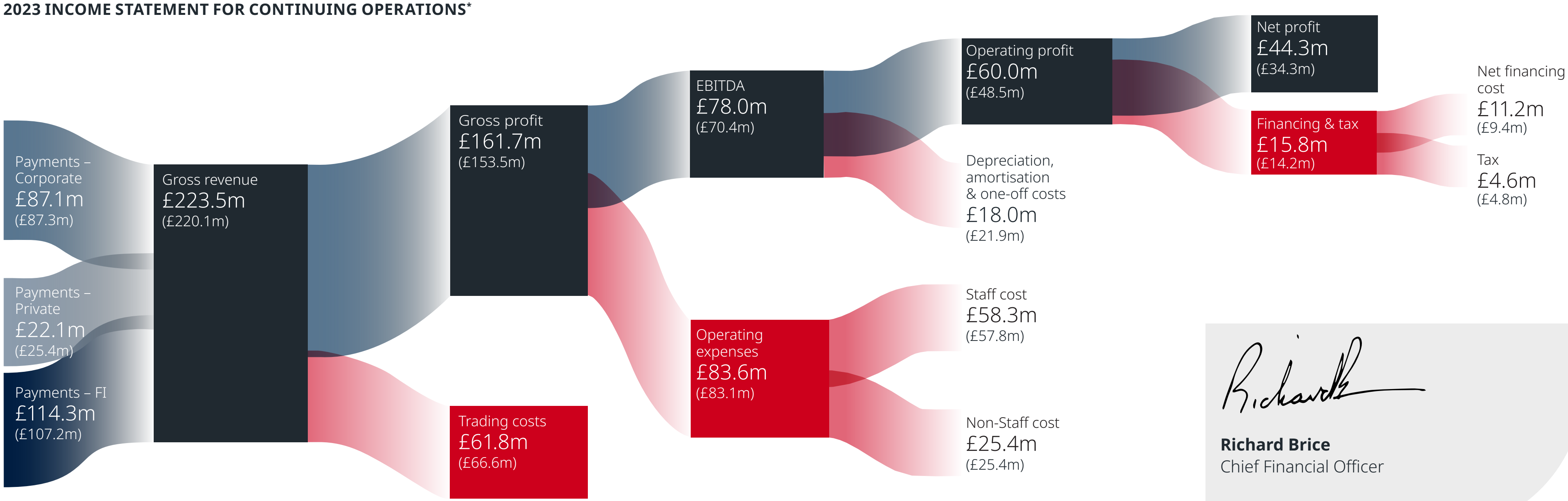
Profitability and effective cash conversion allows us to make meaningful investments into the future of the business. During the year, we continued to make significant investments into both our people and platform to support ambitious future growth plans. As at December 2023 our team comprised of 635 full-time equivalents (FTEs), an increase of 4% on the prior year. Additionally, we invested £19m of capital expenditure into our key technology systems to support core system maintenance and enhancements such as application upgrades, security uplifts and the Brazil integration, as well as strategic business projects.

OUTLOOK

The Group remains cautiously optimistic with regard to the macro-economic outlook for the global economy in 2024. With inflation in many countries slowing and a market consensus of falling interest rates towards the end of the year, this will likely provide a more hospitable environment for global commerce. This is balanced with potential continued geopolitical events and several major elections which may drive volatility.

We remain focused on growth from scaling our core platform as well as the expansion of our geographic footprint, licenses and future products and service development.

2023 INCOME STATEMENT FOR CONTINUING OPERATIONS*



Richard Brice
Chief Financial Officer

* Numbers may not cast due to rounding. Bracketed numbers represent 2022 comparatives.

Our markets

Strategically positioned to meet client needs

Moneycorp operates in a rapidly expanding global market and is uniquely positioned between neo-fintech entrants and incumbent domestic banks as a cross-border payments specialist.

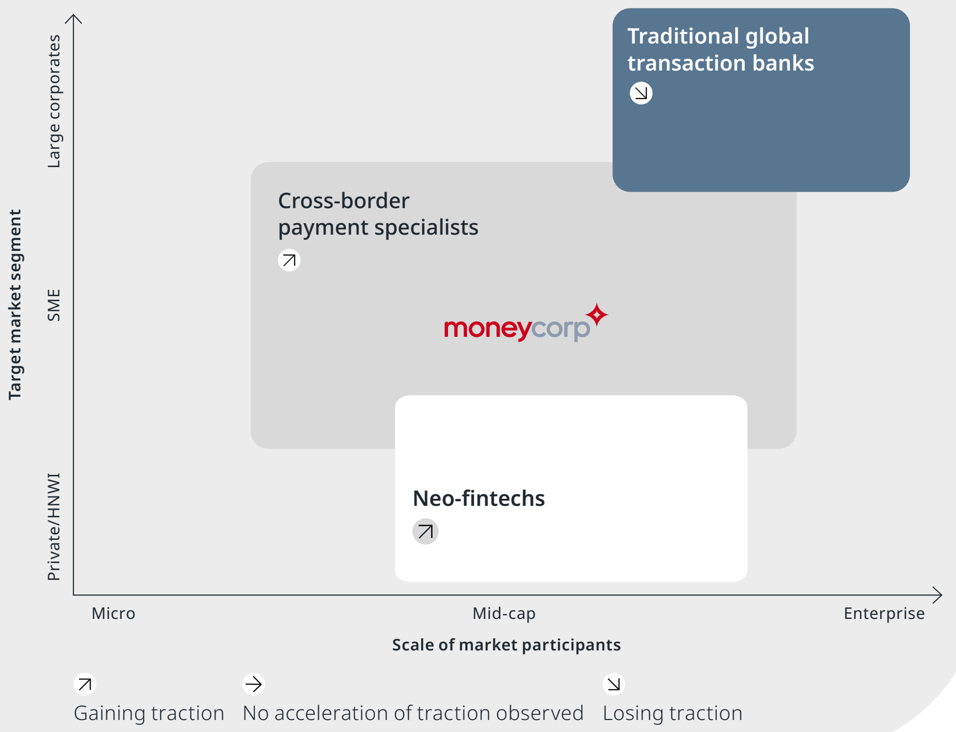
WHY WE EXIST
People and businesses are becoming increasingly global, accelerated by technological developments, resulting in an increasing need for cross-border payments.

Client requirements are no longer just simple on-the-day, 1:1 payment requirements but instead are complex multi-currency, multi-jurisdictional transactions, restricted by local access and regulations. Clients need comprehensive solutions providing certainty of outcomes that are delivered faster, cheaper and more securely than ever before. Furthermore, regulators require local presence, compliance, safety and security for clients.

The same applies for financial institutions where central and commercial banks face complex problems when providing predictability and stability to local economies and end-users.

Clients want a trusted, long-term partner, that can eliminate friction and reduce complexity. We believe that in payments this works best when global capabilities are delivered in a local way. As a result we have strategically positioned ourselves in the market between neo-fintechs and global transaction banks as a cross-border payments specialist.

MARKET POSITIONING*



* Not to scale.

Opportunities for FX and cross-border payments to SMEs
"The world of cross-border payments is complex, especially in times of global uncertainty. SMEs need to have confidence that their payments partner understands their business priorities and can work with them to mitigate volatility and uncertainty. Increasingly, they want all-in-one solutions that span the whole payments journey – from front-end software, to risk management, to cross-currency clearing and settlement. The opportunity lies in providing safe, secure and consistent client service, application programming interface (API) connectivity and integrated accounting software that eases complexity and seamlessly manages global payments and foreign exchange from end-to-end and transcends national boundaries."

Velizar Tarashev
Chief Executive Officer

Read more Conversation with Velizar Tarashev, CEO at Moneycorp (edgardunn.com)

Our markets continued

Large market opportunity driving growth

MARKET OPPORTUNITY
Based on our current product offerings, we operate in a multi-billion revenue Total Addressable Market (TAM), estimated at $22bn[*], of which non-banks hold only a small fraction. We estimate that we currently capture only c.1% of the market.

Cross-border currency and payments are growing at around 5% per annum. In all the markets in which the Group operates there is potential to gain market share from incumbents, with market research[**] indicating that new entrant fintechs and cross-border specialists are well positioned to disrupt the market. As such, our main competitors are traditional banks, who are performing the majority of cross-border transactions today. This combination of overall market growth and gaining of market share, means we are well positioned for the future.

In 2023 US dollars made up 84% of our flow, mainly from our physical US dollar liquidity services to financial institutions, and hence a market we monitor closely. US dollar flow continues to grow strongly, with the total stock of physical US dollars in circulation now estimated at over $2tn.

We continue to see strong demand for US dollars as investors and market participants favour low-volatility currencies. Internationally held dollars have grown faster than those held domestically, with the proportion of US dollars held internationally now at 46%[***]. We expect the demand for physical dollar currency to continue to grow, driven by intra-regional trade and liquidity requirements, supported by the use of the US dollar as a store of value.

ADDITIONAL MARKET GROWTH
Moneycorp has an established capability with a powerful combination of global presence and local market understanding. There is huge potential for us to capitalise on this as we continue to execute our strategy.

We see significant additional potential from our strategic initiatives such as enhancing our direct access network and expanding our service offering to existing clients via our application for an uninsured banking licence in the US.

Read more Our strategic priorities
Page 26

CURRENT AND FUTURE REVENUE TAM[*]

* Third party advisor. Current and expected revenue TAM represents the total addressable market for our three Payment segments, based on our existing product offerings and markets in which we currently operate. Diagram not drawn to scale.

** "Payments 2025 & beyond, Charting a course amid evolution and revolution" – PwC (2021) and "Payments Modernisation: What is the future of payments?" – KPMG (2023).

*** "The International Role of the U.S. Dollar" Federal Reserve (2021).

Our markets continued

Market trends

MACRO OUTLOOK

Interest rates and inflation

Interest rates are expected to continue to be a key driver of exchange rates, with performance linked to how policymakers navigate inflation, growth and interest rates. At one end of the spectrum, economies could see inflation continue to decrease, growth data strengthen, and interest rates begin to drop. At the other end, inflation may remain too high or stagnate in its deceleration alongside stalling growth, leaving central banks little choice but to hold interest rates higher for longer.

Our response

The current interest rate environment generally benefits banks, and Moneycorp Bank has also seen improved interest income in the rising rate environment, whilst also passing on improving rates to our deposit clients. We will continue to manage and invest the funds flow, maximising interest revenue within the broader boundaries set by our regulators across key jurisdictions and our Group Investment Policy.

General Elections

2024 sees a significant number of major elections across the globe with half of the global adult population having the opportunity to vote. This intense 12 months of democracy across major markets has the potential to cause currency volatility, impacting imports and exports globally.

Our response

We monitor major markets and currencies including the USD and GBP, both with home market elections in 2024, and keep clients regularly informed via our weekly and monthly market updates. We understand that during these uncertain times, clients seek stability and support, and we are committed to providing them with the products, services and guidance they need.

Geopolitical tension

The global geopolitical environment changed during 2023 and no doubt will continue to evolve in 2024, bringing with it continued uncertainty for individuals and corporates.

Our response

We operate and have clients in many countries around the world, some of which are in regions which have surrounding social and political tension and/or conflict. We continue to monitor current affairs globally, reviewing the location of all clients and transactions to assess the impact on operations and confirm compliance with all applicable international sanctions.

China's economy

The president of China mentioned the country's economic challenges in his 2024 New Year's Eve speech, noting that China, the world's second largest economy, could look to restructure in the hopes of avoiding stagnation of growth. Policymakers will also have to consider China's ageing and shrinking population alongside the historic challenge of economic reform in China.

Our response

Consistent with our response to election impacts, we will continue to monitor market trends and communicate these with clients, working especially closely with those whose businesses import/export goods from/to Asia.

Read more New Year's Market Update

CROSS-BORDER MARKET DYNAMICS

Increasing regulatory expectations

The scale of regulatory change in the payments industry is increasing more than ever, with greater emphasis on regulatory rigor and ensuring client safety and security. KPMG highlighted "the payments industry is undergoing significant and rapid transformation, and a key driver of this has been regulatory changes and developments. There is an ever-growing focus on clients and a continued shift towards 'principle-based regulation'".*

Our response

Regulatory excellence is a strength we pride ourselves on. With dedicated regulatory and compliance professionals across all markets, we continue to stay up to date with the latest changes in regulation, ensuring full compliance with stakeholder expectations and regulatory requirements.

Protection of clients

There continues to be a strengthening of consumer protection within the financial services industry for example with the introduction of the FCA's Consumer Duty which came into force in 2023.

Read more Risk Management – Conduct Risk **Page 48**

The protection of client funds is also an increasing focus for banks and non-banks with clients seeking reassurance that their funds are safeguarded, secure and available on demand. Furthermore, clients want comfort that all their personal data is protected.

Our response

We have a strong culture and demonstrable history of putting clients first, ensuring clients have access to clear and transparent information.

The protection of client funds is paramount. We ensure full compliance with all regulatory requirements and hold sufficient cash assets to protect client liabilities.

Moneycorp's RegTech engine blends advanced technology for financial crime and cyber security with highly responsive human expertise, ensuring our clients' data is safe.

Acceleration in advanced technologies

The future of technology is expected to see an acceleration in Application Programming Interface (API) integration and fully cloud-native platforms with greater use of artificial intelligence (AI). Furthermore, we are likely to see a broader use-case for blockchain technology in the medium term.

Our response

Continued investment in technology puts us in a strong position to benefit from advancements in cross-border payments. With real-time pricing and an omni-channel digital platform already in place, we are increasingly progressing towards complete API integration for greater agility. We continue to explore the potential of AI and blockchain to add value to our products and processes.

Increased demand for banknotes

Stable demand for banknotes is expected in the medium term as physical currency remains highly important to everyday life in many emerging countries, coupled with ongoing global market uncertainty increasing the demand for USD due to its perceived stability and strength of the US economy. Longer term, there is an industry expectation that the velocity of banknote replacement will increase.

Our response

Our primary access to USD along with our established platform and client base means we are well-positioned to support growing demand for banknotes when needed as a store of value, and to aid of banknote recycling and replacement via banknote clearance back to the FRBNY.

* "Regulation and compliance in payments modernisation" – KPMG UK (2024).

Our business model

A unique proposition creating value

OVERVIEW

OUR ENABLERS
Our differentiated approach is made possible by our people, smart technology, strong regulatory credentials and a well-connected network.

WHAT SETS US APART
We provide our clients the security of a bank, specialist support of a boutique and the advanced technology of a fintech.

HOW WE CREATE REVENUE
We create revenue by supporting our clients with their FX management, payments and physical currency needs which totalled £71bn of flow in 2023.

THE VALUE WE CREATE
We are focused on ensuring our business model delivers value to all of our stakeholders.

OUR ENABLERS

Through our distinctive technology, we have created a platform which, when partnered with our global network, allows us to meet our clients' ever-evolving needs. We deliver this by carefully combining smart technology, personalised service and extensive regulatory credentials.

OUR COLLEAGUES
Our committed colleagues sit at the centre of our relationship-led model, ensuring our client needs are heard and addressed.

Read more Our people **Page 36**

OUR TECHNOLOGY
Our technology stack is purpose-built, scalable and agile. Over the past 10 years we have invested over £120m in our wholly owned, end-to-end digital payments platform.

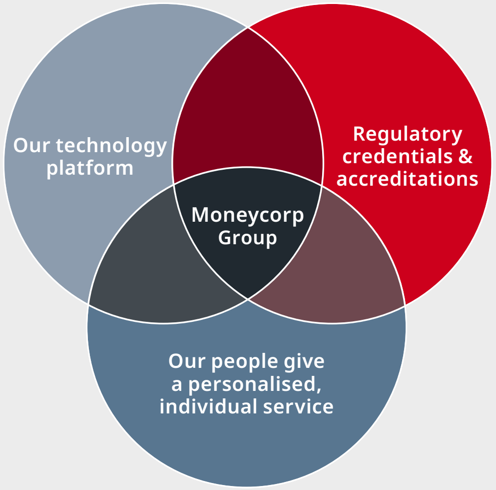
Read more Our technology **Page 22**

OUR REGULATORY CREDENTIALS
We have a comprehensive compliance and regulatory infrastructure, at a global scale, holding 63 regulatory permissions, including two separate banking licences.

Read more Our regulatory credentials **Page 25**

OUR NETWORK
Our network connects us with liquidity providers and payment rail banking partners to reduce complexity in international payments and FX management for our clients.

Read more Global presence **Page 06**



Read more Moneycorp's value proposition **Page 05**

WHAT SETS US APART

Our network, agile technology and extensive regulatory credentials provide global reach. This, coupled with personalised, high-touch local execution and a bank-standard risk and compliance culture, sets us apart, and helps clients reduce friction in cross-border payments.

REACH
A global network to deliver seamless international payments across over 120 currencies and 190 countries.

RELEVANCE
An extensive product offering coupled with a multi-channel approach and proven customer service model.

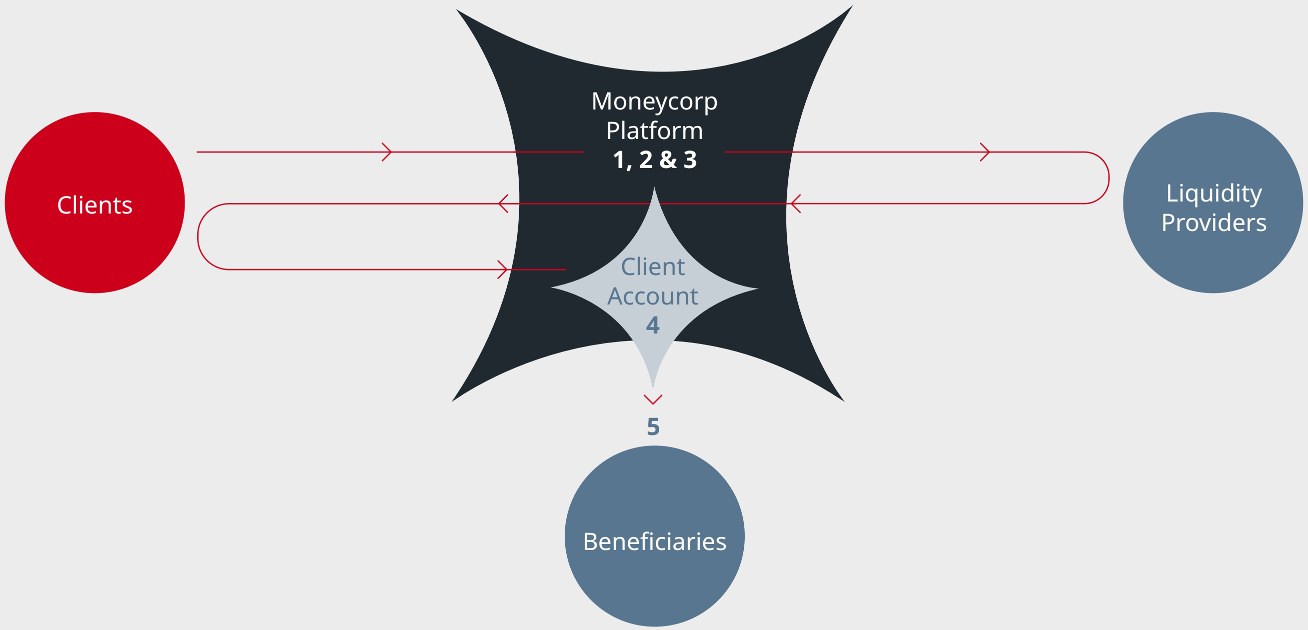
RESILIENCE
A strong risk and compliance culture and infrastructure ensuring safety and security of client funds.

RESULTS
A track record of financial strength and stability.

Read more CEO's review **Page 12**

Our business model continued

REVENUE GENERATION



1. FX MARGIN

Revenue earned between the buying and selling price of currencies sold in FX spot and forward contracts.

2. FIG COMMISSION & MARGIN

Commission on supplying and purchasing banknotes to/from clients as well as any margin earned between the buying and selling price of notes in different currencies.

3. OPTION PREMIUM

Earned from entering into option contracts with either banks or clients (earned regardless of if an option is exercised or not).

4. INTEREST

Generated on funds held as part of general operations including those held by Moneycorp Bank as part of our notice accounts offering.

5. FEES & CHARGES

Fixed fees are earned on one-to-many bulk payment transactions and on lower value transactions.

VALUE CREATION FOR STAKEHOLDERS

CLIENTS

+72

Net Promoter Score (NPS) score achieved, as evidenced by 89% of Group revenue earned from repeat clients (those who traded with us in 2022 or earlier)

COLLEAGUES

91%

of people are proud to be a part of their Moneycorp team

REGULATORS

Two-way

sharing of market insights between us and our regulators

COMMUNITY

19

19 young people from disadvantaged backgrounds were given face-to-face career coaching via the Future Frontiers programme

INVESTORS

£78m

EBITDA generated for our shareholders

Read more Our stakeholders
Page 40

Our technology

A key enabler to the Moneycorp difference

We combine our best-in-class technology with a personalised service to offer a seamless client experience, a key part of the Moneycorp difference.

"Our platform is purpose-built, scalable and highly agile. Our ability to innovate constantly and react rapidly to external changes is a key differentiator."

Srini Kasturi Chief Technology Officer

OUR DIGITAL PLATFORM PROVIDES A GLOBAL SOLUTION

- Online portal accessible 24/7 in four languages.
- Secure, robust and scalable suite of cloud hosted APIs for B2B integration.
- Digital interface optimised for mobile and web, providing a rich end user experience.
- Payment out capability in over 120 currencies and live FX rate execution covering over 33 currencies.

CONTINUOUS INVESTMENT IN OUR MODERN CLOUD SCALABLE ARCHITECTURE

- Purpose-built, highly resilient architecture developed on modern cloud hosting.
- OMNI-platform means all client pathways flow through our central system, to be executed consistently and efficiently.
- Continuous innovation and development of our technology stack with £120m+ invested over 10 years.

A POWERFUL GLOBAL PROCESSING ENGINE BUILT FOR PURPOSE

- Direct and fast integration with 16 liquidity providers for instant cross-currency execution, ensuring resilience and competitive quotes.
- The proprietary nature of our platform allows for adaptable and agile integrations with payment and banking providers, providing an array of payment options for our clients.

STRONG SECURITY AND COMPLIANCE

- Industry leading technology to prevent financial crime and provide robust security.
- Proprietary transaction monitoring system Soteria provides the backbone of our RegTech engine.
- ISO 27001 accreditation on information security management ensuring organisation-wide protection against technology-based risks and increased resilience to cyber attacks.

Read more Risk management
Page 43

Serving our clients

Clients are at the heart of everything we do

Having our clients at the forefront of our mind is one of the values we live by, delivering through products and channels that stay relevant.

"We remain focused on the fundamentals – the globalisation of payment capabilities in tandem with localisation of the payment delivery – and we are uniquely positioned to be able to do both."

Emma Alley Chief Operating Officer

AN EXTENSIVE PRODUCT OFFERING

Enabled by our extensive licences and permissions, we offer a comprehensive range of cross-border solutions for all client types including:

- **Foreign exchange risk management:** Short-term spot contracts, forwards, market orders for automated execution and FX options for risk management with flex.
- **Bespoke end-to-end payment solutions:** Seamless API integration, streamlined bulk payment processing and quick and clear reconciliations.
- **Bank accounts:** Multi-currency single IBANs (allows clients to receive payments from over 70 countries all into one account, making payments swifter and simpler), 90-day interest-bearing notice accounts, segregated client accounts and no unexpected fees.
- **Banknote liquidity:** Clearance and supply of USD and other currencies via our extensive network with bespoke end-to-end delivery/collection service, and competitive pricing. Direct USD connectivity made possible via our FRBNY access via FBICS.

MULTI-CHANNEL APPROACH WITH PROVEN CUSTOMER SERVICE

Leveraging our technology platform, our clients can interact via the following channels:

- **Online and mobile:** Clients have access to their payments account 24/7, which allows them to buy and sell over 30 currencies directly online, with real-time rate tracking and secure multi-factor authentication.
- **API:** Our B2B Application Programming Interface (API) allows clients to seamlessly execute trades, initiate payments and manage their accounts through integrated, automated channels.
- **Referring partners:** By working together with a network of referring partners and providing tailored payment support, we have further broadened our client reach.

A key competitive advance is our people's local knowledge and expertise in supporting our clients across the globe:

- **In person meeting/Telephone/Email:** 100+ currency specialists are dedicated to help guide and support clients through the complexities of international FX and cross-border payment transactions by combining global presence with local understanding to provide tailored solutions to suit regional specific needs.

GLOBALLY CONNECTED NETWORK

Our network of regulators, liquidity providers and payment rail banking partners is robust, diversified and provides reach that is challenging to replicate.

Read more Global presence
Page 06

Protecting our clients

Regulatory-first, with security and resilience as a core principle

Strong risk and compliance culture ensuring the security and safety of client funds.

Risk management and a low-tolerance risk culture is the backbone of Moneycorp's operations. Our understanding and management of risk – currency, settlement, operations, credit, regulatory, macro-economic – is a source of competitive advantage.

Read more Risk management
Page 43

Our attitude to risk provides a solid foundation for regulatory alignment and compliance around the world. We have strong and constructive relationships across the regulatory landscape, supported by a well-invested in compliance team. Today we hold 63 regulatory permissions: 62 licences (including two banking licences) spanning multiple jurisdictions as well as being one of only two members of the FBICS program. We have regional compliance teams for every market in which we operate, supported by Group oversight.

Read more Our regulatory credentials
Page 25

We have significantly invested in the firm's RegTech engine to protect our clients and ensure compliance with all requirements, by utilising the latest specialist financial crime and cyber security technology. We have a number of risk management tools in place to support our compliance function including transaction monitoring, fraud detection, payment screening, high-risk-jurisdiction (HRJ) screening amongst others. This investment is strategically critical to the business and helps us maintain robust operations and deliver regulatory excellence.

Read more Our technology
Page 22

Safeguarding and protection of client funds is paramount. In line with jurisdictional licensing requirements, we hold sufficient cash assets to fully protect clients funds which are also ring-fenced and segregated as required.

"Governance and compliance are embedded throughout our operations. With a rigorous risk management framework and world-class internally developed compliance application and monitoring tools, Moneycorp is adaptable to a rapidly evolving regulatory landscape. This ensures our clients and financial markets are always protected."

Peter Green Chief Risk and Compliance Officer

Continued exceptional monitoring from Soteria
In June 2022, we launched 'Soteria', our in-house transaction monitoring system. It provides real-time monitoring of all transactions via 50 different screening criteria such as client profile, currency, amount, etc., looking for deviations and identifies typologies associated with unusual, suspicious or fraudulent activity. During 2023 Soteria screened over 1 million payments with all payments which hit the monitoring criteria being stopped, real-time, and reviewed prior to being released or blocked.

Our regulatory credentials

Comprehensive regulatory footprint

Operating in a regulated industry, across many jurisdictions, requires the highest standards of regulatory compliance and a significant number of licences.

60
PAYMENTS LICENCES*

2
BANK LICENCES

1
FBICS CONTRACT WITH THE FRBNY

	PAYMENTS – CORPORATE & PRIVATE				PAYMENTS – FINANCIAL INSTITUTIONS		
	UK	**EUROPE**	**NORTH AMERICA**	**BRAZIL**	**GIBRALTAR**	**FIG EMEA**	**FIG APAC**
Regulators and contractual arrangements	**UK:** Financial Conduct Authority (FCA) **UAE:** Dubai Financial Services Authority	Central Bank of Ireland	**US:** Financial Crimes and Enforcement Network (FinCEN) **Canada:** Financial Transactions and Reports Analysis Centre (FINTRAC) and Revenu Québec	Central Bank of Brazil	Gibraltar Financial Services Commission (GFSC)	GFSC Federal Reserve Bank of New York His Majesty's Revenue and Customs (HMRC)	GFSC Federal Reserve Bank of New York Hong Kong Customs and Excise Department
Regulatory permissions	**UK:** Payment Services Directive (PSD) Markets in Financial Instruments Regulations (MiFID) **UAE:** Dubai International Financial Centre commercial licence	E-money* MiFID*	**US:** Money Service Business (MSB) **US:** Money transmitter in 49 US states (licence not required by Montana) and the District of Columbia **Canada:** MSB payment services licence	FX bank licence	Bank licence E-money MiFID	Member of the FBICS program Money Service Business	Member of the FBICS program Money Service Operator (MSO) licence
Trading as	TTT Moneycorp Limited Moneycorp Financial Risk Management Limited	Moneycorp Technologies Limited	Moneycorp US Inc. Moneycorp International Payments Canada, Inc.	Moneycorp Banco de Cambio S.A.	Moneycorp Bank Limited	Moneycorp Bank Limited Moneycorp (Hong Kong) Limited – UK branch	Moneycorp Bank Limited Moneycorp (Hong Kong) Limited
Allows us to offer	Cross-border payments, risk management products and payment solutions				Cross-border payments, risk management products, payment solutions, prepaid cards and 90-day notice accounts	Clearance and supply of liquid currency, including US Dollars, to commercial and central banks	

* Our two licences from the Central Bank of Ireland are passported across every country in Europe under 'freedom of service'. Furthermore, we have obtained 'freedom of establishment' permissions from local regulators in Spain, Romania and France. These have not been counted separately within the 63 regulatory permissions referred to throughout this report.

For more detail on the licences held, please visit: www.moneycorp.com/en-gb/legal/regulatory-information/

Our strategic priorities

Our vision inspires excellence

Extending our global network and adding value to stakeholders continues to be at the forefront of everything we do. We are driven by our purpose to serve the growing cross-border payments needs of our clients, reducing friction along the way.

ENSURE A CLIENT-FOCUSED APPROACH

2023 priorities	Progress made in 2023
Strengthen our brand to SMEs through media exposure and thought leadership	– Increased our NPS to +72. – Feefo's 10 Years of Excellence Award and Platinum Trusted Service Award. – Hosted monthly market update webinars, keeping clients and the community informed.
Improve accessibility to our platform (including adding Portuguese as part of Brazil integration)	– Begun the refresh of our website to improve the user experience and navigation when visiting the Moneycorp site. – Invested in the Brazil platform integration with progress made towards adding Portuguese once integration is completed.
Expand our product offering	– Hosted clients at Money20/20 showcasing how our APIs are streamlining global payments – Progressed the expansion of FX products in Brazil, with launch planned for 2024.

Read more Serving our clients
Page 23

ACHIEVE PROFITABLE GROWTH THROUGH INNOVATION AND TARGETED EXPANSION

2023 priorities	Progress made in 2023
Achieve targeted and profitable core business growth	– Delivered consistently strong results in 2023 – £78m EBITDA (11% up on 2022). **Read more** Chief Financial Officer's review Page 14
Further develop our well-defined innovation pipeline	– Continued to expand our API integration. – Created more payment rail integration and product functionality.
Invest in our people	– Several senior leadership changes made to support future growth ambitions. – Invested in and expanded our staff base to 635 people at December 2023.
Enter new geographies	– Expanded our physical presence in the Middle East and North Africa (MENA) territory, hiring a local Senior VP located in the UAE to grow our FIG operations.

BE A LEADER IN REGULATORY EXCELLENCE

2023 priorities	Progress made in 2023
Regulatory alignment	– Continued focus on regulatory alignment, ensuring compliance and regulatory support personnel across markets and regulators.
Expand our regulatory reach	– Begun the process of applying for an uninsured banking licence in the US in order to expand our banking footprint and provide greater reach and relevance for our clients.
Compliance leadership: Further enhance our industry-leader compliance processes	– Introduced real-time account balancing to our client safeguarding. – Commenced development of Soteria 2.0.

ENHANCE OUR TECHNOLOGY PLATFORM

2023 priorities	Progress made in 2023
Integrate Brazil: Begin the first phase of integrating our Brazilian business onto our Group platform	– Completed phase one of our Brazil integration programme with CRM rolled out and Azure integrated.
Enhance the user experience	– As noted above, we begun the refresh of our corporate website for launch in 2024. – 83% of payment transactions processed online or through bulk upload capabilities.

In addition to the above four pillars, we introduced a focus on culture during 2023 with progress made including the reintroduction of our refreshed employee opinion survey.

Our strategic priorities continued

REFRESHED STRATEGIC PILLARS

During the year we refreshed our strategic priorities in line with our identified avenues for growth:

- scale our existing core platform; and
- build a global payments platform with network access.

"We have all the right components for growth and we're evolving our strategy, not reinventing it. At our core is our client focus, state of the art technology, high-touch personalised service and best-in-class regulatory credentials."

Velizar Tarashev Chief Executive Officer

Strategic pillar	Priorities for 2024
Clients Focus on building deeper, stronger client relationships and being an integral business partner – expanding wallet share and growth opportunities.	– Expand and build a best-in-class sales and dealing capability to grow our targeted client base. – Review and refine our client on-boarding process to ensure a seamless client journey. – Continue to improve client engagement and satisfaction.
Performance Commitment to profitability, growth and KPIs. Focus on revenue generation and cost optimisation.	– Refresh our go-to-market proposition to support new business revenue growth. – Achieve organic revenue growth from our existing clients by enhancing client relationships, product cross-sell opportunities and growing wallet share. – Deliver sustainable revenue and EBITDA growth by optimising our core business. – Have a disciplined management of costs and targeted investment.
Disciplined Entrepreneurship Drive accountability and delivery across our strategic programmes.	– Continue transforming the way we work using AI and automated processes. – Invest in targeted strategic development opportunities including direct access capabilities.
Regulatory Be consistent and proactive in our 'regulatory-first' commitment to compliance and controls.	– Expand our regulatory reach including applying for an uninsured banking licence in the US. – Enhance our transaction monitoring capabilities via Soteria. – Compliance and proactive management of the regulatory agenda.
Culture Strengthening our values, collaboration and accountability.	– Continue to embed our newly refreshed BEACON* values. – Strengthen employee engagement and improve our employee NPS. – Continue to build on our diversity, equity, and inclusion (DE+I) initiatives and celebrate difference.

Our strategic pillars are underpinned by the Moneycorp values.

Read more Our people
Page 36

* Belonging, Excellence, Accountability, Client-Oriented, eNtrepreneuship.

Key performance indicators

Aligning our KPIs with our strategy

Focused on how we serve our clients and generate value for stakeholders, we hold ourselves accountable through a set of KPIs that are measured across our main business segments.

KPIs, both financial and non-financial, enable us to track our performance against our priorities.

Each regional business unit has a management team that is responsible for the operations of the business unit and uses KPIs to manage and develop the business in order to achieve the Group's strategic objectives.

You can find more information on these KPIs in the Business review for each business segment.

Read more Business review
Page 30

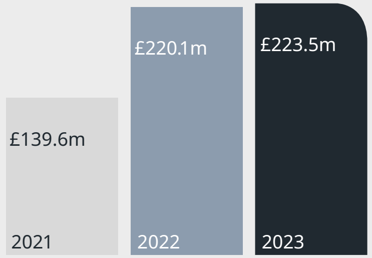
In addition to generally accepted accounting measures, the Group also uses a number of alternative performance measures (APMs) as KPIs. More details regarding our APMs can be found in the Other information section of the report.

Read more Alternative performance measures
Page 96

FINANCIAL KPIs

REVENUE

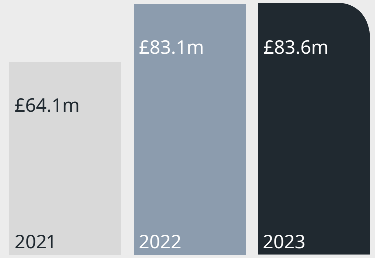
FY22-23 growth 2%



Increased interest revenue from rising rates and active management has supported overall revenue, despite the decline in trading volumes from more subdued client activity following the market volatility experienced in 2022.

OPERATING COSTS

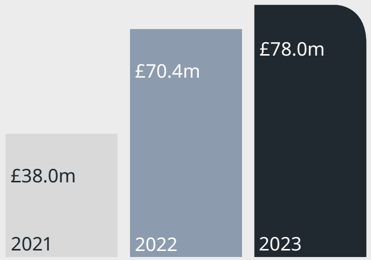
FY22-23 growth 1%



Diligent cost management and targeted investment resulted in these costs growing by 1% in 2023.

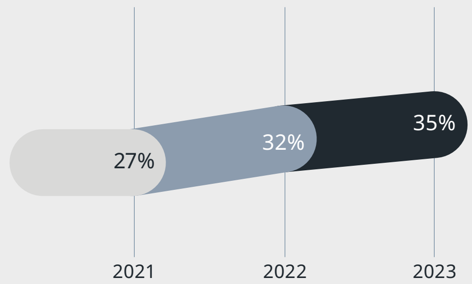
EBITDA

FY22-23 growth 11%



Another record year of EBITDA for Moneycorp, achieved via revenue growth and diligent cost management.

EBITDA MARGIN



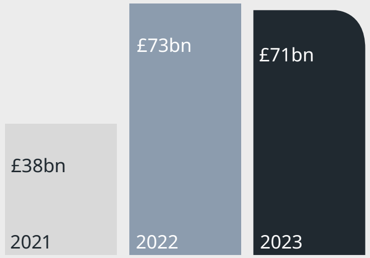
EBITDA margin growth reflects our efficient operating model and economies of scale, with EBITDA growth exceeding revenue growth in 2023.

Key performance indicators continued

NON-FINANCIAL KPIs

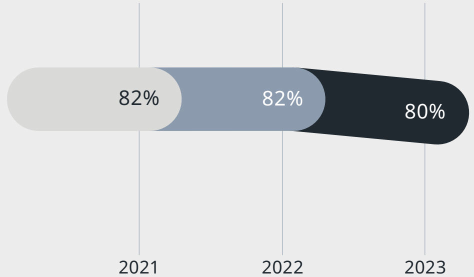
TRADING VOLUME (FLOW)*

FY22-23 decline 3%



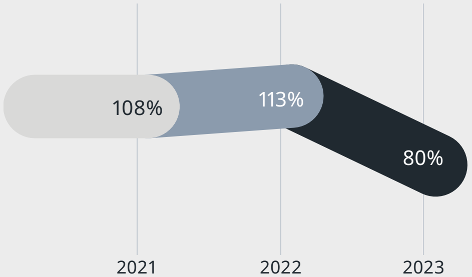
In 2022 we experienced significant market volatility, where we supported clients in managing their needs. 2023 has seen a more normalised environment.

STRAIGHT-THROUGH PROCESSING (STP)



Slight fall in STP % was driven by a positive strategic increase in the number of exotic currencies we serviced during the year, increasing from 4% to 6% of total payments, particularly in North America. These currencies often have unique rules and characteristics that lead to additional review by operational staff, therefore cannot be straight-through processed. Increasing this percentage is a focus as we move forward.

PAYMENTS – CORPORATE CLIENT REVENUE RETENTION



Client retention decline in part reflects the reduced flow from the lower market volatility and also a post-COVID restocking in 2022. This metric remains a focus for 2024.

NET PROMOTER SCORES**

+72

2022: +71
2021:+26

Continued improvement in our NPS reflects the focus we have on placing our clients first.

Read more Business review (Payments – Corporate) **Page 30**

* Trading volumes represent flow measured as single leg transaction volume.
** Source: Customer survey.

Payments – Corporate

Our advanced technology is augmented by personal relationships, which provide fast delivery, specialised tools and a dedicated relationship manager, helping corporate clients navigate the complex payments landscape.

SEGMENT OVERVIEW

Payments – Corporate operates in four of the world's largest and most significant markets – the UK, North America, Europe and Brazil, serving a wide range of businesses, from large organisations to growing SMEs. As a provider of comprehensive services, Moneycorp specialises in cross-border payments, FX risk management and payment solution tools. Our multi-award winning platform is seamless and scalable, providing easy FX and cross-border transaction processing through APIs and bulk upload technology that integrates with clients' payment operations. Our team of experts are always available to guide clients through bespoke solutions for individual requirements. In 2023, we facilitated seamless transactions for 11,000 SME clients.

2023 PERFORMANCE HIGHLIGHTS

2023 proved a resilient year after a strong business performance in 2022 which saw a number of corporates restocking following the bounce back from COVID and many also making the most of the strong USD seen in Q3 2022. Given the return to more normalised FX market conditions in 2023, coupled with rising interest rates and persistent inflation, we saw a reduction in Corporate flow from £18.8bn in 2022 to £15.1bn in 2023.

Increased interest income supported by higher interest rates and active management offset the lower FX flow revenue resulting in all business units, with the exception of Brazil, achieving revenue and EBITDA growth. Overall segment EBITDA growth of 14% was achieved through diligent cost management and interest revenue growth.

We saw a solid set of results on a regional level across our Corporate business in 2023, with geographic expansion and investment in some regions starting to show positive results. This was most evident in Europe with 12% revenue and 33% EBITDA growth year-on-year, driven by our growing Spanish business and a full year of revenue contribution from France after opening in 2022.

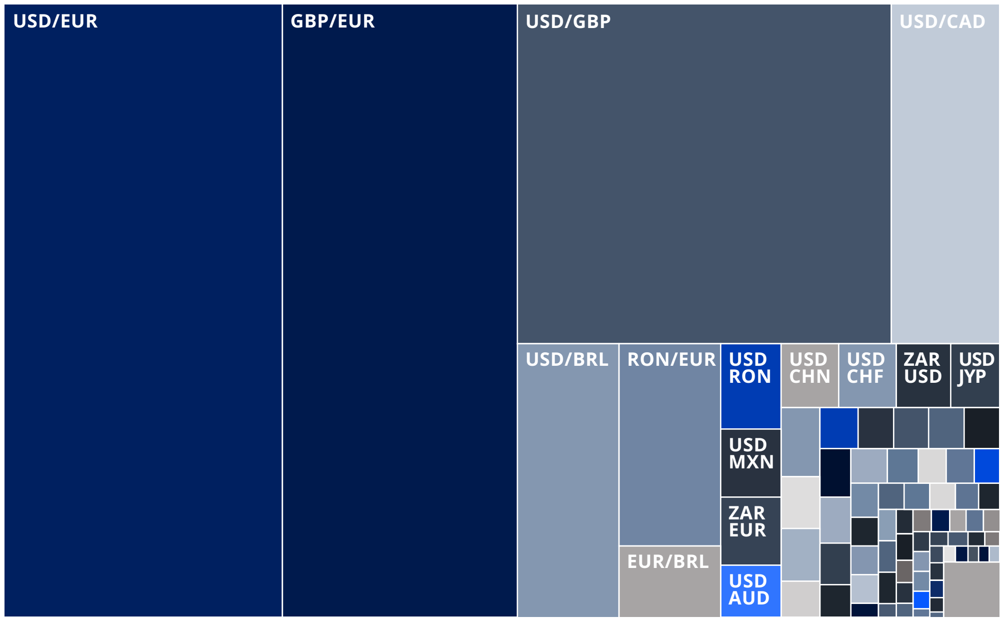
North America also achieved impressive EBITDA growth of 26%, which serves as a testament to the unique product offering, scalability in the vast US market and the continued expansion of our Canadian business. The UK achieved an 8% year-on-year growth rate with investment made in our people and processes in Q4 including the appointment of Adrian Walkling as UK CEO in October.

Revenue in Brazil declined compared to 2022 as we continue to diversify the business across client verticals. We expect to see this return to growth in 2024 given the opportunity our presence in this large and underserved market represents.

PAYMENTS – CORPORATE BY BUSINESS UNIT

	2023 £000	2022 £000	Growth £000	Growth %
Revenue				
UK	**41,453**	41,079	**374**	**1%**
Europe	**17,667**	15,831	**1,836**	**12%**
North America	**25,211**	24,067	**1,144**	**5%**
Brazil	**2,759**	6,277	**(3,518)**	**(56%)**
Total	**87,090**	87,254	**(164)**	**0%**
EBITDA contribution				
UK	**23,039**	21,311	**1,728**	**8%**
Europe	**8,381**	6,304	**2,077**	**33%**
North America	**9,425**	7,483	**1,942**	**26%**
Brazil	**(371)**	491	**(862)**	**n.m**
Total	**40,474**	35,589	**4,885**	**14%**
EBITDA contribution margin	**46%**	41%		

CURRENCY PAIRS TRADED*



* Weighted based on flow.

Business review continued

OUR REGIONS

Operations span across our four main geographic locations, with higher growth expected to be derived from our more nascent businesses in Canada, Spain, France and Brazil in the medium term. As the UK is our flagship location, it continues to represent just under 50% of the Corporate business however this continues to decline as we expand globally.

We are committed to our investment in Brazil, and are confident that following the completion of the Brazil migration onto the Group platform, it will become a larger contributor to Group revenue and EBITDA as Moneycorp gains market share and achieves greater economies of scale.

OUR CLIENTS

Our client base is diverse with a strong established client base, a testament to our dedication to client relationships. Whilst we saw a disappointing decline in client revenue retention in 2023 (from 113% to 80%) this was not entirely unexpected with some clients executing larger one-off trades in 2022 which we knew wouldn't repeat, and others making the most of the strong USD.

We were pleased to see however, our client and transaction retention metrics stayed consistent with those reported in 2022 (in the 80%s and 90%s respectively).

Our client base comprises businesses across 70+ industry verticals. In 2023, Food & Drink was the industry with the highest number of clients at 6.3%, followed by Professional Services and Marine at 5.8% and 5.4% respectively. This diversity ensures the Group is not adversely impacted by market movements within specific industries.

We remain focused on growing a SME client base with steady and repeatable FX and payment needs, driving predictable performance and high retention across the Corporate segment.

OUR PRODUCTS

Our Corporate clients have varying product and currency preferences based on geography, which is influenced by the products available in the region and their individual requirements.

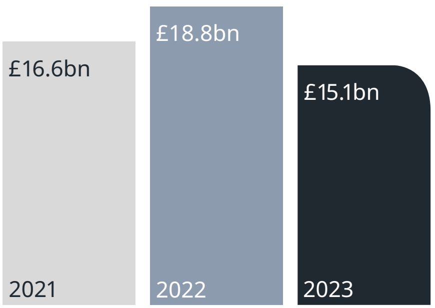
In 2023, the product mix for our Corporate business was 63% spot (including payment solutions) and 37% structured products. Approximately 48% of revenue for the year was generated from clients who traded more than one product.

The currency pairs traded by our clients were balanced in the majors, which accounted for 71% of flow. EUR/USD was the most traded currency pair in 2023, although over 340 different pairs were traded across the Corporate book showing the breadth of our currency availability and client needs.

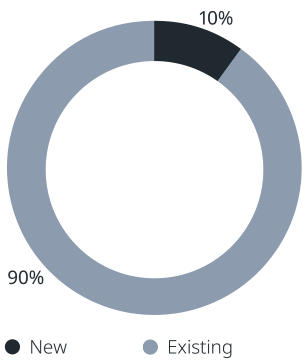
A SAVING OF $50K FOR A EUR/USD IMPORTING CLIENT

During the year a client in the shipping industry took advantage of our free FX health audit. It was here that we discovered they were spending over $10k unnecessarily in currency conversions. We set them up with a £2m credit line with a 0% deposit to implement an effective hedging strategy consisting of forward contracts. We've managed to save this client $50k year-on-year so far as well as giving them an account where they can hold multiple currencies without switching back and forth.

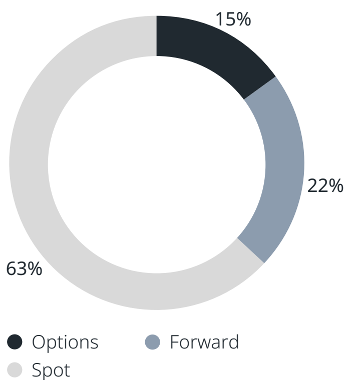
FLOW



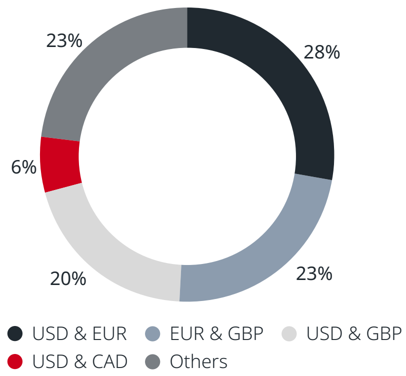
NEW AND EXISTING REVENUE



REVENUE BY PRODUCT TYPE



FLOW BY CURRENCY PAIR



Business review continued

Payments – Private

Moneycorp's Private segment serves HNWIs who prefer a personalised approach to their cross-border payments. Payments – Private continues to make a meaningful contribution to the Group despite facing market headwinds in 2023.

SEGMENT OVERVIEW

Payments – Private is dedicated to serving HNWIs across our four main geographic hubs, who generally require sizeable foreign currency transactions and manage associated risks. These transactions typically involve purchasing second homes, funding international education and healthcare or buying luxury items. Our clients can execute their required trades via their dedicated relationship manager who will guide them through the intricacies of cross-border payments, or our user-friendly digital platform, Moneycorp online, which is available 24/7. Using Moneycorp online, clients can track payments, secure favourable exchange rates, and set up a Regular Payment Plan at any time.

2023 PERFORMANCE HIGHLIGHTS

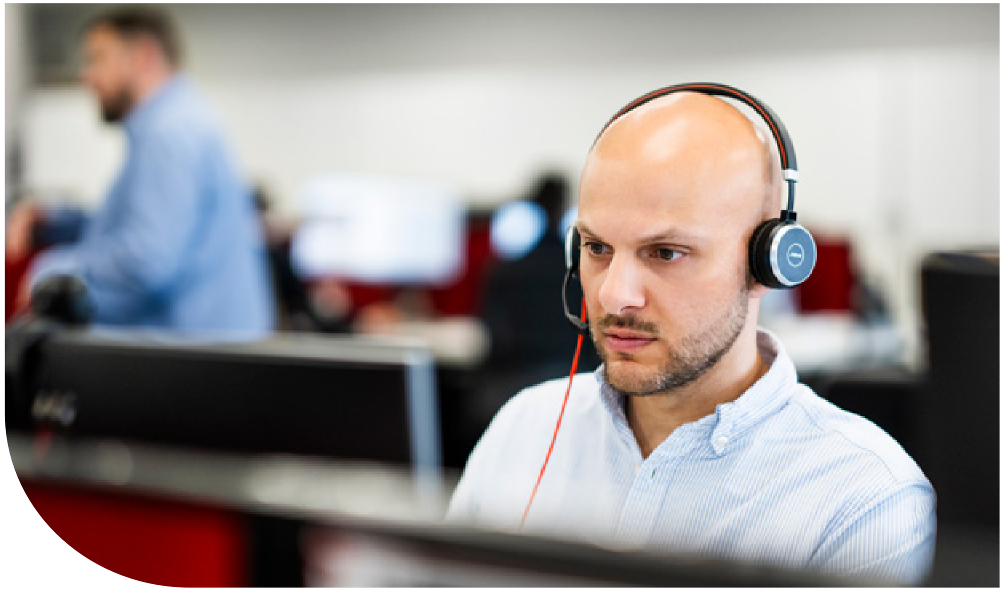
In 2023 we helped over 23,000 HNWI clients across the UK, Europe, North America and Brazil make cross-border transactions.

Rising global interest rates and persistent inflation was a contributor to reduced flows in our Private segment during the year. Overall, the segment contributed £22.1m of revenue and £10.0m of EBITDA contribution, a 13% and 18% reduction respectively. However, growth was seen in North America driven by geographic expansion and retention from our established client base, which was stronger than the private segment average.

The Private segment's contribution to EBITDA continues to be an important component of Group profitability.

PAYMENTS – PRIVATE BY BUSINESS UNIT

	2023 £000	2022 £000	Growth £000	Growth %
Revenue				
UK	**15,452**	18,194	**(2,742)**	**(15)%**
Europe	**2,469**	2,929	**(460)**	**(16)%**
North America	**2,761**	2,701	**60**	**2%**
Brazil	**1,434**	1,602	**(168)**	**(10)%**
Total	**22,116**	25,426	**(3,310)**	**(13)%**
EBITDA contribution				
UK	**7,678**	9,678	**(2,000)**	**(21)%**
Europe	**1,504**	1,656	**(152)**	**(9)%**
North America	**960**	840	**120**	**14%**
Brazil	**(117)**	125	**(242)**	**n.m**
Total	**10,025**	12,299	**(2,274)**	**(18)%**
EBITDA contribution margin	**45%**	48%		



Business review continued

OUR REGIONS

As a result of the Group's history, we have a well-established client base in the UK, and, as a business segment, our revenue is predominantly generated from this region. We are, however, also focused on expanding our Private business in other regions e.g. Canada and Brazil. This expansion of our global footprint aligns with the Group's overall strategy of enhancing our global presence.

OUR CLIENTS

We tend to see different transaction patterns across our Payments – Private client base. This is because private clients often engage in one-off significant asset purchases such as second homes or other luxury items only, whilst others have subsequent smaller recurring transactions such as for mortgage payments or maintenance.

As a result, transaction sizes tend to be higher for the first client trade, with subsequent activities at significantly lower amounts. Client revenue retention is a less relevant measure for the Private business segment given the nature of client trading, with new client business being essential for the segment. During the year 48% (2022: 52%) of revenue was generated from new business, with over 6,000 new clients added, and 52% from existing clients.

OUR PRODUCTS

In our Payments – Private segment, the majority of our clients tend to opt for spot trades as their preferred product (c.83% of revenue generated from spot transactions). Product mix remained similar to prior year with a small, but significant, portion of our clients opting for forwards.

EUR/GBP was the most traded currency pair in 2023, driven by the flow of clients within the UK business unit, followed by GBP/USD.

New clients worldwide

6,000+

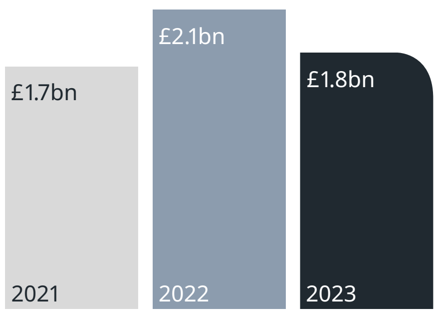
Transactions executed

120,000+

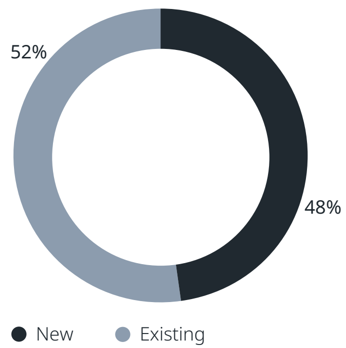
Currency pairs traded

180+

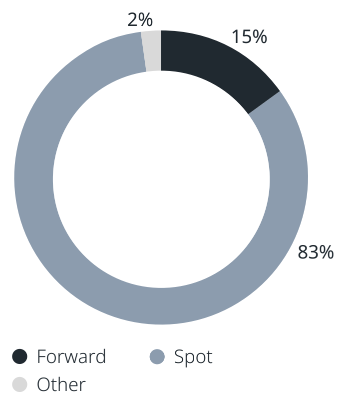
PAYMENTS – FLOW



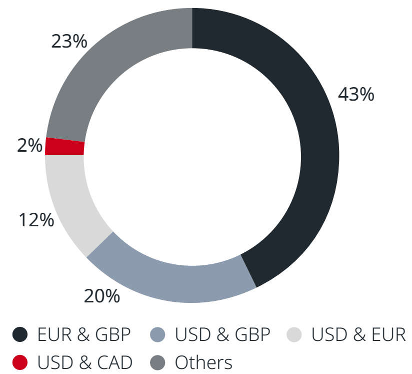
NEW AND EXISTING REVENUE



REVENUE BY PRODUCT TYPE



FLOW BY CURRENCY PAIR



Business review continued

Payments – Financial Institutions

We are proud to be part of the FRBNY FBICS program, which has enabled us to connect the physical USD liquidity market globally, resulting in strong growth in recent years.

PAYMENTS – FI BY BUSINESS UNIT

	2023 £000	2022 £000	Growth £000	Growth %
Revenue				
FIG EMEA	**94,318**	92,572	**1,746**	**2%**
FIG APAC	**9,832**	8,959	**873**	**10%**
Moneycorp Bank	**10,122**	5,718	**4,404**	**77%**
Total	**114,272**	107,249	**7,023**	**7%**
EBITDA contribution				
FIG EMEA	**49,603**	46,011	**3,592**	**8%**
FIG APAC	**3,984**	3,377	**607**	**18%**
Moneycorp Bank	**5,493**	3,249	**2,244**	**69%**
Total	**59,080**	52,637	**6,443**	**12%**
EBITDA contribution margin	**52%**	49%		

SEGMENT OVERVIEW

Payments – FI comprises of two main business units – Moneycorp Bank and Financial Institutions Group (FIG), which is further divided into two operational business units – the EMEA business (managed from London) which serves clients worldwide, the APAC business (managed from Hong Kong) which serves clients in Asia.

Moneycorp Bank is a licensed bank based in Gibraltar offering payment and foreign exchange services similar to our other Payments segments. In addition, it offers notice deposit accounts to businesses and individuals.

Through our banking licence in Gibraltar, Moneycorp's FIG business specialises in the clearance and supply of wholesale currency globally. As one of only two non-US banks with direct access to the FRBNY via FBICS, we source USD notes at parity. This enables FIG to act as a payments gateway for the global international movements of physical USD, ensuring the safe distribution of liquidity to various central banks and financial institutions worldwide.

In recent years, Moneycorp FIG has become a meaningful secondary distributor of Euro and other currencies.

WHERE WE ADD VALUE

Our FIG platform allows us to seamlessly connect suppliers and financial institutions, facilitating international liquidity distribution of various currencies through strategic partnerships with the FRBNY, other secondary suppliers, and an array of leading third-party cash-in-transit (CIT) providers, adding value to all stakeholders.

Direct access to USD allows us to provide competitive rates to our clients, and our partnership network enables seamless movement of liquidity around the world.

Our experienced Moneycorp team have the benefit of long-standing relationships with liquidity providers and clients, and are dedicated to ensuring client needs are met.

As an example, during the COVID-19 pandemic, when many of the global banknote suppliers significantly reduced operations, we instead adjusted our operations to maintain services at a critical time. This is just one example of lengths we go to in order to support our clients and which have resulted in strong relationships since.

Our business is supported through a best-in-class compliance infrastructure, benefiting from the wider Group's network and expertise. We add value to our liquidity providers by utilising this infrastructure to provide regular reporting on global currency flows.

2023 PERFORMANCE HIGHLIGHTS

We reported strong and consistent results in 2023 with revenue of £114.3m and EBITDA contribution of £59.1m representing growth of 7% and 12% respectively compared to prior year. These results are very pleasing given the retention of, and growth in, the significant performance uplift seen in 2022.

Our FIG business supported over 240 clients, executing £53.3bn of flow across 80+ currencies in 2023. Growth was achieved via strong client retention rates, expanding wallet share with a number of our existing clients and on-boarding new clients across 20+ countries. The FIG business also benefited from higher interest income.

Moneycorp Bank had a strong year of revenue growth and improved profitability. Revenue grew by 77% year-on-year, benefiting from the rising interest rate environment as well as increased FX revenue from MiFID products. EBITDA increased by 69% whilst also making significant investments into both the people and platform of the business, to support ambitious future growth plans.

Business review continued

OUR REGIONS

The Payments – FI business operates across a wide range of geographic locations, with a specific focus on emerging markets where the USD is an important reserve currency. This diverse mix of clients across the world is considered essential to the continued success of the business and, during 2023, we successfully expanded our operations in particular in Asia and Eastern Europe.

During the year we hired sales personnel located in the UAE to spearhead our expansion in the MENA region. We remain committed to expanding our global footprint, and we have identified several new markets that we will look to expand into in 2024.

OUR CLIENTS

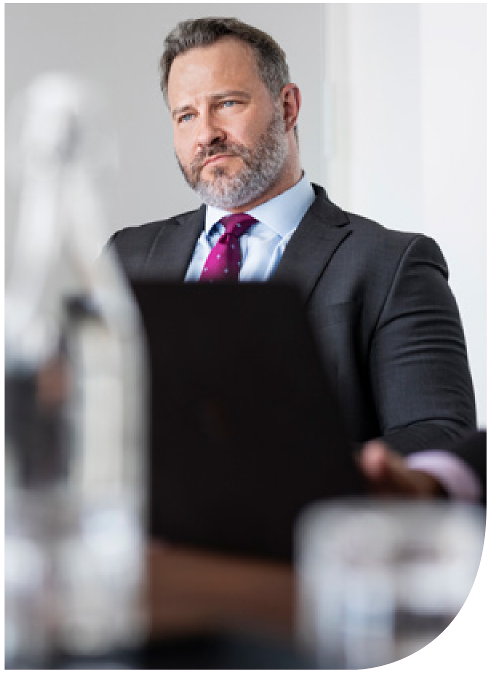
We have a diversified client base, primarily consisting of central and commercial banks, however, we also serve a smaller number of FX bureaux, corporates and non-governmental organisations. With 58% of client flow being derived from commercial banks across a range of geographies, it was the largest client category we served in 2023.

Central banks make up the second largest client category, accounting for 29% of our clients, while the remaining clients are a mix of other liquidity wholesalers, FX bureaux and non-governmental organisations.

OUR PRODUCTS AND CURRENCY MIX

Since obtaining FBICS membership and becoming a primary supplier of USD, the majority of client trades are USD related, although a large number of other currencies are also supported. In 2023, USD accounted for 89% of all flows. Additionally, the FIG business acts as a secondary provider, supplying and clearing non-USD currencies to our client base that have no direct access to central banks. This made up the remaining 11% of flow for the year.

In 2023, 52% of the total flow came from Moneycorp supplying banknotes to clients and the remaining 48% came from clients selling back banknotes.



PAYMENTS FI – FLOW

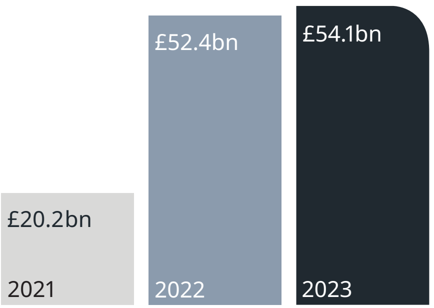


FIG FLOW BY CLIENT TYPE

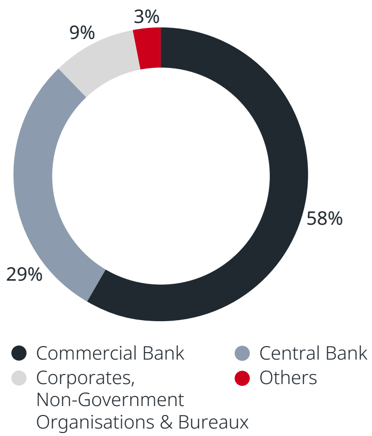


FIG FLOW BY PRODUCT TYPE

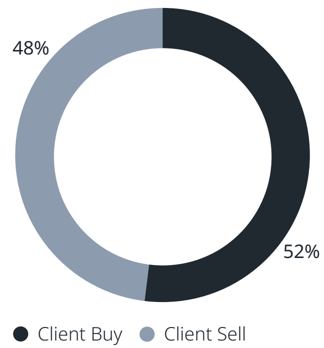
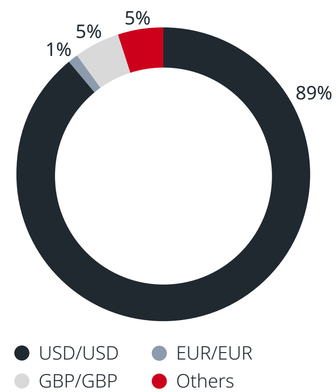


FIG FLOW BY CURRENCY PAIR



Our people

A global workplace

Our people are what matters most – in 2023 we have refreshed our values which form the foundation of all that we do.

635
PEOPLE*

11
COUNTRIES

40+
NATIONALITIES

18
PERSONNEL IN THE MONEYCORP APPRENTICESHIP PROGRAMME

Julie Kellett Head of Human Resources

OUR VALUES ARE CRITICAL TO THE MONEYCORP IDENTITY

We have recently reviewed and updated our values to ensure they are completely aligned to our strategy and vision. In order to ensure our values were understood, felt and owned by our people, we created a network of "value champions" across the business to facilitate local discussions and come together to develop our values and define what each truly means.

BELONGING

We conduct ourselves with integrity, fostering a culture of respect. We build off strengths that emerge from embracing diverse perspectives.

EXCELLENCE

We aim for excellence in everything we do, underpinned by strong governance, responsible leadership, and high-quality products and services.

ACCOUNTABILITY

We believe in clear accountability, taking responsibly for the work we do to achieve our strategic goals, to meet and exceed regulatory requirements, and to play an active role in the communities we work in.

CLIENT-ORIENTATED

We strive to exceed client expectations and put them at the heart of everything we do. We listen to their feedback and fine-tune our proposition to meet their core needs.

ENTREPRENEURSHIP

We embrace innovation, striking a balance of creative solutions with strategic execution. We are bold but pragmatic, taking an informed, risk-based and data-driven approach to decision-making. We foster a culture where new ideas are embraced, and success is celebrated.

* Group FTE as at 31 December 2023.

Our people continued

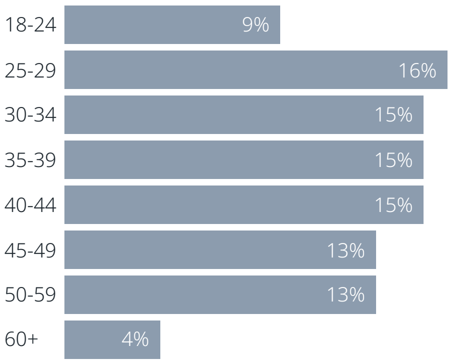
DIVERSITY, EQUITY AND INCLUSION

Across our business we champion diversity, inclusivity and equity, and continue to place unwavering focus on driving positive change within Moneycorp.

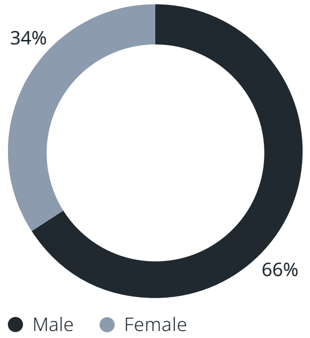
Our workforce is diverse in terms of age and nationality. Although British nationals continue to be our most prominent demographic due to our flagship business unit and the majority of our support functions being based in the UK, this percentage is decreasing every year as we expand globally.

As is often seen in the financial services industry, our workforce is more heavily weighted towards men than women. We are aware of this and continue to progress initiatives to increase the number of female employees and eliminate any potential unconscious bias. We remain committed to empowering the women we currently have in our teams including via our mentoring programme.

BREAKDOWN OF STAFF BY AGE



BREAKDOWN OF STAFF BY GENDER



LEADERSHIP ROLES BY GENDER

Roles	Female	Male	Total
Executive	2	9	**11**
Head of department	13	69	**82**
Manager	47	63	**110**
Total	**62**	**141**	**203**

DIVERSITY, EQUITY AND INCLUSION STATEMENT

We are strongly committed to fair employment practices and do not tolerate discrimination based on age, sex, gender, sexual orientation, race, ethnicity, culture or disability. The Group provides reasonable accommodations for job applicants with disabilities during the recruitment process, and ensures that disabled employees have access to ongoing training, career development and advancement opportunities.

Apprentice programme case study

At Moneycorp we are proud to support apprenticeships as it reflects our commitment to fostering talent, promoting diversity and investing in the development of the next generation of leaders. In September 2023 we partnered with Multiverse to deliver our apprenticeship programme, welcoming 18 talented young individuals into our UK Offices, whom are all already making a valued contribution to our business.

"We believe in nurturing grassroots talent and growing our future leaders from within. The fresh perspective our apprentices bring to our business helps us create an inclusive environment where innovation thrives."

Julie Kellett
Head of Human Resources

EMPLOYEE OPINION SURVEY

We listen to our people, implementing actions from our Employee Opinion Surveys to continue to strengthen our culture.

We encourage all Moneycorp employees to share their opinions via our regular employee opinion surveys in order to continue to strengthen our culture and make Moneycorp a great place to work. In August 2023 we reintroduced a refreshed Employee Survey, with over two thirds of our staff completing the survey in full. We refreshed this at the start of 2024 to reflect H2 2023 progress and were pleased to receive the same level of engagement – a testament that people see evidence that feedback is heard and actioned.

91%

are proud members of their Moneycorp team

86%

understand how their work impacts business goals

77%

feel they can be themselves at work

+13%

overall Employee enjoyment at work NPS

Progressing our positive contributions to society

We recognise that as a business, we have a responsibility to contribute positively to society, beyond simply providing products and services.

OUR GUIDING BELIEFS ARE

- Businesses have the power to make a positive impact on the world.
- We must invest in our planet.
- The individual has the power to effect change.
- Well-governed businesses outperform and are more resilient.

We strongly believe in the principles of good governance and take personal responsibility for the impact our operations have on the communities where we operate, and on the world at large.

OUR THREE STRATEGIC PILLARS OF ESG

In 2022 we developed our three strategic pillars of ESG, and in 2023 are proud to have delivered continued progress against each:

- EMPOWERING WOMEN
- TACKLING STREET HOMELESSNESS
- PROTECTING THE ENVIRONMENT

"We are committed to aligning success with corporate responsibility."

Peter Green Group General Counsel & CRCO

EMPOWERING WOMEN

We are committed to fostering a culture of belonging and empowerment for women across the globe.

During the year we celebrated international women's day, hosted a number of events and successfully piloted our mentoring programme with a focus on empowering women at Moneycorp. More specifically our achievements included:

- Hosting a women-only networking event with an inspirational guest-speaker facilitating a group discussion centred on female empowerment at Moneycorp.
- Celebrating International Women's Day with a panel discussion, where we were joined by a talented group of women as panelists discussing female empowerment and the importance of male allyship in addressing gender inequalities.

Empowering women

To celebrate International Women's Day, we proudly donated a portion of our profit for the day to three worthy causes supporting women around the world.

£92k

donated

- Launching our pilot Women's Mentoring Programme in Q1 in our London office. We were delighted to hear positive feedback and therefore also launched the programme in North America in Q3.
- In Brazil we hosted 'Cha com elas' (Women's Tea), providing a forum to discuss empowering women.

TACKLING STREET HOMELESSNESS

We have made it a priority to address the issue of street homelessness through our social initiatives. Our corporate partnership with The Passage, a charity located in Central London, continued in 2023 supporting them with a day-long street charity collection, van-loading to assist with their annual garden party fundraising event, and donations from our staff Christmas Jumper Day. In the US we worked with a local charity CrossRoads, volunteering at their foodbank, donating gifts at Christmas and meals at Thanksgiving, and attended an event with a focus on homeless women and thanking women who support them.

PROTECTING THE ENVIRONMENT

As part of our commitment to sustainability, we are dedicated to achieving net zero emissions ahead of the UK government's 2050 target. We will prioritise initiatives that align with our ethical beliefs and are likely to result in significant social and environmental benefits.

In Brazil we are a member of the Abracam (Brazilian Foreign Exchange Association) ESG Committee.

Our environmental commitments are set out in our Group policy and strategy. We recognise the risks and opportunities associated with the transition to a low-carbon economy. We are committed to using science-based targets to lower our carbon footprint. To this end, a plan to achieve net zero will be completed by the end of 2025.

Our approach to ESG continued

MONITORING AND REDUCING OUR EMISSIONS

To actively contribute to global sustainability efforts, we have partnered with a leading provider of carbon offset solutions. By doing so we are supporting a diverse range of global projects that extend beyond carbon offsetting, contributing to biodiversity conservation, renewable energy development and community empowerment. Through this partnership in 2023 we offset 100% of our 2022 Scope 1 and 2 emissions whilst remaining aligned to the United Nations sustainable development goals.

Reducing Emissions

We are implementing internal measures to reduce our carbon footprint actively. This includes adopting energy-efficient technologies and processes to minimise emissions directly under our control. Examples include:

- A salary sacrifice scheme for electric cars and a cycle-to-work programme available to all UK staff to reduce green-house gas (GHG) emissions.
- Revised our travel policy in 2023 with tighter controls on business travel, limiting the use of flights. The driver for this was to reduce carbon emissions by reducing the number of trips taken and ensuring necessary travel was less harmful environmentally (with economy now being the default class of travel given that business class travel causes higher carbon emissions).
- Waste reduction initiatives continue, with Head Office initiatives including:
  - 94% of waste generated during the year was recycled and the other 6% was sent to an 'Energy from Waste' Facility, with zero waste sent to landfill;
  - 100% of electricity used in Head Office is produced from a renewable resource;
  - Conducting an independent Energy Saving audit with several actions identified. We have implemented some already and are working towards implementing others.

Additionally, our US team participated in the Woonasquatucket River clean up during the year.

Streamlined energy and carbon reporting (SECR)

The Group follows the SECR requirements for large unquoted companies, as outlined in The Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 in the UK, as a guideline to undertake GHG reporting.

Scope

Management assessed all fuel and electricity consumption activities across all global sites that contribute to overall energy use, and determined that the following sources of emissions would be recorded in line with SECR guidelines:

- natural gas consumption from buildings where we have operational control over the boilers (Scope 1);
- fuel consumption from vehicles that are owned or controlled by the Group (Scope 1);
- natural gas consumption from leased buildings where we do not have operational control over the boilers (Scope 2); and
- electricity consumption including from leased buildings (Scope 2).

Emissions from business travel in rental cars or employee-owned vehicles, where the Group purchases or reimburses for the fuel, is deemed to be Scope 3 and therefore not included in the GHG emissions below.

GHG EMISSIONS AND ENERGY CONSUMPTION

The Group's Scope 1 and 2 GHG emissions and total energy consumption associated with its global operations are outlined below.

GHG emissions	2023		2022	
	GHG Emissions (tCO_2e)	GHG Emissions Intensity (tCO_2e/FTE)	GHG Emissions (tCO_2e)	GHG Emissions Intensity (tCO_2e/FTE)
Emissions source				
Scope 1 (direct)	40.4	0.06	–	–
Scope 2 (energy indirect)	145.0	0.23	117.0	0.22
Total	**185.4**	**0.29**	**117.0**	**0.22**

Energy consumption	2023		2022	
	Energy consumption (kWh)	Energy Intensity (kWh/FTE)	Energy consumption (kWh)	Energy Intensity (kWh/FTE)
Source of energy consumption				
Emissions from business travel in company controlled vehicles (Scope 1)	166,733	267.6	–	–
Natural gas controlled by leased building managers (Scope 2)	136,920	219.8	99,321	190.8
Purchased electricity (Scope 2)	579,344	929.9	511,437	982.4
Emissions from business travel in rental cars or employee-owned vehicles (Scope 3)	209,838	336.8	312,672	600.6
Total	**1,092,835**	**1,754.1**	**923,430**	**1,773.8**

The method used for calculating GHG emissions is in line with the GHG Protocol Corporate Accounting and Reporting Standard. Energy consumption figures in kWh were obtained from electricity invoices for each relevant site. Consumption through the use of fuel was obtained through spend data which was converted into mileage figures. Energy consumption and mileage figures have been converted into tonnes of carbon dioxide equivalent (tCO_2e) and kWh respectively. Average Group FTE for the year has been used as the denominator to calculate the associated GHG emission intensity.

2023 emissions

In 2023 our GHG emissions and energy consumption increased compared to 2022. This was primarily driven by more staff returning to office-based working in 2023 coupled with an increase in our total staff base, resulting in higher usage of electricity, gas and fuel. As we continue to make progress on implementing measures to reduce our emissions, an objective for the Group is to see a decline in our intensity metrics going forwards.

Building strong foundations for lasting relationships

> "We have leading positions across all business segments, providing a solid foundation for long-term value creation for all our stakeholders."

Velizar Tarashev
CEO

STAKEHOLDERS

CLIENTS

WHY THEY ARE IMPORTANT

Moneycorp's clients are at the heart of our business. We are committed to prioritising their best interests and establishing ongoing communication with them. To achieve our strategic objectives and establish a sustainable business for the long term, it is crucial for us to understand our clients' priorities and treat them fairly and with transparency.

HOW WE ENGAGE WITH THEM

- Our commitment to treating our clients fairly, including providing transparent and comprehensible information, is an integral part of our corporate culture.
- We maintain clear lines of accountability for client relationships and proactively engage with them to ensure their requirements are met.
- We communicate with our clients regularly, tailored to their preferred method of contact, be it email, telephone, face-to-face meetings, or senior management visits.
- We keep our clients informed about market developments that are relevant to them through a variety of channels.

OUR ACTIONS IN 2023

- We held regular client round tables to receive feedback on the products and services we offer.
- Provided daily and weekly news briefs on important market and macro-economic updates to clients as well as hosted monthly webinars.
- We continued to provide clients with easy-to-understand documentation that outlined key product features and terms before executing any trades.
- Attended various events and expos to engage with clients.

Read more Our strategic priorities
Page 26

- Conducted a refreshed client satisfaction survey to gauge client satisfaction, generating a NPS of 72+ which was up from an already strong +71 in 2022.

Our stakeholders continued

COLLEAGUES

WHY THEY ARE IMPORTANT

We recognise that our colleagues are our most valuable asset. We understand the importance of attracting the right people, and continuing to develop and motivate them. Our investment in people ensures their wellbeing, and protects and strengthens our culture.

HOW WE ENGAGE WITH THEM

- We keep our colleagues informed about important developments that affect our business. We do this regularly and openly, encouraging continuous feedback to ensure we communicate with them effectively.
- We place great importance on developing our talent pool by investing in our people. Colleague training is offered at all levels, and fostering colleague development is a key priority.
- We provide our colleagues with an Employee Assistance Programme, an independent and confidential service that offers support, counseling and advice to employees on both work-related and non-work related matters.
- To support individual growth, colleagues have regular one-on-one meetings, with their managers, and annual performance appraisals are conducted to set and track individual goals.

OUR ACTIONS IN 2023

- Hosted Group and regional town hall meetings for all colleagues to provide information on the business's performance and strategic priorities.
- Started the Moneycorp Apprenticeship Programme to foster and support young talent.
- Successfully piloted our Women's Mentoring Programme.
- Reintroduced a revised employee satisfaction survey to hear, and action, employee feedback.
- Refreshed our core Moneycorp values, led by our internal Value Champions.
- Launched our Women in Technology initiative.

Read more Our people
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REGULATORS

WHY THEY ARE IMPORTANT

As a financial services provider, we are subject to regulatory requirements across various jurisdictions. Maintaining full compliance with these regulations is crucial for our clients, the safety of their funds, and the continuity ofour business operations.

HOW WE ENGAGE WITH THEM

- We maintain a constructive and transparent dialogue with our regulators and have established a programme of regular cadence to ensure they are up to date on the business and our priorities.
- Regulators frequently engage with us to discuss their objectives and priorities and how they impact our industry and the shape of our business.

OUR ACTIONS IN 2023

- Continued to invest in our RegTech engine.
- Engaged proactively with all regulators including the GFSC on Moneycorp Bank's key initiatives, and provided regular detailed reporting such as that to the FRBNY to ensure traceability and transparency of fund flows.
- We had frequent in-person visits, as well as hosted visits at our Moneycorp offices, with various regulators including in the UK, US, Ireland, Gibraltar and Brazil.
- Commenced engagement with US regulators in anticipation of our application for a wholesale uninsured banking licence in the US in 2024.

Our stakeholders continued

BUSINESS PARTNERS AND SUPPLIERS

WHY THEY ARE IMPORTANT

Our partners and suppliers (for example, banking counterparties, referral partners and third-party vendors) are integral to our success. We work with best-in-class suppliers and partners, who understand our unique offering and strategic goals, allowing us to amplify our capabilities and efficiencies in delivering a leading service to our clients.

HOW WE ENGAGE WITH THEM

- We build long-term relationships with our key suppliers and partners. We continuously engage with them to ensure alignment on requirements and expectations.
- We undertake appropriate due diligence during the onboarding of third-party service providers.
- We foster strong relationships with banking counterparties through high governance standards and clear communication channels.

OUR ACTIONS IN 2023

- We maintained open communication through face-to-face meetings and where appropriate tracked and monitored relationships through KPIs and service level agreements (SLAs).
- The Board received regular updates on core performance KPIs.
- We continued to enhance our payment rail partners to ensure we have a diverse range of providers and that we are optimising payment methods and fees.

COMMUNITY

WHY THEY ARE IMPORTANT

As a global organisation, we value community engagement and strive to make a positive impact.

HOW WE ENGAGE WITH THEM

- We have a focus on charitable giving with colleagues from across departments and subsidiaries driving initiatives.
- We offer a Future Frontiers programme, whereby local young people are given face-to-face career coaching by Moneycorp colleagues.
- We actively engage in other initiatives to increase financial literacy in our communities.

OUR ACTIONS IN 2023

- Sponsored the Walpole ‘Brands of Tomorrow’ programme, mentoring upcoming businesses in currency, international payments and FX markets.
- We supported local organisations in our quest to tackle street homelessness.
- We made charitable donations to organisations aligned with our ESG pillars.
- In partnership with Future Frontiers, 19 staff provided career coaching, acting as professional role models for young people from disadvantaged backgrounds. Training was completed in 2022, with 1:1 coaching delivered in Q1 2023.

Read more Our approach to ESG
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LENDERS AND SHAREHOLDERS

WHY THEY ARE IMPORTANT

Our lenders and shareholders provide crucial capital to support our business and its growth.

HOW WE ENGAGE WITH THEM

- Our relationships are transparent and built on mutual understanding.
- We adhere to the financial covenants and other obligations set out in the wider Moneycorp Group’s Senior Financing Agreement to ensure our lenders remain informed.
- We report key financial data on a monthly basis to our shareholders to keep them informed of our business performance.

OUR ACTIONS IN 2023

- Our Finance Team maintained frequent communication with our lenders and shareholders, providing monthly reporting packs, quarterly covenant reporting, and annual budget presentations.
- Our shareholders are also represented on the Board as Investor Directors.

Risk management is an integral part of our business framework

The Group has established and embedded a risk management culture to identify and manage material business risks effectively across the organisation.

The Group's risk management framework follows a three lines of defence model which includes management control, risk and compliance oversight functions, and independent assurance. All levels of the organisation, from the Board and executive committee down, hold responsibility for risk management.

This distribution of responsibilities ensures that decisions regarding risk and return are made at the most suitable level, close to the business, while remaining subject to effective review and challenge. This review and challenge comes from business areas and functions, risk and compliance committees and internal audit as well as the Group Board and its sub-committees.

THREE LINES OF DEFENCE (LOD):

The responsibility for risk management resides at all levels

1

Day-to-day risk management by business areas and functions

Designs and operationalises controls to mitigate risks.

Establishes and maintains effective controls to mitigate risks and ensure compliance with internal policies and external regulations in their day-to-day operations. 1LOD includes client-facing staff, managers, and business unit heads, who undertake activities that generate risk.

2

Risk department
Compliance department

Establishes risk management frameworks and monitors the effectiveness of controls.

Sets policies and procedures, monitor and report on the effectiveness of controls and risk management activities, and provide guidance on risk-related matters.

3

Internal audit

Provides independent assurance to the Board on the efficiency of our controls.

Conducts risk-based audits to assess the adequacy and effectiveness of controls, identify areas for improvement and makes recommendations for remedial actions.

Governance

Subsidiary boards and committees

Audit Committee

Risk Committee

Group Board

Risk management continued

LINK TO STRATEGIC PILLARS

CLIENTS PERFORMANCE ENTREPRENEURSHIP REGULATORY CULTURE

TREND INDICATOR

STABLE DECREASED INCREASED

WHAT IS THE RISK	RISK DESCRIPTIONS	POSSIBLE IMPACT	KEY CONTROLS AND MITIGATING ACTIONS	TREND INDICATOR
1. Operational risk **Overseen by:** – Executive Committee – Board Risk Committee	The risk of internal process failures, system malfunctions, inadequate staffing or management, and other related risks within the organisation. Management at all levels of the organisation and all personnel in 1LOD are responsible for identifying, managing and controlling operational risk exposures.	Operational failures would impact our reputation and client confidence in our brand. Any remediation work could result in financial costs, with operational down-time further impacting revenue and profitability.	– Effective internal controls ensured through well-designed organisational structures, including Group-wide segregation of duties and delegation of authority. – Systems are designed to minimise the risk of failing to achieve business objectives, although they cannot provide absolute assurance against material misstatement or loss. – Operational budgets include appropriate investment levels to maintain critical systems and processes, protect client data, and train and develop staff. – The Group also maintains insurance to limit exposure to operational risk. – We continually review and monitor the effectiveness of our insurance arrangements.	
2. Regulatory & compliance risk **Overseen by:** – Board Risk Committee – Risk & Compliance Committee (sub-committee of Executive Committee)	Regulatory risk relates to the financial or reputational losses that may arise from failing to comply with the Group's regulatory requirements. Compliance risk refers to the risk of the Group failing to adhere to relevant rules and regulations applicable to its business.	The impact of regulatory risks materialising could result in penalties or fines from our regulators, or worst case could result in loss of our licences impeding our ability to operate or offer certain products.	– Group regulatory and compliance policy is led centrally by the Group General Counsel & CRCO. – Dedicated compliance teams within each business ensure compliance with Anti Money Laundering and Countering Financing of Terrorism (AML/CTF), sanctions, and other legal, regulatory, and licensing requirements, including all FCA requirements. – Regulator-led operating model in which each business unit has a dedicated local compliance officer responsible for complying with the relevant requirements for that specific market regulator. – The Group's legal team, in collaboration with external legal counsel, advises on the regulatory environments in which the Group operates and provides advice and guidance on any measures required to maintain regulatory licences as appropriate.	Market driven. Continued strengthening of consumer protection within the financial services industry is driving increased oversight from regulators.

Each risk is overseen by a Board sub-committee. For more on the Board and Committee structure.

Read more Governance at a glance
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Risk management continued

LINK TO STRATEGIC PILLARS

CLIENTS | PERFORMANCE | ENTREPRENEURSHIP | REGULATORY | CULTURE

TREND INDICATOR

STABLE | DECREASED | INCREASED

WHAT IS THE RISK	RISK DESCRIPTIONS	POSSIBLE IMPACT	KEY CONTROLS AND MITIGATING ACTIONS	TREND INDICATOR
3. Cyber & technology risk **Overseen by:** – Ops + Tech Committee (sub-committee of Executive Committee) – Board Risk Committee	Our technology is a key enabler to our success, including the protection of Group and all client funds. Cyber and technology risk is the failure of either our systems or its hosting environment, as well as the failure to adequately protect the confidential information or personal data of the Group, clients, employees, and other relevant stakeholders.	System failure would result in operational down-time, impacting client trading and our ability to generate revenue and profitability. Any breach of our data protection would have significant implications including loss of client confidence, reputational damage, financial loss and potential fines and/or legal action.	– We continue to invest in our technology platform to increase resilience including moving to cloud-based server hosting. – The Group uses the three lines of defence model for managing information and cyber security risks. The second line of defence is provided by the Information Security Team, led by the Chief Information Security Officer, and reports to the Group General Counsel & CRCO. – The Group has an ISO 27001 security accreditation, and in June 2023 also became SOC 2 certified. These accreditations evidence the priority we place on overall protection against technology-based risks and our ability to withstand cyber-attacks. – All staff are required to undergo mandatory security training to increase their awareness of the potential threats and tactics used by cyber criminals. – Undertake cyber simulation and disaster recovery planning.	Increased Market driven as criminals get more sophisticated, utilising technology to perpetrate cyber crimes.
4. People risk **Overseen by:** – Executive Committee	People risk refers to the risk that the Group may not be able to attract and retain qualified professionals, with relevant experience and knowledge in our industry sector, necessary to accomplish our goals.	Inability to achieve our business goals including future growth and expansion, while complying with relevant regulation, due to lack of continuity and poor management succession. Also a risk of loss of talent to competitors, resulting in lost market share.	– The Group implements strategic recruitment and retention plans. – We have clearly defined roles and responsibilities, including risk management and performance evaluation. – We utilise reward systems that consider overall performance. – We have an Employee Opinion Survey to gather colleague feedback and take actions based on responses.	Stable
5. Credit risk **Overseen by:** – Credit committee – Board Risk Committee	As the Group does not offer conventional forms of credit, credit exposures typically arise from short-term settlement owed by clients and counterparties for funds and services provided, as well as their obligations under foreign exchange contracts.	Ineffective management of credit could result in inappropriate client limits which, if the client does not honour, would result in financial loss to the Group from both a cash and profitability perspective, and potential reputational damage.	– Continued development of succession planning. – Credit policies, which are based on the Group's risk appetite, are approved by the Board. These policies require new and material increased client credit exposures to be approved by the independent credit department who assesses creditworthiness using fundamental credit analysis. – Credit exposures are overseen by the Group Credit Committee, chaired by individuals who are independent from revenue generation functions. – The credit department monitors credit exposures daily and takes appropriate actions, such as requesting cash margin from clients when predetermined risk limits are reached or in the event of a significant deterioration in a client's credit profile. – The Board's Risk Committee periodically reviews and discusses a summary of aggregated and individual credit exposures. – There were minimal realised credit losses during the year, and future credit losses are expected to remain within the Group's Board approved credit risk appetite. For more information, refer to notes 23 and 31 of the consolidated financial statements.	Stable

Risk management continued

LINK TO STRATEGIC PILLARS

CLIENTS · PERFORMANCE · ENTREPRENEURSHIP · REGULATORY · CULTURE

TREND INDICATOR

STABLE · DECREASED · INCREASED

WHAT IS THE RISK	RISK DESCRIPTIONS	POSSIBLE IMPACT	KEY CONTROLS AND MITIGATING ACTIONS	TREND INDICATOR
6. Currency risk Overseen by: – Finance Committee – Board Risk Committee	The Group is exposed to foreign exchange risks due to the translation of financial results and net assets of its overseas subsidiaries and branches into pounds sterling. The major currencies, including USD, GBP and EUR, account for approximately 85% of the Group's revenue. The Group maintains cash and cash equivalents in several currencies and invoices and receives payments in these currencies, which exposes the Group to movements in foreign exchange rates on these balances. The Group also holds currency trades with its liquidity providers, representing the back-to-back trades with clients, with exposure limits set with each.	Significant currency volatility can impact operations and client trading, including the need for margin calling on open trades to clients and from our liquidity providers. Rate movements can also impact the financial results from both foreign operations when converted to GBP for Group reporting, and FX movements arising on foreign currency balance sheet amounts.	– The Group's Treasury function manages foreign exchange exposure through foreign exchange spot deals to convert profits into each entity's functional currency. – The Group's business activities involve brokering foreign exchange contracts, such as foreign currency spots, forwards, and options, to clients. The Group enters into back-to-back arrangements with liquidity providers, eliminating currency risk on these transactions. Positions and currency exposures with each of our liquidity providers is monitored and managed by our Portfolio Optimisation and Asset Management team. – Most of the effects of exchange rate changes on cash and cash equivalents are offset by exchange rate movements on the corresponding liability for client-held funds.	Decreased In 2022 FX markets were active, resulting in unprecedented rate movements and volatility, whereas in 2023 we saw much more stable market conditions. Additionally, internally we have implemented a number of actions during the year to strengthen processes and controls which mitigate currency risk associated with margin calls with our liquidity providers.
7. Liquidity and financing risk Overseen by: – Finance Committee	The Group needs sufficient liquidity to settle cash and derivative financial instrument contracts, and other short-term working capital requirements. There is no set liquidity requirement by the FCA for limited licence firms or payment services providers. The wider Moneycorp Group has financing facilities in the form of shareholder loan notes and senior debt facilities, with covenants tested on a quarterly basis.	Inadequate liquidity and financing would adversely impact our ability to invest and grow the business, close out client and liquidity provider deals, or settle our liabilities as they fall due.	– Liquidity is generated through retained earnings as well as intra-day settlement and liquidity facilities provided by financial institutions that the Group has a long trading history with. – Clients are generally required to pay prior to making outward payments or receiving banknotes, and foreign exchange contracts entered into with clients are done so on a back-to-back basis. – We continue to evolve and develop our liquidity requirements systems and controls to manage the Group's liquidity profile and ensure sufficient liquid resources are maintained to meet business needs. – Our Portfolio Optimisation and Asset Management team conducts regular stress testing of the Group portfolio, what-if scenarios and liquidity waterfalls. – A dedicated team in London exclusively oversees treasury for all geographies and continues to enhance treasury management systems to increase the level of automation for treasury payments, monitoring and bank account management. – The Directors believe that these facilities, combined with other credit facilities and cash at bank, provide sufficient liquidity to meet the Group's funding requirements and to ensure all covenants are met.	Stable

Risk management continued

LINK TO STRATEGIC PILLARS

CLIENTS | PERFORMANCE | ENTREPRENEURSHIP | REGULATORY | CULTURE

TREND INDICATOR

STABLE | DECREASED | INCREASED

WHAT IS THE RISK	RISK DESCRIPTIONS	POSSIBLE IMPACT	KEY CONTROLS AND MITIGATING ACTIONS	TREND INDICATOR
8. Climate-related risk **Overseen by:** – Board Risk Committee	As the world focuses more on the impacts of climate change, governments, businesses, and stakeholders alike are increasing their awareness and implementing mitigating actions to minimise their contribution to the impact.	Failure to address climate-related impacts presents a risk to our reputation and could lead to an adverse impact to client trading and stakeholder engagement, as well as impacting the value of the Group, due to increasing expectations on businesses.	– We understand our responsibility to our community and in 2022 implemented our climate and broader ESG policies. – We are currently in the process of establishing appropriate committees to gain a better understanding of the potential impact of climate-related risk on our business operations. – We aim to be prepared for any future mandatory reporting requirements. – ESG is overseen by the Group General Counsel & CRCO. **Read more** Our approach to ESG **Page 38**	Stable
9. Geopolitical risk **Overseen by:** – Board Risk Committee	We operate and have clients in many countries around the world, some of which are in regions which have surrounding social and political tension and/or conflict.	Geopolitical environment changes may impact our ability to expand globally and/or provide services to clients in any current or new market, impacting revenue and profitability. Failure to identify and act on geopolitical risks and corresponding sanctions would adversely impact our reputation and regulatory credentials.	– Our Board Risk Committee, as well as the Group Board, continue to monitor current affairs globally, reviewing the location of all clients and transactions and confirming compliance with all applicable international sanctions. – The Group has various compliance procedures in place to mitigate any potential risk to the business and continuously assesses for any potential impacts including demand for foreign currency products, change in credit risk of clients, and operational resilience. – The Group is establishing a Financial Intelligence Unit to enhance our quantitative risk monitoring including of geopolitical risk.	Increased
10. Financial crime risk **Overseen by:** – Board Risk Committee	Moneycorp may be used to perpetuate/is unable to prevent, financial crimes such as money laundering, terrorism financing, bribery and corruption, fraud, and sanctions evasion, from happening through our organisation.	This may impact the business, our clients, attract regulatory scrutiny, lead to financial loss and regulatory fines/sanctions, and/or damage our reputation.	– Group policies are the foundation of the financial crime prevention programme, setting minimum control standards which are implemented across all jurisdictions. These are complemented by Group procedures as well as local policies and procedures as required. – All staff Group wide undertake a robust training programme in all financial crime topics, with key staff receiving further enhanced training. – Dedicated financial crime teams are present in all our entities to ensure compliance with relevant laws and regulation including AML/CTF, sanctions, tax evasion, and anti-bribery & corruption, with several systems and software utilised as part of the prevention strategy. – Appropriate client due diligence and risk assessment, followed by ongoing transaction monitoring and screening of clients, contacts and counterparts. – Sanctioned individuals or entities are not able to use our services. The Group will, by default, refuse to knowingly engage in any kind of business that is not consistent with laws and regulations.	Increased Market driven as criminals get more sophisticated, utilising more technology to perpetrate their crimes.

Risk management continued

LINK TO STRATEGIC PILLARS

CLIENTS PERFORMANCE ENTREPRENEURSHIP REGULATORY CULTURE

TREND INDICATOR

STABLE DECREASED INCREASED

WHAT IS THE RISK	RISK DESCRIPTIONS	POSSIBLE IMPACT	KEY CONTROLS AND MITIGATING ACTIONS	TREND INDICATOR
11. Legal risk Overseen by: – Board Risk Committee	Legal risk is inherent in all of the Group's activities. Legal risk encompasses factors such as policy decisions, employee conduct, human resource practices, contractual obligations and legal and regulation interpretation. The Group's business, with corporate entities located in multiple jurisdictions, additionally makes it subject to a wide range of laws and regulations and is supervised by a number of regulators globally.	Legal risk can lead to penalties and fines, the need for monetary damages, deterioration of the Group's reputation, and reduce the opportunities for development or legal enforcement of agreements.	– The General Counsel provides strategic legal advice to the Group Board and its subsidiaries. He is supported by a dedicated group of lawyers that provide guidance and advice to the business on its legal obligations. The legal function works with colleagues in other central functions and in local offices to monitor legislative changes and interacts with regulators and industry bodies to stay informed of upcoming changes. The legal function is supported by external legal advisors when deemed appropriate.	Stable
12. Conduct risk Overseen by: – Risk & Compliance Committee (sub-committee of Executive Committee)	This is the risk we fail to conduct ourselves in a manner expected in the financial services industry resulting in detriment to a client or other stakeholder. This includes but is not limited to failure to comply with laws and/ or regulations such as the individual accountability regimes across a number of jurisdictions we operate in or the FCA's led Consumer Duty regulation which requires firms to 'act to deliver good outcomes for retail customers'.	The consequences of not complying with a robust conduct risk regime can lead to serious consequences including fines, penalties or closure, hence the Group has no appetite for any practices that could be deemed to lead to increased conduct risk.	– The Group has conduct risk policies, training programmes and risk indicators in place implementing a culture where the client's interest should be always protected, including ensuring clients have access to clear and transparent information. Activities such as mis-selling of products and services, non-financial misconduct, fraudulent actions, poor product/service performance and any form of bribery and corruption are forbidden. – All employees undertake mandatory Anti-Bribery and Corruption training.	Stable

OTHER RISKS

In addition to the key risks highlighted, the Directors acknowledge there are various other risks which have been reduced to an acceptable level including:

- Outsourcing risk
- Strategic risk
- Concentration risk

Governance report

Board of Directors

Evolving our experienced Board of Directors

Our Moneycorp Board continues to have a strong mix of experienced and entrepreneurial individuals in both executive and non-executive positions. Our Board plays a critical role in developing strategic growth plans and providing independent perspectives to support core business performance.

ALAN BOWKETT*
CHAIR
APPOINTED: 2020

Alan is an experienced Chair of international, publicly listed and private equity backed companies operating in highly regulated markets. He has held previous CEO roles including Berisford plc, RHP Bearings, and Boulton and Paul plc, and has also held previous Chair roles at Norwich City FC, IDH Holdings, Redrow PLC and Diaverum. Other current Chair roles include Cambridge Education Group, Ontic, and Evac Group.

VELIZAR TARASHEV*
EXECUTIVE DIRECTOR – CEO
APPOINTED: 2021

Velizar was appointed as Moneycorp CEO in July 2023 after 2.5 years in the CFO role. Velizar has a long track record of successful execution in regulated financial services. Before joining Moneycorp, he spent more than a decade at Barclays in various leadership roles including Finance, Strategy and Technology, with his final role as CFO at Barclays Private Bank. Prior to that Velizar was an investment banker at USB and a strategy consultant at AT Kearney.

EMMA ALLEY*
EXECUTIVE DIRECTOR – COO
APPOINTED: 2021

Emma is the Chief Operating Officer at Moneycorp. She leads a global team and oversees Payment Operations, Compliance Operations, Supply Chain and Procurement. Emma joined Moneycorp in 2013, and her previous role was Head of Strategy & Financial Planning. Emma is a Chartered Accountant and has previously worked in Transaction Services at KPMG and Davy Stockbrokers.

RICHARD BRICE
EXECUTIVE DIRECTOR – CFO
APPOINTED: 2024

Richard took over as CFO during the year, joining from Barclays where he spent the last 12 years, most recently holding the role of Managing Director, Barclays Bank plc Controller. Prior to this, Richard was the Barclays Head of Group Planning, Reporting & Analytics. Before joining Barclays, Richard held roles as a Supervisor at the Financial Services Authority, the Head of Risk Analysis & Capital Planning at Nationwide Building Society and a number of finance roles at Lloyds Banking Group.

PETER GREEN*
EXECUTIVE DIRECTOR – GENERAL COUNSEL & CRCO
APPOINTED: 2021

Peter is Moneycorp's General Counsel and Chief Risk & Compliance Officer. He brings 30+ years' experience in senior roles in compliance, risk and regulatory. His previous experience includes MoneyGram International, where he served as their Global Head of Regulatory Affairs, as well as serving as General Counsel and Chief Compliance Officer at various blue-chip firms.

Board of Directors continued

MARK HORGAN
NON-EXECUTIVE DIRECTOR: DEPUTY CHAIR
APPOINTED: 2012

Mark stepped down as Moneycorp CEO in July 2023 after 12 years in the role, however he remains on the Board as a Non-Executive Director and assumed the role of Deputy Chair in early 2024. Mark previously held the role of Managing Director of Travelex's Cards and Mobile Payments Division and European CEO of The Number UK (owner of 118 118 info. service). He served as Executive Director on the Board of MFI Group PLC from 1999 to 2005 and also held various marketing roles with Mars, Nestlé and United Biscuits.

MARTIN CLEMENTS
NON-EXECUTIVE DIRECTOR
APPOINTED: 2018

Martin joined Moneycorp as a Non-Executive Director in 2018 and also chairs the Risk Committee. Originally trained in computer and natural sciences, Martin previously held the position of Director General Technology and Transformation at the UK Foreign and Commonwealth Office. Martin has chaired several Boards and acted as an advisor to global business leaders mainly in the defence technology, cybersecurity and financial services sectors.

DAVID SHEDD
NON-EXECUTIVE DIRECTOR
APPOINTED: 2018

David joined Moneycorp as a Non-Executive Director in 2018. He has over 30 years of national security expertise serving as part of the US government in a variety of senior intelligence roles. He previously held the role of Director of the Defense Intelligence Agency. He has also served as the inaugural Deputy Director and as the National Security Council's Special Assistant to the President.

ADAM JONES*
INVESTOR DIRECTOR – REPRESENTATIVE OF BEIV NOMINEES LIMITED
APPOINTED: 2020

Adam is a Partner at Bridgepoint, Moneycorp's ultimate shareholder, having joined Bridgepoint in 2018. Prior to Bridgepoint, Adam held a number of CFO roles at various global organisations. Adam is the Chair of the Moneycorp Remuneration Committee, and in August 2024 was also appointed as Audit Committee Chair.

BENOÎT ALTEIRAC
INVESTOR DIRECTOR – REPRESENTATIVE OF BEIV NOMINEES LIMITED
APPOINTED: 2024

Benoît joined as a Bridgepoint Investor Director in July 2024 however has supported Moneycorp throughout Bridgepoint's investment to date. Benoît is a Partner at Bridgepoint, joining the firm in 2002, and is based in London. Benoît is also a Board Director at Itsu and Burger King UK, both of which are other Bridgepoint investments.

All Directors are on the Board of Moneta Topco Limited, the ultimate Moneycorp Group holding company. Appointment dates reflect the date first appointed to the ultimate Moneycorp Group holding company.

During the year, the following were also Directors of Moneta Topco Limited Board, and have since resigned:

- Colin Buchan – resigned December 2023. Colin served as Audit Committee Chair for the first meeting of 2023.
- Edward Goble – resigned July 2024.
- William Paul – appointed October 2023, resigned June 2024.
- David Yates – resigned December 2023.

* Are also Directors of Moneycorp Group Limited, the reporting company. These appointment dates are detailed on page 101.

Governance at a glance

Maintaining effective oversight

Strong governance is at the heart of the organisation. The Group Board maintains effective oversight via a series of committees and has overall responsibility for governance within the Group.

The Board delegates certain of its responsibilities to a series of committees including the Risk, Audit and Remuneration Committees. The Board delegates all operational matters to the Executive Committee, except for matters specifically reserved to the Board.

BOARD OF DIRECTORS

Chaired by: Alan Bowkett

The role of the Board is to define and deliver the Group's strategy, promoting the long-term success of the business and delivering value to stakeholders.

Key responsibilities include:

- Corporate control and fiduciary responsibilities oversight.
- Strategy: definition, risk appetite, market and competitive landscape, talent and futureproofing.
- Effectiveness: clear accountabilities, defined levels of approval, and a process/mechanism for escalation, independent challenge and logistical efficacy.
- Stakeholder relationships.

Meetings held in 2023: 12

RISK COMMITTEE

Chaired by: Martin Clements, Non-executive director

Key responsibilities include:

- Setting and governing the Group's risk appetite, making recommendations to the Board on Group-wide risks.
- Establishing risk management frameworks, policies and procedures.
- Providing oversight of the adequacy and effectiveness of the Group's risk and control framework.
- Monitoring the Group's risk profile against risk appetite for each risk type under normal and stress conditions.
- Reviewing the Group's compliance with its internal policies and regulatory obligations on an ongoing basis.

Meetings held in 2023: 4

AUDIT COMMITTEE

Chaired by: Alan Bowkett (interim)*, Board Chair

Key responsibilities include:

- Overseeing and monitoring the integrity of financial statements and any material financial judgements contained therein, ensuring they provide an accurate representation of the financial position of the Group.
- Monitoring the independence and effectiveness of external auditors and recommending to the Board for approval appropriate terms of engagement.
- Reviewing and monitoring the Group's internal financial control framework and internal audit function.

Meetings held in 2023: 4

REMUNERATION COMMITTEE

Chaired by: Adam Jones, Investor Director – Representative of BEIV Nominees Limited

Key responsibilities include:

- Reviewing and monitoring the Group's remuneration policy and strategy, ensuring it is designed to promote long-term sustainable success with a clear link to corporate and individual performance.
- Setting remuneration levels for all executive members and the Chair.
- Recommending and monitoring the level and structure of remuneration for senior management.
- Identifying and nominating to the Board, candidates to fill vacancies as and when necessary.

Meetings held in 2023: 5

* Alan Bowkett chaired the Audit Committee on an interim basis for three of the four meetings in 2023. In 2024, Adam Jones was appointed as Audit Committee Chair.

Governance at a glance continued

BOARD OF DIRECTORS

RISK COMMITTEE

AUDIT COMMITTEE

REMUNERATION COMMITTEE

EXECUTIVE COMMITTEE

Key responsibilities include:

- Strategy definition and proposal to the Board.
- Global decision making: ensure transparency, appropriate involvement and global adoption of strategy, implementation, operational matters and effectiveness.
- Commerciality and entrepreneurialism: foster a spirit of commercial value creation and innovation.
- Comprehensiveness and risk coverage: ensure all risks, business/product/functional areas and geographies are appropriately governed and monitored.
- Efficiency and effectiveness: streamline communication channels, ensure appropriate levels of decision making.

CREDIT COMMITTEE

Chaired by: Matthew Roberts, Head of Credit Risk

Key responsibilities include:

- Reviewing credit proposals that are outside the limits that can be decided by the Credit Department.
- Approving or declining credit proposals that are within Credit Committee limits (as determined by Credit Policy) or credit proposals that have been declined by the Credit Department, appealed by the business.
- Making recommendations to the Board for credit proposals that are outside Credit Committee limits.
- Discussing credit events or issues that the Credit Department or others wish to present for consideration.

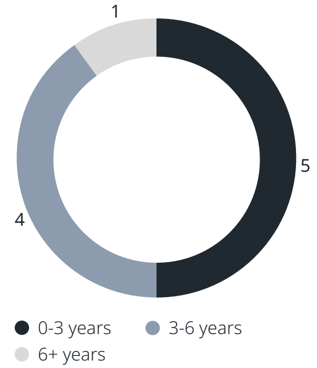
Meetings held in 2023: 42

FINANCE COMMITTEE

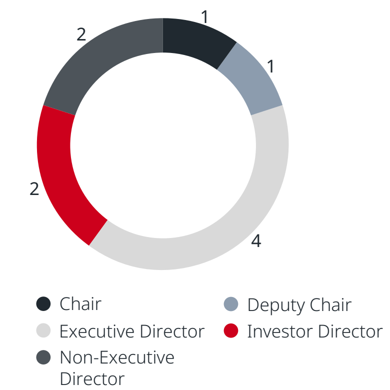
OPS + TECH COMMITTEE

RISK + COMPLIANCE COMMITTEE

BOARD TENURE



BOARD COMPOSITION



SUBSIDIARY BOARDS AND COMMITTEES

Directors' report

The Directors present their report and the audited consolidated financial statements for Moneycorp Group Limited (the 'Company') and its subsidiaries (together the 'Group', trading as 'Moneycorp') for the year ended 31 December 2023. The Group financial statements comprise the consolidated financial statements of the Company, including its subsidiaries and associated undertakings, as defined by International Financial Reporting Standards (IFRS) and International Accounting Standards.

CONTROLLING INTEREST

The holding company for the Group is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. The ultimate controller of Moneta Topco Limited is Bridgepoint Europe IV (Nominees) Limited. The Group comprises of the Company and its subsidiaries as detailed in note 17 to the consolidated financial statements. Additionally, certain subsidiaries have branches in the UK, Spain, Romania and France.

PRINCIPAL ACTIVITIES AND OUTLOOK

The principal activities and outlook for the Group, including subsequent events, are discussed in the Strategic report.

GOING CONCERN ASSESSMENT

The Directors assess the Group's going concern for a period of at least 12 months from the signing of the annual report and consolidated financial statements. The assessment has been undertaken by considering the risk factors and events arising subsequent to year end, as outlined in the Strategic report.

In making this assessment the Directors considered:

- whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- whether post-balance sheet trading is in line with expectations;
- if the Group would be able to trade after the impact of a reasonable downside scenario on performance (stress testing);
- the adequacy of insurance cover;
- the continued availability of financing facilities and trading lines;
- complying with covenant requirements of financing and facilities;
- the regulatory environment in which the Group operates; and
- the effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

Performance subsequent to the reporting date:
H1 2024 unaudited revenue and EBITDA were marginally ahead of prior year.

Assessment:
As part of the going concern assessment, the Directors have considered scenarios to understand the impact on the EBITDA and cash flows. This assessment included various scenarios such as adverse movements to interest rates, inflation, foreign exchange rates and other macro-economic factors from the 2024 budget, forecasted out for at least 12 months from the signing date of this report. Even if these scenarios were to eventuate, they would not result in a material adverse impact and therefore the Directors have concluded that the Group could continue to operate as a going concern.

This is supported by the additional following factors:

- the diversity of the Group's operations, product offerings and client base assists in reducing the overall risk; and
- the wider Moneycorp Group's existing senior debt facility was refinanced in 2022, extending maturing out to 2029. Management continue to maintain positive ongoing relationships with the wider Moneycorp Group's lenders.

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would arise if the Group were unable to continue as a going concern.

INDEPENDENT AUDITORS

BDO LLP have indicated their willingness to continue in office, and a resolution for their reappointment was agreed at the August 2024 meeting of the Board of Directors.

By order of the Board

Emma Alley
Executive Director
4 September 2024

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the Strategic report, the Directors' report, annual report and the financial statements for each financial year which give a true and fair view, in accordance with applicable Jersey law and International Financial Reporting Standards, of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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 Group will continue in business.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Group and enable them to ensure that the financial statements comply with the Companies (Jersey) Law, 1991. They are also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as the Directors are aware, there is no relevant audit information of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Financial statements

Independent Auditor's report

OPINION ON THE FINANCIAL STATEMENTS

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs); and
- have been prepared in accordance with the requirements of Companies (Jersey) Law 1991.

We have audited the financial statements of Moneycorp Group Limited ("the Company") and its subsidiaries ("the Group") for the year ended 31 December 2023, which comprise the Consolidated income statement, Consolidated statement of comprehensive income, Consolidated balance sheet, Consolidated statement of changes in equity, Consolidated cash flow statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENCE

We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's EthicalStandard and we have fulfilled our other ethical responsibilities in accordance withthese requirements.

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 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 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.

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.

Independent Auditor’s report continued

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.

OTHER COMPANIES (JERSEY) LAW 1991 REPORTING

We have nothing to report in respect of the following matters where the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept, or proper 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
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF DIRECTORS

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

In preparing the financial statements, the Directors are responsible for assessing the Group’s and 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 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.

Extent to which the audit was capable of detecting irregularities, including fraud

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

Non-compliance with laws and regulations

Based on:

- Our understanding of the Parent Company and Group and the industry in which it operates;
- Discussion with management and those charged with governance;
- Obtaining and understanding of the Parent Company and Group`s policies and procedures regarding compliance with laws and regulations.

The Parent Company and Group is also subject to laws and regulations where the consequence of non-compliance could have a material effect on the amount or disclosures in the financial statements, for example through the imposition of fines or litigations.

Our procedures in respect of the above included:

- Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- Review of correspondence with regulators and tax authorities for any instances of non-compliance with laws and regulations;
- Review of financial statement disclosures and agreeing to supporting documentation;
- Involvement of tax specialists in the audit;
- Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud.

Our risk assessment procedures included:

- Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- Obtaining an understanding of the Parent Company and Group`s policies and procedures relating to:
- Detecting and responding to the risks of fraud; and
- Internal controls established to mitigate risks related to fraud.
- Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- Discussion amongst the engagement team as to how and where fraud might occur in the financial statements;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

Based on our risk assessment, we considered the areas most susceptible to fraud to be management override of controls, revenue recognition, valuation of derivatives and valuation of intangible assets.

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criteria, by agreeing to supporting documentation;
- We utilise advanced data analytics to recalculate the revenue earned.
- We undertake integrity testing in respect of the underlying data used in the data analytics on a sample basis, to confirm its completeness and accuracy.
- We select a sample of spots and forwards from client-side OMNI listing and trace to supporting customer contract note. We then trace the trade details on the contract note and trade revenue booked through OMNI to associated bank deal as recorded in BOS.
- We test the applicable controls around bank reconciliations and system reconciliations of revenue transactions. Specifically, around manual daily reconciliation of BOS to external counterparty nettings.
- We obtain the listing of all revenue recorded and reconcile it to the trial balance.
- We perform a test of controls around the daily back-office reconciliations performed between option premium revenue as recorded in FOX and contract notes as received from the counter party.
- For a sample of transactions, we confirm amounts as recorded in FOX to the underlying option premium contract. We also agree daily settlement records with the counterparty banks.

Independent Auditor's report continued

- We test the applicable controls around bank reconciliations and system reconciliations of revenue transactions.
- We perform substantive testing to re-compute the revenue recorded and agree it back to client agreements and bank settlements.
- We test the automatic FX revaluation performed by the system and interface which feeds from Reuters for the FX rates used.
- Physical cash held at the year end are tested via a cash count.
- We obtain reconciliations for all the sampled dates and confirm all transactions reconciled agree to the MasterCard invoices as part of substantive test work.
- For a sample of transactions, we substantively test the revenue amount recorded by obtaining the MasterCard invoices, vouch to the underlying records and trace to bank transactions to confirm settlement.
- We consider the design and implementation of internal controls covering the factors impacting the fair value of trades including ongoing credit monitoring of counterparties and margin calls.
- We engage BDO valuation specialists to recalculate the value of a sample of the derivatives as at the year end with reference to published data and applicable valuation methodologies. For the purpose of sampling, we segment the population by the type of instrument and select appropriate samples from each segment.
- For a sample of open trades, we agree the terms back to the customer contract note, thus also ensuring the existence of the contracts.
- We also assess the impact of estimation uncertainty concerning the assumptions and the disclosure of these uncertainties in the financial statements.
- We review and challenge the inputs and assumptions to management's calculation of the CVA and DVA. We consider the methodology employed to ensure this is appropriate and in line with IFRS. We also perform sensitivity analysis.
- Review of intangibles include enquiry with management to ensure the intangible assets held are still in use and generating revenue, and to confirm with management that they do not believe the intangible assets to be impaired.
- We challenge management on their capitalisation process of intangible assets in accordance with IAS 38, in particularly in respect of the capitalisation of staff costs (where applicable) and validation of useful life.
- Management's assessment of indicators of impairment is reviewed and challenged by the audit team including testing key assumptions.
- We consider whether there are any indicators of impairment over the intangible assets.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. 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.

Kelly Sheppard
For and on behalf of BDO LLP
Chartered Accountants
London, UK

4 September 2024

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consolidated income statement

For the year ended 31 December 2023

	Note	2023 £000	2022 £000
Continuing operations			
Revenue	7	**223,579**	219,855
Direct expenses	8	**(61,843)**	(66,395)
Administrative expenses	9	**(104,126)**	(106,265)
Other income	10	**19**	76
Net foreign exchange gains		**2,403**	1,204
Operating profit		**60,032**	**48,475**
Net finance costs			
Finance income	11	**25**	40
Finance costs	12	**(11,185)**	(9,420)
		(11,160)	**(9,380)**
Profit before tax		**48,872**	39,095
Tax charge	13	**(4,602)**	(4,779)
Profit for the year from continuing operations		**44,270**	34,316
Profit from discontinued operations	19	**110**	57
Total profit for the year		**44,380**	**34,373**
Profit for the year is attributable to:			
Owners of the Company		**44,380**	34,373
Non-controlling interest		**–**	–
Total		**44,380**	**34,373**

The above statement should be read in conjunction with the accompanying notes on pages 64 to 94.

Consolidated statement of comprehensive income

For the year ended 31 December 2023

	Note	2023 £000	2022 £000
Profit for the year		**44,380**	34,373
Other comprehensive (expense)/income			
Items that may be reclassified subsequently to the consolidated income statement:			
Exchange (loss)/gain on translation of foreign operations		**(2,191)**	**2,270**
Other comprehensive (expense)/income for the year, net of tax		**(2,191)**	2,270
Total comprehensive income for the year		**42,189**	**36,643**
Total comprehensive income for the year is attributable to:			
Owners of the Company		42,189	36,527
Non-controlling interest		–	116
Total		**42,189**	**36,643**

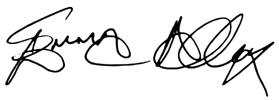
The above statement should be read in conjunction with the accompanying notes on pages 64 to 94.

Consolidated balance sheet

As at 31 December 2023

	Note	2023 £000	2022 £000
Non-current assets			
Goodwill and other intangible assets	14	**122,084**	113,962
Property, plant and equipment	15	**2,986**	3,372
Right-of-use assets	16	**5,465**	6,941
Net investment receivable	16	**38**	195
Deferred tax asset	24	**3,130**	2,266
		133,703	**126,736**
Current assets			
Cash and cash equivalents	21	**604,424**	766,807
Trade and other receivables	22	**387,916**	1,245,670
Prepayments		**2,388**	2,031
Derivative financial instruments	23	**54,373**	91,409
Net investment receivable	16	**195**	375
Current tax asset		**–**	853
		1,049,296	**2,107,145**
Total assets		**1,182,999**	**2,233,881**

The consolidated financial statements of Moneycorp Group Limited (incorporation number 92479) were approved by the Board of Directors and authorised for issue on 4 September 2024. They were signed on behalf of the Board by:



Emma Alley
Executive Director
4 September 2024

	Note	2023 £000	2022 £000
Non-current liabilities			
Borrowings	27	**(122,375)**	(117,944)
Lease liabilities	16	**(4,940)**	(6,865)
Deferred tax liability	24	**(1,386)**	(1,669)
		(128,701)	**(126,478)**
Current liabilities			
Trade and other payables	25	**(853,374)**	(1,887,987)
Provisions	26	**–**	(1,296)
Borrowings	27	**(405)**	(25,417)
Lease liabilities	16	**(2,157)**	(2,108)
Derivative financial instruments	23	**(43,111)**	(78,013)
Current tax liabilities		**(6,200)**	(5,782)
		(905,247)	**(2,000,603)**
Total liabilities		**(1,033,948)**	**(2,127,081)**
Net assets		**149,051**	**106,800**
Equity			
Share capital	29	**46,105**	46,105
Share premium		**17**	17
Capital contribution		**51,425**	50,327
Translation reserves		**(2,139)**	52
Retained earnings		**54,246**	9,866
Share-based payment reserve	29	**(603)**	433
Total equity		**149,051**	**106,800**

The above balance sheet should be read in conjunction with the accompanying notes on pages 64 to 94.

Consolidated statement of changes in equity

For the year ended 31 December 2023

	Attributable to owners of the Company								
	Share capital £000	**Share premium £000**	**Capital contribution £000**	**Translation reserve £000**	**Share-based payment reserve £000**	**Retained earnings £000**	**Total £000**	**Non-controlling interest £000**	**Total equity £000**
Balance at 1 January 2022	46,105	17	50,327	(2,102)	–	(24,507)	69,840	162	70,002
Profit for the year	–	–	–	–	–	34,373	34,373	–	34,373
Other comprehensive income	–	–	–	2,154	–	–	2,154	116	2,270
Total comprehensive income	–	–	–	2,154	–	34,373	36,527	116	36,643
Share–based payments	–	–	–	–	433	–	433	–	433
Removal of non–controlling interest on 100% acquisition of subsidiary	–	–	–	–	–	–	–	(278)	(278)
Balance at 31 December 2022	46,105	17	50,327	52	433	9,866	106,800	–	106,800
Balance at 1 January 2023	**46,105**	**17**	**50,327**	**52**	**433**	**9,866**	**106,800**	**–**	**106,800**
Profit for the year	**–**	**–**	**–**	**–**	**–**	**44,380**	**44,380**	**–**	**44,380**
Other comprehensive expense	**–**	**–**	**–**	**(2,191)**	**–**	**–**	**(2,191)**	**–**	**(2,191)**
Total comprehensive (expense)/income	**–**	**–**	**–**	**(2,191)**	**–**	**44,380**	**42,189**	**–**	**42,189**
Share–based payments	**–**	**–**	**–**	**–**	**(1,036)**	**–**	**(1,036)**	**–**	**(1,036)**
Capital contribution	**–**	**–**	**1,098**	**–**	**–**	**–**	**1,098**	**–**	**1,098**
Balance at 31 December 2023	**46,105**	**17**	**51,425**	**(2,139)**	**(603)**	**54,246**	**149,051**	**–**	**149,051**

The above statement should be read in conjunction with the accompanying notes on pages 64 to 94.

Consolidated cash flow statement

For the year ended 31 December 2023

	Note	2023 £000	2022 £000
Cash flows from operating activities			
Net cash (used in)/generated from operations	30	**(91,005)**	(42,526)
Interest paid		**(3,581)**	(68)
Interest received		**3**	–
Income tax refund received		**708**	50
Income tax paid		**(5,181)**	(4,489)
Net cash outflow from operating activities		**(99,056)**	(47,033)
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment		**–**	24
Purchases of property, plant and equipment		**(670)**	(1,500)
Purchases of intangible assets		**(18,617)**	(10,369)
Investment in subsidiary		**–**	(422)
Proceeds from net investment receivable		**359**	256
Net cash outflow from investing activities		**(18,928)**	(12,011)
Cash flows from financing activities			
Repayments of obligations under lease liabilities	16	**(2,651)**	(2,721)
Payments for share buy-backs		**–**	(1,730)
Net cash outflow from financing activities		**(2,651)**	(4,451)
Net decrease in cash and cash equivalents		**(120,635)**	(63,495)
Cash and cash equivalents at the beginning of the year		**741,390**	751,295
Effects of exchange rate changes on cash and cash equivalents	30	**(16,736)**	53,590
Cash and cash equivalents at the end of the year	21	**604,019**	741,390

The above statement should be read in conjunction with the accompanying notes on pages 64 to 94.

Notes to the financial statements

For the year ended 31 December 2023

1. GENERAL INFORMATION

Moneycorp Group Limited ((‘the Company’) is a private limited company limited by shares, incorporated in Jersey under the Companies (Jersey) Law 1991. The address of the registered office is given in the company information on page 101. The nature of operations and the principal activities of the Company and its subsidiaries (together ‘the Group’, trading as ‘Moneycorp’) are set out in the Strategic Report on pages 4 to 48 and note 17.

2. BASIS OF PREPARATION

Compliance with IFRS

The financial statements have been prepared in accordance with International Financial Reporting Standards and International Accounting Standards as issued by the International Accounting Standards Board (IASB) and Interpretations (collectively IFRSs).

Historical cost convention

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities (including derivative financial instruments) which are measured at fair value at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs on the fair value measurement in its entirety. Refer to note 23 for details over each level.

Going concern basis

The Directors assess the Group’s going concern for a period of at least 12 months from the signing of the annual report and financial statements. The assessment has been undertaken by considering the risk factors and events arising subsequent to year end, outlined in the Strategic Report.

In making this assessment the Directors considered:

- whether there is sufficient liquidity and financing to support the business, its corporate transactions and future trading;
- whether post balance sheet trading is in line with expectations;
- if the Group would be able to trade after the impact of a reasonable downside scenario on performance (stress testing);
- the adequacy of insurance cover;
- the continued availability of financing facilities and trading lines;
- complying with covenant requirements of financing and facilities;
- the regulatory environment in which the Group operates; and
- the effectiveness of risk management policies, in particular, business continuity, compliance, regulatory and counterparty risks.

The performance for the Group for the first six months of 2024 has been detailed in the going concern section of the Directors Report. The Group has continued to perform well, and ahead of scenario planning detailed below.

As part of the going concern assessment, the Directors have considered scenarios to understand the impact on the EBITDA and cash flows. This assessment included various scenarios such as adverse movements to interest rates, inflation, foreign exchange rates and other macro-economic factors, forecasted out for at least 12 months from the signing date of this report.

Even if these scenarios were to eventuate, they would not result in a material adverse impact and therefore the Directors have concluded that the Moneycorp Group could continue to operate as a going concern.

This is supported by the following factors:

- the diversity of the Group’s operations, product offerings and client base assist in reducing the overall risk; and
- the wider Moneycorp Group’s existing senior debt facility was refinanced in 2022, extending maturing out to 2029. Management continue to maintain positive ongoing relationships with the wider Moneycorp Group’s lenders.

The Directors believe that it remains appropriate to prepare the financial statements on a going concern basis. The financial statements do not include any adjustments that would arise if the Group were unable to continue as a going concern.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up to 31 December each year.

Notes to the financial statements continued

2. BASIS OF PREPARATION – CONTINUED

Control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable return from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 *Financial Instruments* or, when applicable, the costs of purchase on initial recognition of an investment in an associate or jointly controlled entity.

3. NEW AND REVISED STANDARDS ADOPTED IN THE CURRENT YEAR

The Group has adopted the following standards and amendments for the first time for the annual reporting year commencing 1 January 2023:

Standard	New standard/ amendment:
– IAS 1 *Preparation of Financial Statements (Disclosure of Accounting Policies)*	Amendment

None of these developments have had a material effect on how the Group's consolidated income statement or consolidated balance sheet for the current or prior period have been prepared or presented.

4. NEW AND REVISED STANDARDS NOT YET ADOPTED

Certain new standards and interpretations have been published that are not mandatory for the 31 December 2023 reporting period and have not been early adopted by the Group.

Standard	New standard/ amendment:	Effective for annual reporting periods beginning on or after:
– IFRS 16 *Leases*	Amendment	1 January 2024
– IAS 1 *Preparation of Financial Statements (Classification of Liabilities as Current or Non-Current)*	Amendment	1 January 2024
– IAS 21 *The Effects of Changes in Foreign Exchange Rates*	Amendment	1 January 2025
– IAS 28 *Investments in Associates and Joint Ventures*	Amendment	Yet to be advised
– IFRS 10 Consolidated Financial Statements	Amendment	Yet to be advised

None of the above standards that are not yet effective are expected to have a material impact on the Group in the current or future reporting periods or on foreseeable future transactions.

Notes to the financial statements continued

5. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted are set out below. These policies have been consistently applied to both years presented unless otherwise stated.

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value.

The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition date values for the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), is recognised immediately in profit or loss as a bargain purchase gain.

When the consideration transferred by the Group in a business combination includes an asset or liability resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill.

Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) regarding facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that does not qualify as a measurement period adjustment, depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with IFRS 9 *Financial Instruments*, or IAS 37 *Provisions, Contingent Liabilities* and *Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in the consolidated income statement.

Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in pounds sterling (GBP), which is the Company's functional and presentation currency, and have been rounded to the nearest thousand pounds, except when otherwise indicated. Foreign operations are consolidated in accordance with the policies set out in note 2 and the below.

Foreign currencies

The individual financial statements of each company within the Group are presented in their functional currency. For the purpose of the consolidated financial statements, the results and financial position of each company are expressed in pounds sterling (GBP), which is the functional currency of the Company, and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual companies, trading transactions denominated in currencies other than the entity's functional currency (foreign currencies) are translated at the exchange rates prevailing on the dates of the transactions.

At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at year end exchange rates. Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates to the functional currency, are recognised in the income statement.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated from their functional currency to the Group's presentation currency, at the exchange rates prevailing at the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising are recognised in other comprehensive income and accumulated in equity.

Intangible assets

Goodwill

Goodwill is initially recognised and measured as set out in 'business combinations' above.

Goodwill is not amortised but is tested for impairment. For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units (see note 14). Cash-generating units (CGUs), to which goodwill has been allocated, are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated firstly to reduce the carrying amount of any goodwill allocated to the unit and secondly to the other assets of the unit pro-rated on the basis of the carrying amount of each asset in the unit. An impairment loss recognised on goodwill is not reversed in subsequent periods.

On disposal of a subsidiary, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Customer relationships

Customer relationships recognised upon business combinations are accounted for at fair value at the acquisition date and amortised on a straight line basis over the term, or expected term, of the relationships.

Notes to the financial statements continued

5. MATERIAL ACCOUNTING POLICIES – CONTINUED

Intangible assets – continued

Computer software

Costs associated with the research phase of internally developed software are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products are recognised as intangible assets when they meet the recognition criteria in IAS 38 *Intangible assets.*

Externally acquired computer software and configuration costs are capitalised on the basis of the costs incurred to acquire and bring the assets to use.

Capitalised software costs are recorded as intangible assets and amortised on a straight-line basis over their estimated useful lives from the point in which the asset is ready for use. Subsequent expenditure on intangible assets is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, such as maintenance of software programmes, is expensed as incurred.

Estimated useful lives of intangible assets are as follows:

Customer relationships	2-19 years
Computer software	4-10 years

Impairment of intangible assets

For intangible assets with finite lives, assets are tested for impairment when there are any indicators that the carrying amount of the assets cannot be recovered. If an indication of impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). The recoverable amount is calculated as the higher of fair value less costs to sell and value-in-use. If the recoverable amount of an intangible asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised as an expense in the consolidated income statement.

Property, plant and equipment

Property, plant and equipment is carried at cost less accumulated depreciation and any recognised impairment loss. Depreciation of these assets commences when the assets are ready for their intended use. Depreciation is recognised to write down the cost or valuation, less their residual value, of assets over their useful lives using the straight-line method, on the following bases:

Motor vehicles	4 years
Fixtures and fittings	4-10 years
Computer equipment	4-5 years

Leasehold properties are depreciated over the period of the leases. Improvements to leased properties, including fixtures and fittings and computer equipment, are depreciated over the expected life of those improvements/assets, or period of the lease, whichever is more reflective of the expected economic life of the asset.

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. The gain or loss arising on the disposal or scrappage of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Impairment of property, plant and equipment

At each balance sheet date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statement, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Financial instruments

Financial instruments are classified as financial assets, financial liabilities or equity instruments, and are initially recognised when the Group becomes party to the contractual provisions of the instrument.

Classification:

The Group classifies its financial assets and liabilities in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
– those to be measured at amortised cost.

Recognition and derecognition:

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. All financial instruments are initially measured at fair value adjusted for transaction costs.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

The Group derecognises a financial liability when, and only when, the Group's obligations are discharged, cancelled or they expire.

The Group classifies its instruments based on the Group's business model for managing the financial assets and liabilities and the contractual terms of the cash flows. The Group's financial assets and liabilities are managed and their performance evaluated on a fair value basis.

Notes to the financial statements continued

5. MATERIAL ACCOUNTING POLICIES – CONTINUED

Financial assets at amortised cost

Cash and cash equivalents

Cash and cash equivalents comprise of cash, including physical banknotes and cash in transit/allocated to client orders, and funds held in short-term bank deposits with an original maturity of three months or less, including overnight money-market funds. The carrying amount of these assets is approximately equal to their fair value. Any overdrawn bank accounts are presented separately on the consolidated balance sheet within borrowings.

Trade and other receivables

Trade and other receivables relate primarily to unpaid client orders for physical banknotes and payment service receivables, for unsettled client trades and option premiums. They are recognised at original contract value and subsequently measured at amortised cost, using the effective interest method, less loss allowance.

Impairment of financial assets at amortised cost

At the reporting date the Group measures a loss allowance on financial assets other than those at fair value through profit or loss. The Group applies the simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all financial assets at amortised cost regardless of if the credit risk has increased significantly since initial recognition or not. The amount of the loss allowance on financial assets is recognised in the consolidated income statement within direct expenses.

For trade and other receivables, balances are written off against the net impairment loss where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a counterparty to engage in a repayment plan with the Group or the counterparty entering bankruptcy or financial reorganisation. Subsequent recoveries of amounts previously written off are credited against the same line item within direct expenses.

Given the high credit quality and short term nature of the financial assets measured at amortised cost, the Group does not anticipate any material expected credit losses to be applicable for these assets.

Financial liabilities at amortised cost

Borrowings

Borrowings are initially measured at fair value less attributable transaction costs. Subsequent to initial measurement they are measured at amortised cost using the effective interest method, with any interest expense recognised on an effective interest basis.

Borrowings are removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Trade and other payables

Trade and other payables, including accruals, represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months of the balance sheet date. They are recognised initially at original invoice, contract value or expected contract value being the best estimate of fair value and subsequently measured at amortised cost using the effective interest method.

Trade and other payables largely comprise the Group's obligation to businesses (including central banks) in regard to physical banknotes ordered but not yet delivered, or purchased and not yet paid for, at the balance sheet date. They are recognised at the value of the cash consideration to be delivered/paid being the best estimate of fair value.

Also included in trade and other payables is the Group's obligation to individuals and businesses in regard to outstanding client balances. They are recognised at the value of the cash consideration received being the best estimate of fair value.

Derivative financial instruments

The Group enters into a variety of derivative financial instruments for trading purposes acting as a broker in the provision of foreign exchange spot, forward and option contracts to businesses and individuals. In addition, a small number of derivative financial instruments are entered into to manage exposure to the Group's foreign exchange rate risk.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the consolidated income statement within revenue. Further details regarding the fair value measurement and valuation process of derivative financial instruments are disclosed in note 23.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability.

Derivative financial instruments are held for trading and as such are presented as a current asset or a current liability, irrespective of the contractual maturity date.

Share capital

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

Revenue

A summary of the Group's revenue streams is provided below:

Payments – Corporate and Private

Revenue from the Payments – Corporate and Private businesses primarily consists of the margin earned between the buying and selling price of currencies sold in foreign exchange spot, forward and option contracts. As these contracts are classed as financial instruments, revenue is recognised based on the requirements of IFRS 9 *Financial Instruments.* Revenue is recognised on trade date and presented as a net gain on financial instruments held at fair value through profit or loss.

Notes to the financial statements continued

5. MATERIAL ACCOUNTING POLICIES – CONTINUED

Revenue – continued

Payments – Corporate and Private continued

A fixed fee is charged to clients who trade lower amounts of currency in their international payment transactions. Payment of the fixed fee is due when the client makes the transaction. Payment service transactions generally have only one performance obligation and revenue is recognised at the point in time when control of the foreign currency purchased is transferred to the client, in line with the requirements of IFRS 15 *Revenue from Contracts with Customers.*

Option premium revenue is earned from entering option contracts with either banks or clients. Revenue is earned regardless of if an option is exercised or not. There is one agreed transaction price and it is wholly allocated to one performance obligation. Revenue is recognised at the point in time when the contract is entered into, with payment received subsequently as outlined on the contract.

Clients are also able to buy currency and load it onto a card rather than have physical currency. Prepaid card revenue is earned and recognised when the client buys the currency to load onto a card. Revenue is also earned when the client uses the card for POS transactions, ATM withdrawals, cash outs and money transfers or incurs inactivity charges. Fees vary depending on the transaction and are either fixed or a percentage of the transaction amount. Prepaid card revenue has one performance obligation and is recognised at the point in time when the transaction is made, generally when the client spends or withdraws.

Payments – FI – Moneycorp Bank

Moneycorp Bank offers payment and foreign exchange services to businesses and individuals, prepaid cards and deposit account products. As such, revenue is similar in nature to Payments Corporate and Private detailed above.

Payments – FI – Financial Institutions Group (FIG)

The FIG business is a payments gateway to the Federal Reserve Bank of New York and provides money services by supplying and purchasing physical banknotes to/from businesses (including central banks). Revenue represents the commission charges on such services as well as any margin earned between the buying and selling price of foreign currency banknotes. There is only one performance obligation associated with FIG commission revenue which is recognised at the point in time when the currency is delivered to/collected from the client.

Finance income and costs

Interest paid to lenders in relation to the Group's borrowings from related parties is recorded within finance costs. Additionally, the Group classifies interest charged on its operating bank accounts, as well as other costs associated with the management of cash and cash equivalents and debt, such as interest on lease liabilities, as finance costs.

Interest earned and paid on client held funds forms part of the general operations of the Group and hence is presented as part of revenue and direct expenses respectively.

Leases

The Group leases various office spaces and vehicles. Lease terms are negotiated on an individual basis and can often contain a wide range of different terms and conditions. The Group assesses whether a contract is, or contains, a lease at inception of a contract. The Group recognises a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Group with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. Lease payments for these leases are recognised on a straight-line basis as an expense in the consolidated income statement.

For contracts where the supplier has substantive rights to substitute the asset throughout the period of use, these do not meet the definition of a contract that contains a lease under IFRS 16 *Leases* and as such payments are recognised as an expense in the consolidated income statement in the period in which they are incurred.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the following lease payments:

- fixed payments (including in-substance fixed payments) less any lease incentives;
- variable lease payment that are based on an index or a rate;
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option; and
- payments to be made under extension options when it is reasonably certain that the Group will extend the lease.

The lease liability is initially measured at the present value of the above lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases of the Group, the lessee's incremental borrowing rate is used. This is determined to be the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term changes, or there is a change in the assessment of exercising a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a recalculated discount rate; or
- the lease payments change due to changes in an index or rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate.

Net investment receivables are recognised in relation to any sublease of property where the Group holds the head lease on the consolidated balance sheet as a lease liability. The net investment receivable is initially measured at the present value of the future lease receipts that are not received at the commencement date, discounted using the same rate used for the head lease. The net investment receivable is subsequently measured by increasing the carrying amount to reflect interest on the asset (using the effective interest method) and by reducing the carrying amount to reflect the lease payments received.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, adjusted for any net investment receivable, plus lease payments made at or before the commencement date and any initial direct costs. They are depreciated over the lease term or useful life of the underlying

Notes to the financial statements continued

5. MATERIAL ACCOUNTING POLICIES – CONTINUED

Leases – continued

asset, whichever is shorter. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses.

Employee entitlements

Employee entitlements for salaries and wages, bonuses, annual leave and other similar benefits are recognised in the consolidated income statement when they accrue to employees.

Liabilities for salaries and wages, including non-monetary benefits, which are expected to be settled wholly within 12 months after the end of the period in which the employees render the related services are recognised in respect of employees' services up to the end of the reporting period and are measured using the amounts expected to be paid. The liabilities are presented as current employee related payables within trade and other payables on the consolidated balance sheet.

Share-based payments

The Group accounts for share-based payments in accordance with the requirements of IFRS 2 *Share-based Payment,* taking into consideration the features of each arrangement. The movement in cumulative charges since the previous balance sheet date is recognised in the consolidated income statement, with a corresponding entry in equity for equity-settled schemes. For cash-settled schemes, the charges are recognised in the statement of comprehensive income and the liability incurred are measured at the fair value of the liability.

The Group has three separate share-based payment schemes where employees could receive Company B shares being: Employee Shareholder share ('ESS') scheme, Non-ESS and Employee Benefit Trust ('EBT').

Pensions defined contribution scheme

The Group operates defined contribution schemes. The assets of the schemes are held separately from those of the Group in independently administered funds.

Obligations for contributions to the schemes are recognised as an expense in the consolidated income statement as they fall due. The liability for contributions owing by the Group to the funds at year end are disclosed in note 28 and are included within trade and other payables on the consolidated balance sheet.

Provisions

Provisions are recognised when it is probable that a present obligation will lead to an outflow of economic resources from the business. A present obligation arises from the presence of a legal or constructive commitment as a result of past events. Where possible outflows from the business are considered improbable, that is considered a contingent liability and no liability is recognised.

Taxation

The income tax expense or credit for the year is the tax payable on the current year's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the consolidated income statement as it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

The Group's liability for current tax is calculated using the tax rates that are enacted, or substantively enacted, in the countries where the Company and its subsidiaries operate and generate taxable income at the balance sheet date.

Deferred tax

Deferred tax assets and liabilities are recognised where temporary differences arise between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax assets are recognised only if it is probable that future taxable profit will be available to utilise those temporary differences and losses.

Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The amount of the asset or liability is determined using tax rates (and laws) that have been enacted or substantively enacted at the balance sheet date and are expected to apply when the deferred tax asset is realised or the deferred liability is settled.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all, or part of, the asset to be recovered.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in the consolidated income statement, except when they relate to items that are recognised in other comprehensive income, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Related parties

Transactions between the Moneycorp Group (see note 36 for definition of the Moneycorp Group) and its subsidiaries, meet the definition of a related party transaction. For the Group financial statements these are eliminated on consolidation (see note 2 for further details).

Key management personnel, and persons connected with them, are also considered to be related parties. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Group directly or indirectly.

Transactions between the Group and entities who are not members of the Moneycorp Group, but are connected via common control, are also deemed to be related parties.

Related party transactions are disclosed in note 35.

Notes to the financial statements continued

5. MATERIAL ACCOUNTING POLICIES – CONTINUED

Transfer pricing

Transfer pricing is a global requirement to price transactions between related parties on an "arm's length basis". This is now a legal requirement for tax, audit and regulatory reporting in most countries. The aim of transfer pricing is to prevent multinational enterprises from shifting profits between tax jurisdictions in order to artificially reduce the amount of taxes payable. The introduction of a global minimum tax rate (OECD Pillar II) is imminent, which will force all multinationals (including Moneycorp) to implement transfer pricing regardless of company size. The Group had implemented this procedure in 2022. The performance of the Group includes recharges to and from other entities in the Moneycorp Group for shared costs on an "arm's length basis" using a recognised cost plus a mark-up methodology with externally reviewed benchmark rates that are standardised across the Group.

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 5, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the Directors have made in the process of applying the Group's accounting policies and that have the most significant impact on the amounts recognised in the consolidated financial statements.

Provisions and contingent liabilities

Provisions can arise from time to time in relation to ongoing litigation and contractual obligations.

In regard to ongoing litigation, when the Group is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then the Group does not include detailed, case-specific disclosures in its consolidated financial statements.

Provisions are measured based on management's best estimate of the expenditure required to settle the present obligation at the balance sheet date. Given the subjectivity and uncertainty of determining the probability and amount of losses, the Group takes into account a number of factors including legal advice, the stage of the matter and historical evidence from similar legal proceeding, if any. Where the probability of outflow is considered to be remote, or probable but a reliable estimate cannot be made, a contingent liability is disclosed. Significant judgement is required to conclude on these estimates.

Transfer pricing

As outlined in note 5, the Group has implemented a global transfer pricing policy which results in the recharging of shared revenue/costs on an 'arm's length basis' across entities in the Moneycorp Group. Management have applied judgement in the implementation of the Group policy, primarily in relation to the determination of the cost and allocation base. The transfer pricing charges have been determined using a recognised cost plus mark-up methodology, which has been standardised across the Group. These have then been allocated across the Group entities based on an appropriate allocation base of the cost incurred, such as trading flows. Both key judgements have been determined based on engagements with independent expert consultants.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Capitalisation of intangible assets

Development expenditure represents costs incurred in relation to the internal development of various computer software projects to support the services and products of the Group. Management exercises judgement in determining which development costs meet the IAS 38 *Intangible Assets* criteria for capitalisation and lead to future economic benefits sufficient to recover the costs capitalised.

This includes estimates as to the amount of time spent directly on development of new software or significant improvement of the existing systems. The capitalised assets are amortised over the useful economic lives of these assets.

Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value-in-use and the fair value less cost to sell of the CGUs to which goodwill has been allocated. These calculations require the Group to estimate the future cash flows expected to arise from each CGU as well as a suitable discount rate in order to calculate present value under the value-in-use methodology. In calculating the fair value less costs to sell, identifying suitable comparable companies, when determining an appropriate valuation multiple, involves a level of judgement. Refer to note 14 for details over the goodwill impairment assessment including key judgements and assumptions made.

Fair value measurements and valuation processes

Derivative financial assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available (Level 1). Foreign currency forwards and options are considered to be Level 2 as the fair value measurements are derived from inputs other than quoted prices that are directly or indirectly observable.

The fair value of derivative financial assets and liabilities are stated after adjustments to reflect counterparty credit risk. Information about the valuation techniques and inputs used in determining the fair value, including adjustments for credit risk, are disclosed in notes 23 and 31.

The Group recognises derivative financial assets when counterparty positions are out of the money (from the perspective of the counterparty). Derivative financial liabilities are recognised by the Group when counterparty positions are in the money (from the perspective of the counterparty).

Counterparty credit risk adjustments on derivative financial assets are recorded in the consolidated income statement. To prevent an accounting mismatch, the Group has elected to recognise credit risk adjustments on derivative financial liabilities also in the consolidated income statement, rather than in other comprehensive income.

Notes to the financial statements continued

6. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY – CONTINUED

Key sources of estimation uncertainty – continued

Fair value measurements and valuation processes – continued

The key judgements for counterparty credit risk adjustments are the credit ratings which are assigned internally by the Group Credit Department to counterparties and the corresponding default rate assigned to each credit rating. Further judgements are made in regard to the default rate assigned to the Group which is applied to derivative financial liabilities in order to reflect the possibility of default by the Group. See note 23 for further details.

Impairment of financial assets at amortised cost

Under IFRS 9, a forward-looking impairment model, based on expected credit losses (ECLs), applies to financial assets held at amortised cost. ECLs are probability-weighted estimates of credit losses. In calculating this ECL allowance, the Group considers information about past events and current conditions as well as supportable information about future events and economic conditions. In addition, for loans to which the three-stage general model of impairment is applied, judgement is required to determine which indicators represent a significant increase in credit risk and thereby trigger the recognition of a lifetime ECL allowance. See note 31 for further details.

Taxation and deferred taxation

The assessment of the probability of future taxable income in which deferred tax assets can be utilised is based on the Group's latest budget forecasts. Forecasts are adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit, and expectations regarding future financing costs. The tax rules in the numerous jurisdictions in which the Group operate are also carefully taken into consideration.

If a forecast of taxable income indicates the probable use of a deferred tax asset, especially when it can be utilised without a time limit, that deferred tax asset is usually recognised in full. The recognition of deferred tax assets that are subject to certain legal or economic limits or uncertainties are assessed individually by management based on the specific facts and circumstances. See note 24 for details of deferred tax balances.

Deferred taxation assets are recognised to the extent that it is probable that they will be able to be offset against future taxable income. The Directors have made an assessment of how much is expected to be utilised against future taxable income based on future events and circumstances. The actual results may vary, and may cause significant adjustments to the Group's assets within the next financial year.

Fair value of equity settled share-based payments

At each measurement date the Group reviews internal and external sources of information to assist in the judgement of various attributes to determine the fair value of the share-based awards granted, including but not limited to the fair value of the underlying shares, expected life and EBITDA multiples. As the ultimate holding company of the Moneycorp Group is a private company, the sources utilised to determine those attributes at the date of measurement are subjective in nature and require judgement in applying such information to the share valuation models. Many factors and assumptions may be used during this assessment. If any of the assumptions used to determine the fair value of the share-based payments awards change significantly, share based payment expense may differ materially in the future from that recorded at the current reporting date.

7. REVENUE

The Group derives revenue primarily from the provision of foreign exchange services at a point in time in the following major revenue streams:

2023	Payments – Corporate & Private £000	Payments – FI: FIG £000	Payments – FI: Moneycorp Bank £000	Total £000
Revenue earned from financial instruments:				
Net gain/(loss) on financial instruments held at fair value through profit or loss*	87,870	(193)	3,594	91,271
	87,870	(193)	3,594	91,271
Revenue from contracts with customers:				
Commission and margins	–	104,611	–	104,611
Option premium	12,011	–	642	12,653
Fees and charges	1,102	–	591	1,693
Prepaid cards	90	–	–	90
Rebates	–	(2,074)	–	(2,074)
	13,203	102,537	1,233	116,973
Other:				
Operating interest income	8,311	89	6,935	15,335
	8,311	89	6,935	15,335
Total revenue	109,384	102,433	11,762	223,579

Notes to the financial statements continued

7. REVENUE – CONTINUED

2022	Payments – Corporate & Private £000	Payments – FI: FIG £000	Payments – FI: Moneycorp Bank £000	Total £000
Revenue earned from financial instruments:				
Net gain/(loss) on financial instruments held at fair value through profit or loss*	100,117	(1,641)	2,942	101,418
	100,117	(1,641)	2,942	101,418
Revenue from contracts with customers:				
Commission and margins	–	105,431	–	105,431
Option premium	10,083	–	122	10,205
Fees and charges	1,511	–	915	2,426
Prepaid cards	355	–	–	355
Rebates**	–	(2,160)	–	(2,160)
	11,949	103,271	1,037	116,257
Other:				
Operating interest income	817	–	1,363	2,180
	817	–	1,363	2,180
Total revenue	112,883	101,630	5,342	219,855

* Net gain/(loss) on financial instruments held at fair value through profit or loss represents the margin revenue earned between the buying and selling price of currencies sold in foreign exchange spot, forward and option contracts.

** To provide more transparency on revenue from contracts with customers, rebates have been presented separately in 2023. The prior year comparatives has been updated for consistency.

8. DIRECT EXPENSES

Direct expenses comprise the following:

	2023 £000	2022 £000
Cash-in-transit security costs	**40,636**	41,169
Third party commissions	**9,504**	12,985
Bank charges	**6,039**	6,703
Transaction fees	**4,265**	3,547
Interest paid on client held funds	**792**	453
Direct taxes on revenue*	**487**	660
Impairment loss recognised on financial assets (see note 31)	**120**	878
	61,843	66,395

* To provide more transparency on direct costs, direct taxes on revenue have been presented separately in 2023. The prior year comparatives has been updated for consistency.

The most material expense in 2023 was cash-in-transit security costs. This represents the costs paid to third party security/courier firms, who are used to transport physical banknotes to and from clients in relation to the Group's FIG business.

9. ADMINISTRATIVE EXPENSES

Administrative expenses comprise the following:

	2023 £000	2022 £000
Staff costs (see note 9a)		
Wages and salaries	**48,806**	45,002
Social security costs	**4,130**	3,048
Pension costs (see note 28)	**1,570**	1,281
Other personnel costs	**2,202**	5,568
Group recharge of staff costs from related parties	**1,046**	1,717
	57,754	56,616
Depreciation, amortisation, impairment and loss on disposal		
Amortisation of intangible assets (see note 14)	**8,585**	8,205
Loss on disposal of intangible assets (see note 14)	**–**	543
Impairment of intangible assets (see note 14)	**133**	–
Depreciation of property, plant and equipment (see note 15)	**1,059**	763
Loss on disposal of property, plant and equipment (see note 15)	**3**	14
Depreciation of right-of-use assets (see note 16)	**1,800**	1,767
	11,580	11,292
Other expenses		
IT support and maintenance	**8,305**	6,546
Legal and professional fees	**5,959**	6,240
Irrecoverable value-added tax	**2,887**	3,845
Travel and entertainment	**2,139**	2,469
Advertising and marketing	**1,871**	2,268
Property expenses	**1,307**	1,556
Communications	**1,579**	1,538
Auditors' remuneration (see note 9b)	**1,190**	1,080
Insurance	**1,163**	953
Forgiveness of debt with discontinued operations	**–**	420
Operating lease rentals	**325**	246
Other administrative costs	**1,385**	887
One-off costs (see note 9c)	**6,682**	10,309
	34,792	38,357
Total administrative expenses	**104,126**	106,265

Notes to the financial statements continued

9. ADMINISTRATIVE EXPENSES – CONTINUED
9a. Staff costs – continued

	2023 Number	2022 Number
The average number of employees (including Executive Directors) was:		
Management and administration	**222**	147
Operations	**404**	374
	626	521

	2023 £000	2022 £000
Aggregate remuneration including amounts recognised as one-off comprised:		
Wages and salaries	**49,852**	46,719
Social security costs	**4,130**	3,048
Other pension costs (see note 28)	**1,570**	1,281
Share-based payments (see note 9c)	**(416)**	1,444
Cost of living payments (see note 9c)	**32**	1,014
	55,168	53,506

As at 31 December 2023, total employees including non-executive directors was 649 (2022: 609)

9b. Auditors' remuneration
The analysis of the auditors' remuneration included within administrative expenses is as follows:

	2023 £000	2022 £000
Fees paid to the Company's auditors and their associates		
Audit of the Company's annual financial statements	**61**	56
Audit of the prior year Company financial statements – incurred in the following year	**–**	38
Audit of the Company's subsidiaries annual financial statements	**704**	641
Audit of the prior year Company's subsidiaries annual financial statements – incurred in the following year	**108**	60
Total audit fees to the Company's auditors	**873**	795
Other non-audit fees		
Other assurance services – client money	**118**	91
Agreed upon procedures – Payment Services Directive reporting	**3**	3
Non assurance services – tax workbook	**–**	14
Total non-audit fees to the Company's auditors	**121**	108
Total fees to the Company's auditors	**994**	903
Audit fees to other auditors of subsidiary companies	**196**	177
Total fees to auditors	**1,190**	1,080

9c. One-off costs
One-off costs can be categorised as follows:

	2023 £000	2022 £000
Department restructuring and related costs	**2,116**	2,043
Corporate initiatives	**2,094**	380
Business acquisition or set-up, and integration, costs	**1,604**	–
Dual running	**885**	701
Strategic initiatives	**712**	228
Cost of living payments	**32**	1,014
Refinancing	**31**	297
Business closure costs	**17**	384
Other	**750**	214
Partial recovery of loss resulting from external fraud	**(141)**	–
One off provisions & related legal fees	**(221)**	1,296
Share-based payments	**(416)**	1,444
Restructuring of shareholders including share buy-back	**(781)**	2,308
	6,682	10,309

10. OTHER INCOME

	2023 £000	2022 £000
Rental income	**19**	76
	19	76

11. FINANCE INCOME

	2023 £000	2022 £000
Bank interest	**3**	–
Net investment interest (see note 16)	**22**	40
	25	40

Notes to the financial statements continued

12. FINANCE COSTS

	2023 £000	2022 £000
Bank interest	**134**	68
Related party interest to parent company (see note 27)	**10,597**	8,801
Lease liability interest (see note 16)	**454**	551
	11,185	9,420

13. TAX CHARGE

	2023 £000	2022 £000
Corporation tax:		
Current year charge	**8,860**	7,912
Over provision in respect of prior years	**(3,056)**	(724)
	5,804	7,188
Deferred tax (see note 24):		
Current year credit	**(1,202)**	(2,409)
Total tax charge for the year	**4,602**	4,779
Income tax relating to the components of other comprehensive income		
Deferred tax relating to share based payments	**32**	(68)

Corporation tax is calculated at 23.50% (2022: 19.00%) of the estimated taxable profit for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

The total tax charge for the year can be reconciled to the profit in the consolidated income statement as follows:

	2023 £000	2022 £000
Profit before tax on continuing operations	**48,872**	39,095
Tax at the UK corporation tax rate of 23.50% (2022: 19.00%)	**11,485**	7,428
Tax effect of expenses that are not deductible	**–**	882
Tax effect of income that is not taxable	**(299)**	–
Over provision in respect of prior years	**(3,056)**	(724)
Utilisation of unrecognised deferred tax brought forward	**(59)**	(2,456)
Tax losses where deferred tax has/(has not) been recognised	**135**	(174)
Effect of change in corporation tax rate	**–**	(323)
Effect of entities operating in other jurisdictions with different tax rates	**(1,593)**	(941)
Group relief (received)/given	**(2,011)**	1,087
Total tax charge for the year	**4,602**	4,779

Notes to the financial statements continued

14. GOODWILL AND OTHER INTANGIBLE ASSETS

	Goodwill £000	Customer relationships £000	Computer software £000	Total £000
At 1 January 2022				
Cost	80,600	21,321	37,851	139,772
Accumulated depreciation and impairment	–	(9,401)	(23,280)	(32,681)
Carrying amount	80,600	11,920	14,571	107,091
Year ended 31 December 2022				
Opening carrying amount	80,600	11,920	14,571	107,091
Additions	144	–	11,370	11,514
Net disposals	–	–	(543)	(543)
Amortisation charge	–	(2,498)	(5,707)	(8,205)
Exchange difference	2,822	1,272	11	4,105
Closing carrying amount	83,566	10,694	19,702	113,962
At 31 December 2022				
Cost	83,566	23,482	47,310	154,358
Accumulated amortisation and impairment	–	(12,788)	(27,608)	(40,396)
Carrying amount	83,566	10,694	19,702	113,962
Year ended 31 December 2023				
Opening carrying amount	**83,566**	**10,694**	**19,702**	**113,962**
Additions	**–**	**–**	**18,617**	**18,617**
Net disposals	**–**	**–**	**–**	**–**
Amortisation charge	**–**	**(2,464)**	**(6,121)**	**(8,585)**
Exchange difference	**(1,291)**	**(493)**	**7**	**(1,777)**
Impairment	**–**	**–**	**(133)**	**(133)**
Closing carrying amount	**82,275**	**7,737**	**32,072**	**122,084**
At 31 December 2023				
Cost	**82,275**	**22,422**	**65,955**	**170,652**
Accumulated amortisation and impairment	**–**	**(14,685)**	**(33,883)**	**(48,568)**
Carrying amount	**82,275**	**7,737**	**32,072**	**122,084**

The Computer software carrying amount of £32,072k (2022: £19,702k) primarily comprises internally generated software.

Cash generating units

In both the current and prior year the Group was comprised of six CGUs:

- ***1-4: Payments – Corporate and Private:*** This business provides a range of products including cross-border payments, spot trades, hedging and derivative solutions to corporate and private clients. The business is split into four CGUs based on geographic regions being the UK, Europe (EU), North America (NA) and Brazil.
- ***5: Payments FI – FIG:*** This business provides clients the ability to buy and sell physical banknotes, including acting as a payments gateway to the FRBNY to a range of commercial and central banks internationally.
- ***6: Payments FI – Moneycorp Bank:*** This business provides the same products and services as Payments - Corporate and Private as well as having a small client deposit base.

Allocation of goodwill to CGUs

The carrying amount of goodwill held at the balance sheet date is allocated to CGUs as follows:

	2023 £000	2022 £000
Payments – UK	**50,489**	50,489
Payments – Europe	**6,991**	6,991
Payments – North America	**23,745**	25,064
Payments – Brazil	**1,050**	1,022
Total goodwill	**82,275**	83,566

Goodwill and intangible assets impairment review

The recoverable amounts for each CGU identified above were determined based on the higher of fair value less costs to sell (FVLCS) and value-in-use (VIU) estimations. The valuation is Level 3 in the fair value hierarchy (see note 23 for definitions).

The valuations of the CGUs for both the current and prior year are based on the FVLCS methodology, with cross checks performed against the VIU valuation.

FVLCS

FVLCS is calculated using 2023 results and applying a conservative multiple which reflects the stage of business, product lines and industry in which the CGUs operate. The multiples used were:

- **EBITDA multiples:** used to value established businesses with historical and steady growth; and
- **Revenue multiples:** used for high growth businesses without historical profits or profits not reflecting the current structure of the business.

Notes to the financial statements continued

14. GOODWILL AND OTHER INTANGIBLE ASSETS – CONTINUED

FVLCS – continued

Key assumptions

£000	UK	EU	NA	Brazil	Moneycorp Bank
Goodwill and other intangible assets	80,765	7,020	31,458	1,107	1,734
Multiple methodology	EBITDA	EBITDA	EBITDA	Revenue	EBITDA
Multiple applied	17.8	17.8	17.8	6.5	17.8

The multiples applied were obtained by referencing those of comparable companies (either via acquisition publications or from listed companies) in the payments industry that are considered similar to the CGUs.

Note FIG is not included in the above as it held no goodwill or intangible assets at the balance sheet date.

Sensitivity analysis

For each CGU, a calculation was made for the level which would result in the carrying amount being equal to the recoverable amount as set out below:

	UK	EU	NA	Brazil	Moneycorp Bank
Multiple methodology	EBITDA	EBITDA	EBITDA	Revenue	EBITDA
Multiple in which the recoverable amount is equal to the carrying amount	4.4	1.1	4.7	0.4	0.4

Based on the FVLCS assessment and VIU cross check, Management believe there is sufficient headroom for the year ended 31 December 2023 for each of the CGUs. This conclusion is supported by the sensitivity analysis, as the comparable multiples applied in the FVLCS assessment would need to decrease to those shown above before the carrying amount would be equal to the recoverable amount.

2022 Goodwill and intangible assets impairment review

Key assumptions

£000	UK	EU	NA	Brazil	FIG
Goodwill and other intangible assets	70,680	6,991	35,198	1,080	13
Multiple methodology	EBITDA	EBITDA	EBITDA	EBITDA	EBITDA
Multiple applied	17.7	17.7	17.7	17.7	17.7

The multiples applied were obtained by referencing those of comparable companies (either via acquisition publications or from listed companies) in the payments industry that are considered similar to the CGUs.

Sensitivity analysis

For each CGU, a calculation was made for the level which would result in the carrying amount being equal to the recoverable amount as set out below:

	UK	EU	NA	Brazil	FIG
Multiple methodology	EBITDA	EBITDA	EBITDA	EBITDA	EBITDA
Multiple in which the recoverable amount is equal to the carrying amount	3.8	1.4	7.2	2.9	0.1

Notes to the financial statements continued

15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold Properties £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
At 1 January 2022					
Cost	1,423	53	8,264	10,514	20,254
Accumulated depreciation and impairment	(1,082)	(29)	(6,775)	(9,714)	(17,600)
Carrying amount	341	24	1,489	800	2,654
Year ended 31 December 2022					
Opening carrying amount	341	24	1,489	800	2,654
Net additions	9	–	328	1,163	1,500
Net disposals	–	(24)	(14)	–	(38)
Depreciation charge	(35)	–	(359)	(369)	(763)
Exchange differences	7	–	1	11	19
Closing carrying amount	322	–	1,445	1,605	3,372
At 31 December 2022					
Cost	1,472	–	4,217	3,696	9,385
Accumulated depreciation and impairment	(1,150)	–	(2,772)	(2,091)	(6,013)
Carrying amount	322	–	1,445	1,605	3,372
Year ended 31 December 2023					
Opening carrying amount	**322**	**–**	**1,445**	**1,605**	**3,372**
Additions	**14**	**–**	**72**	**584**	**670**
Net disposals	**–**	**–**	**(1)**	**(2)**	**(3)**
Depreciation charge	**(36)**	**–**	**(447)**	**(576)**	**(1,059)**
Exchange differences	**(25)**	**–**	**62**	**(31)**	**6**
Closing carrying amount	**275**	**–**	**1,131**	**1,580**	**2,986**
At 31 December 2023					
Cost	**1,450**	**–**	**4,306**	**4,228**	**9,984**
Accumulated depreciation and impairment	**(1,175)**	**–**	**(3,175)**	**(2,648)**	**(6,998)**
Carrying amount	**275**	**–**	**1,131**	**1,580**	**2,986**

16. LEASES

16a. Amount recognised on the consolidated balance sheet

The consolidated balance sheet shows the following amounts relating to leases:

Right-of-use assets

	Buildings £000	Motor vehicles £000	Total £000
At 1 January 2022			
Cost	13,282	–	13,282
Accumulated depreciation	(5,008)	–	(5,008)
Carrying amount	8,274	–	8,274
Year ended 31 December 2022			
Opening carrying amount	8,274	–	8,274
Additions	316	–	316
Depreciation charge	(1,767)	–	(1,767)
Exchange difference	118	–	118
Closing carrying amount	6,941	–	6,941
At 31 December 2022			
Cost	13,097	–	13,097
Accumulated depreciation	(6,156)	–	(6,156)
Carrying amount	6,941	–	6,941
Year ended 31 December 2023			
Opening carrying amount	**6,941**	**–**	**6,941**
Additions	**258**	**118**	**376**
Depreciation charge	**(1,750)**	**(50)**	**(1,800)**
Exchange difference	**(47)**	**(5)**	**(52)**
Closing carrying amount	**5,402**	**63**	**5,465**
At 31 December 2023			
Cost	**12,468**	**113**	**12,581**
Accumulated depreciation	**(7,066)**	**(50)**	**(7,116)**
Carrying amount	**5,402**	**63**	**5,465**

Notes to the financial statements continued

16. LEASES – CONTINUED

16a. Amount recognised on the consolidated balance sheet – continued

Net investment receivable

A net investment receivable has been recognised in relation to the sublease of property where the Group holds the head lease on the consolidated balance sheet as a lease liability.

	2023 £000	2022 £000
Non-current	**38**	195
Current	**195**	375
	233	570

Lease liabilities	2023 £000	2022 £000
Non-current	**4,940**	6,865
Current	**2,157**	2,108
	7,097	8,973
Movement in lease liabilities		
Carrying amount at the beginning of the year	**8,973**	10,804
Additions	**376**	316
Interest accreted	**454**	551
Payments	**(2,651)**	(2,721)
Foreign exchange adjustments	**(55)**	23
Carrying amount at the end of the year	**7,097**	8,973

16b. Amounts recognised in the consolidated income statement

The consolidated income statement shows the following amounts relating to leases.

	2023 £000	2022 £000
Recognised in administrative expenses:		
Depreciation charge on right-of-use assets	**(1,800)**	(1,767)
Expense relating to short-term leases	**(325)**	(246)
	(2,125)	(2,013)
Recognised in finance income:		
Net investment interest income	**22**	40
	22	40
Recognised in finance costs:		
Lease liability interest expense	**(454)**	(551)
	(454)	(551)

Notes to the financial statements continued

17. SUBSIDIARIES

The Group consists of a parent company, Moneycorp Group Limited, incorporated in Jersey and a number of subsidiaries held directly and indirectly by Moneycorp Group Limited, which operate and are incorporated in various locations globally.

Details of the Company's direct subsidiary companies as at 31 December are detailed below. The country of incorporation or registration is also their principal place of business.

Name of entity	Place of incorporation (or registration)	Principal activity	Proportion of ownership interest and voting power held 2023	2022
TTT Moneycorp Limited	UK	Payment services	**100%**	100%
Moneycorp Financial Risk Management Limited	UK	MiFID regulated derivatives	**100%**	100%
Moneycorp Technologies Limited	UK	Technology	**100%**	100%
Moneycorp CFX Limited	UK	Dormant*	**100%**	100%
Moneycorp Shared Services Limited	UK	Service company	**100%**	100%
Moneycorp Inc	USA	Investment holding	**100%**	100%
Moneycorp Bank Limited	Gibraltar	Banking services	**100%**	100%
Moneycorp Technologies Limited	Ireland	MiFID regulated derivatives and payment services	**100%**	100%
Moneycorp International Payments Canada, Inc	Canada	Introducing broker	**100%**	100%
Moneycorp (Europe) S.A.	Luxembourg	Dormant	**100%**	–

The Company is also the intermediate parent entity of the following subsidiaries as at 31 December 2023, which form part of the Group consolidated financial statements.

Name of entity	Place of incorporation (or registration)	Principal activity	Proportion of ownership interest and voting power held 2023	2022
Moneycorp US, Inc	USA	Payment services	**100%**	100%
TTT Moneycorp Pty Limited	Australia	Liquidated**	**–**	100%
Moneycorp Brasil Participacoes Ltda	Brazil	Investment holding	**100%**	100%
Novo Mundo Holding Financeira S/A	Brazil	Investment holding	**100%**	100%
Moneycorp Banco de Câmbio S.A.	Brazil	Foreign exchange provider	**100%**	100%
Moneycorp (Hong Kong) Limited	Hong Kong	Foreign exchange provider	**100%**	100%
First Rate FX Limited	UK	Dormant	**100%**	100%

* Moneycorp CFX Limited previously had a principal activity of foreign exchange provider, however, following the strategic decision to cease operations, this company is now dormant.

** TTT Moneycorp PTY Limited previously had a principal activity of foreign exchange provider, however, following the strategic decision to cease operations, this company became dormant. The company was officially liquidated and wound up with the Australian Securities and Investment Commission in April 2023.

There are no significant restrictions on the ability of the Group to access or use assets and settle liabilities other than restricted cash as detailed in note 21.

18. ACQUISITIONS AND INCORPORATION OF SUBSIDIARIES

A subsidiary, Moneycorp Europe S.A., was incorporated in Luxembourg on 20 February 2023 and is currently a dormant company.

Notes to the financial statements continued

19. DISPOSAL OF SUBSIDIARY

The operations of TTT Moneycorp Pty Limited (deregistered in 2023) and Moneycorp CFX (ceased operations in 2022 and being wound down) have been reclassified into a single line as discontinued operations in the consolidated income statement.

To calculate continuing and discontinued operations, intra-group eliminations have been allocated or grossed up to be consistent with the way the transactions are accounted for between the businesses after the sale or closure.

19a. Financial performance

The financial performance of the discontinued operations is presented below:

	2023 £000	2022 £000
Revenue	–	2,707
Administrative expenses (see note 19b)	58	(2,520)
Net foreign exchange gains/(losses)	136	(167)
Operating profit	**194**	20
Finance costs	–	–
Profit before tax	**194**	20
Tax (charge)/credit	(84)	37
Profit from discontinued operations	**110**	57
Exchange difference on transaction of discontinued operations	–	173
Other comprehensive income from discontinued operations	–	173

19b. Staff costs

Included within administrative expenses is nil (2022: £508k) related to staff costs.

	2023 Number	2022 Number
Management and administration	–	1
Operations	–	11
	–	12

The above headcount has been pro-rated across the full financial year. Operations ceased for Moneycorp CFX Limited from 4 April 2022. The average monthly headcount for Moneycorp CFX Limited for 1 January to 4 April 2022 was 47.

Their aggregate remuneration comprised:

	2023 £000	2022 £000
Wages and salaries	–	458
Social security costs	–	38
Pension costs	–	12
	–	508

Notes to the financial statements continued

20. FINANCIAL ASSETS AND LIABILITIES

Categories of financial instruments

	2023 £000	2022 £000
Financial assets		
Financial assets at amortised cost		
Cash and cash equivalents	**604,424**	766,807
Trade and other receivables	**387,916**	1,245,670
Net investment receivable	**233**	570
Financial assets at fair value through profit or loss		
Derivative financial instruments held for trading	**54,373**	91,409
	1,046,946	2,104,456
Financial liabilities		
Financial liabilities at amortised cost		
Trade and other payables	**(853,374)**	(1,886,299)
Borrowings	**(122,780)**	(143,361)
Lease liabilities	**(7,097)**	(8,973)
Financial liabilities at fair value through profit or loss		
Derivative financial instruments held for trading	**(43,111)**	(78,013)
	(1,026,362)	(2,116,646)

The Directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate their fair values.

21. CASH AND CASH EQUIVALENTS

	2023 £000	2022 £000
Group cash and bank balances	**56,195**	65,746
Physical banknotes	**38,774**	55,180
Funds held in designated client accounts	**509,455**	645,881
	604,424	766,807

Physical banknotes includes banknotes held within secure vault facilities and as cash in transit/allocated to client orders. Cash in transit/allocated to client orders can either increase or decrease the Group's cash position depending on the transactions outstanding and whether the cash has physically left/been received in the vault or not. The contra side is recorded in banknote trade receivables or banknote trade payables. At the balance sheet date £87,546k was held within vault facilities and (£48,773k) as cash in transit/allocated to client orders (2022: £68,051k and (£12,871k) respectively).

Reconciliation to the consolidated cash flow statement

Bank overdrafts form an integral part of the Group's cash management. As such, bank overdrafts are included as a component of cash and cash equivalents for the purposes of the consolidated cash flow statement.

The above figures reconcile to the amount of cash shown in the consolidated cash flow statement at the end of the financial year as following:

	2023 £000	2022 £000
Cash and cash equivalents (balance as above)	**604,424**	766,807
Bank overdrafts (see note 27)	**(405)**	(25,417)
	604,019	741,390

Restricted cash

Restricted cash relates to all funds which are held for a specific purpose and not available for immediate use by the Group.

Client restricted cash

Client restricted cash relates to client funds held within the Group with external banks which are regulated by the different jurisdictions' regulators (see note 32). There are four main differentiators between these funds:

- those which fall into scope of the Markets in Financial Instruments Regulations (the 'MiFID Regulations'), related to options and in-scope forwards, which are subject to the Client Asset Regulations ('CAR') or Client Assets Sourcebook ('CASS');
- those governed by European Communities (Electronic Money) Regulations ('EMI') or Payment Services Directive ('PSD') in relation to spot and forward contracts;
- those held by Moneycorp Bank Limited under its banking licence, which includes those placed in notice deposit accounts with the company, which are regulated by the Gibraltar Financial Services Commission (GFSC); and
- those held by Moneycorp Banco de Câmbio S.A. under its banking licence which are regulated by the Central Bank of Brazil.

Notes to the financial statements continued

21. CASH AND CASH EQUIVALENTS – CONTINUED

Restricted cash – continued

Client restricted cash – continued

Any collateral held in relation to options and in-scope forwards, which are subject to the CAR/CASS, are held in segregated client bank accounts which are off-balance sheet and not included in the cash and cash equivalents balance above.

For client funds held under EMI/PSD regulations, the subsidiaries are required to keep these in client safeguarding accounts and are held on balance sheet for financial statement purposes. As these funds are subject to regulatory restrictions and held in segregated accounts for the benefit of clients, they are not available for general use by the Group.

Funds held by Moneycorp Bank Limited are maintained in either client designated accounts or in physical notes.

Moneycorp Banco de Câmbio S.A. does not generally hold client cash balances, although balances do arise for a short period of time in relation to the settlement of client foreign exchange deals. If funds are received unrelated to a client deal, these funds are required to be returned to the sender.

Group restricted cash

Group restricted cash relates to funds which are held with external banks which are restricted by additional jurisdiction regulations. These specifically extend to capital and liquidity restrictions.

22. TRADE AND OTHER RECEIVABLES

	2023 £000	2022 £000
Amounts falling due within one year:		
Trade receivables	**2,751**	4,175
Margin posted with liquidity providers	**541**	11,612
Banknotes trade receivables	**309,916**	1,182,734
Loss allowance (see note 31)	**(1,651)**	(2,216)
	311,557	1,196,305
Related party receivables owed by immediate parent company	**62,584**	29,663
Related party receivables owed by Group holding company	**11,761**	18,508
Other debtors	**2,014**	1,194
	387,916	1,245,670

The Group both buys and sells banknotes from/to its suppliers depending on the orders placed by clients. Banknote trade receivables relate to unpaid client and supplier orders for physical banknotes which are settled either electronically or via the collection of physical banknotes soon after the balance sheet date.

23. DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of derivative financial assets is calculated as the mark to market (MTM) less any credit valuation adjustments (CVA) to reflect counterparty credit risk. The fair value of the derivative financial liabilities is calculated as the MTM less any debit valuation adjustments (DVA).

The MTM of the foreign currency forwards and options are provided by an external valuation company and discussed further under the fair value hierarchy below.

The Group carries out an internal credit assessment of each counterparty prior to entering into a trading relationship, performed by the Group Credit Department. The grading scale that the Group uses ranges from credit grade 1 (investment grade equivalent, being the least risky) to credit grade 7 (in essence an entity which appears failed, being the most risky). In order to calculate the CVA for derivative financial assets a default rate is assigned to each credit rating. Whilst the Group has not carried out an exercise in allocating a credit rating using credit rating agencies, both an expected credit grading and default rate have been estimated based on management experience and judgement. These estimates are used to adjust the derivative asset value in order to take into account the credit risk of the counterparty.

For certain clients, the Group requires collateral to be posted when their positions are out of the money above a certain tolerance level. Where the Group is holding collateral from a client, those funds are deducted from the derivative financial asset exposure before the CVA is calculated.

Similarly, a DVA is applied to the derivative financial liabilities to reflect the risk of the Group defaulting on the balance payable to the counterparty. This default rate has been estimated by management based on an expected credit grading that would be assigned to the Group, and then applying a corresponding default rate to that grading using credit rating agencies as a guide.

	2023 £000	2022 £000
Unadjusted forwards MTM (excluding CVA and DVA)		
Financial assets		
Foreign currency forward contracts	**34,375**	67,016
Foreign currency option contracts	**21,239**	26,780
Total financial assets	**55,614**	93,796
Financial liabilities		
Foreign currency forward contracts	**(22,565)**	(52,604)
Foreign currency option contracts	**(21,239)**	(26,754)
Total financial liabilities	**(43,804)**	(79,358)

Notes to the financial statements continued

23. DERIVATIVE FINANCIAL INSTRUMENTS – CONTINUED

	2023 £000	2022 £000
Adjusted fair value (as presented on the consolidated balance sheet)		
Financial assets		
Foreign currency forward contracts	**33,698**	65,605
Foreign currency option contracts	**20,675**	25,804
Total financial assets	**54,373**	91,409
Financial liabilities		
Foreign currency forward contracts	**(22,167)**	(51,622)
Foreign currency option contracts	**(20,944)**	(26,391)
Total financial liabilities	**(43,111)**	(78,013)

Fair value hierarchy

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable. Levels are described as follows:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The value of foreign currency forward contracts are determined using observable forward exchange rates and contract forward rates, adjusted to take into account the credit risk of the counterparty.

Foreign currency options are valued using a range of market standard valuation models. The model and methodology used is dependent on the type of option product. The key inputs are:

- underlying value of the currency;
- strike price;
- time to expiration;
- volatility of underlying asset; and
- risk free rate.

The foreign currency option valuations are then adjusted to take into account the credit risk of the counterparty.

	2023			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Foreign currency forward contracts	**–**	**33,698**	**–**	**33,698**
Foreign currency option contracts	**–**	**20,675**	**–**	**20,675**
Total financial assets	**–**	**54,373**	**–**	**54,373**
Financial liabilities				
Foreign currency forward contracts	**–**	**(22,167)**	**–**	**(22,167)**
Foreign currency option contracts	**–**	**(20,944)**	**–**	**(20,944)**
Total financial liabilities	**–**	**(43,111)**	**–**	**(43,111)**

	2022			
	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
Financial assets				
Foreign currency forward contracts	–	65,605	–	65,605
Foreign currency option contracts	–	25,804	–	25,804
Total financial assets	–	91,409	–	91,409
Financial liabilities				
Foreign currency forward contracts	–	(51,622)	–	(51,622)
Foreign currency option contracts	–	(26,391)	–	(26,391)
Total financial liabilities	–	(78,013)	–	(78,013)

There were no transfers between levels in the current or prior years.

Notes to the financial statements continued

24. DEFERRED TAX

Deferred tax reflects the net tax effects of temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following are the deferred tax liabilities and assets recognised by the Group and movements thereon during the current and prior reporting year.

	2023 £000	2022 £000
Balance at the beginning of the year	**597**	(1,728)
Deferred tax asset derecognised on disposals during the year	**–**	37
Credit to the consolidated income statement	**1,202**	2,409
Movement through reserves	**(32)**	68
Exchange differences	**(23)**	(189)
Balance at the end of the year	**1,744**	597

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2023 £000	2022 £000
Deferred tax liabilities:		
Intangible asset timing differences	**(2,088)**	(2,876)
Fixed asset timing differences	**(404)**	(351)
Revaluation of financial assets	**(26)**	(72)
	(2,518)	(3,299)
Deferred tax assets:		
Fixed asset timing differences	**774**	906
Share-based payments	**252**	327
Share-based payments through reserves	**36**	68
Short-term timing differences	**3,200**	2,595
	4,262	3,896
Net deferred tax asset	**1,744**	597

Deferred tax assets and liabilities have been presented net on the consolidated balance sheet where gross balances correspond to the same tax jurisdiction, in line with the accounting policy in note 5. The above table presents the deferred tax assets or liabilities based on category.

At the balance sheet date, the Group has unrecognised deferred tax of £508k (2022: £640k) of losses from Moneycorp Brasil Participacoes Ltda, a Brazilian holding company. These losses have arisen from non-trading activities and the Group does not expect to generate non-trading profits in the future against which these losses could be offset.

25. TRADE AND OTHER PAYABLES

	2023 £000	2022 £000
Amounts falling due within one year:		
Client held funds	**543,467**	666,541
Banknote trade payables	**280,993**	1,182,432
Accruals	**17,651**	24,238
Trade payables	**4,722**	5,307
Other payables	**1,709**	4,215
Employee related payables	**4,832**	3,566
Deferred revenue	**–**	1,688
	853,374	1,887,987

Banknote trade payables represent the Group's obligation to clients (including central banks) and suppliers in regards to banknotes ordered but not yet delivered, or purchased and not yet paid for, at the balance sheet date.

For most suppliers, no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is charged on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Notes to the financial statements continued

26. PROVISIONS

	2023 £000	2022 £000
Non-performing contract	–	1,296
	–	1,296

	2023 £000	2022 £000
Movement in provisions		
Carrying amount at the start of the year	**1,296**	2,082
Charged to the consolidated income statement	**(350)**	1,296
Amounts used during the year	**(946)**	(2,082)
Carrying amount at the end of the year	**–**	1,296

Information about individual provisions and significant estimates

A provision raised in 2022 in relation to a non-performing contract with a client was settled in 2023. A recovery of £350k was achieved on the contract and the remaining provision written off as a bad debt.

27. BORROWINGS

	2023 £000	2022 £000
Non-current		
Related party loans	**122,375**	117,944
Total non-current	**122,375**	117,944
Current		
Group overdrawn bank accounts	**164**	22,203
Client overdrawn deposit accounts	**241**	3,214
Total current	**405**	25,417
Total borrowings	**122,780**	143,361

Related party loans

During 2018 the Group borrowed US$47,351k (GBP equivalent £34,227k) from the Company's parent, Moneta Bidco Limited, in order to fund the acquisition of Commonwealth Foreign Exchange, Inc (now 'Moneycorp US Inc'). At the balance sheet date the balance owing was £47,692k (2022: £50,341k). The related party loan is due to mature in 2029 and carries an interest rate of 5.25% plus SOFR (2022: 5.25% plus SOFR).

The Company also has a loan owing to its parent company, Moneta Bidco Limited, which at the year end matures in July 2029. Upon maturity the Company will owe the total amount of £130,226k. The contractual value was discounted at inception to fair value. The difference of £50,327k between the contractual par amount and the inception date fair value was recognised as a capital contribution reserve in equity when the loan was first received. Interest is accreted at an effective interest rate of 10% per annum. This rate has been determined based on other comparable unsecured borrowings held by the Moneycorp Group. At the balance sheet date the balance owing was £74,683k (2022: £67,604k).

Client overdrawn deposit accounts

The Group holds client held funds with external banks. These accounts are usually in funds, however they may become overdrawn temporarily due to timing differences when funds are transferred between accounts. This generally arises because there are multiple accounts per currency which cannot always be transferred on the same day value. Refer to note 21 for further details.

28. DEFINED CONTRIBUTION PENSION PLAN

The Group has defined contribution pension schemes that cover employees whose length of service is at least three months. Allocations to individual employees are based on the salary level of the employee and employer contribution. At 31 December 2023 the Group had a liability of approximately £211k (31 December 2022: £303k), included in trade and other payables, specifically employee related payables, related to the pension schemes. During the year the Group made £4k contributions to the schemes on behalf of key management personnel (2022: £10k).

29. EQUITY

29a. Share capital

	2023 £000	2022 £000
Authorised:		
103,009,000 (2022: 103,009,000) ordinary shares of £1 each	**103,009**	103,009
Issued and fully paid:		
46,105,000 (2022: 46,105,000) ordinary shares of £1 each	**46,105**	46,105

The Company has one class of ordinary shares which carry no rights to fixed income.

29b. Translation reserve

Exchange differences relating to the translation of the net assets of the Group's foreign operations, which relate to subsidiaries only, from their functional currency into the Group's presentation currency, are recognised directly in the translation reserve.

Nil was transferred from the translation reserve into the consolidated income statement during the year (2022: nil).

Notes to the financial statements continued

29. EQUITY – CONTINUED

29c. Share-based payments reserve

Employee share scheme

During the year the Group operated an employee incentive share scheme comprising of B Ordinary Shares in the ultimate holding company of the Moneycorp Group, Moneta Topco Limited ('Topco') with the majority of shares via an Employee Benefit Trust (EBT). The EBT is managed and administered by independent trustees. Under IFRS 2 *Share-based Payment*, the share-based payments granted must be measured on a fair value basis as at the grant date of the awards and the relevant expense entered in to the consolidated income statement. As at 31 December 2023 247,122 (2022: 247,622) shares were in issue as detailed below.

Valuation

The fair value of the employee share scheme has been measured using an Expected Returns Model to determine fair value. The Expected Return Model is driven by the following attributes: appropriate trading multiples; estimated exit cash/debt position of the Group; hurdle in each forecast period, where appropriate; entitlement of the shares if the hurdle is achieved on an exit event; present value of the estimated proceeds of the shares; discount rates reflecting the risks associated with the uncertainty around receiving the pay-out; and minority discounts that reflect a lack of control and a relative illiquidity of the shares in question compared to the listed shares.

Movement during the year

Set out below is a summary of the number of B Ordinary Shares issued and held at the beginning and end of the reporting period.

	2023 Number	2022 Number
Number of shares issued under the plan to participating employees		
As at 1 January*	**247,622**	269,122
Issued and vested during the year	**32,000**	39,500
Sold or forfeited during the year	**(32,500)**	(61,000)
As at 31 December	**247,122**	247,622

* 2022 opening balance has been corrected.

During the year, 32,000 B shares were issued to employees at a fair market value based on an external valuation. Of the 32,500 sold or forfeited during the year, 7,000 shares were sold back to the trust by employees deemed as good leavers at the prevailing fair market value of shares. These employees were issued their shares at a nominal value in previous years. The remaining shares bought back during the year were done so at a nominal value. In respect of the shares issued as at the balance sheet date, 207,622 (2022: 237,122) pertain to equity settled awards and 39,500 (2022:10,500) to cash settled awards. The share schemes have an indefinite contractual life and are vested immediately upon issue. B shares are only likely to realise value upon an exit.

Reserves movement schedule

	2023 £000	2022 £000
As at 1 January	**433**	–
Share-based payment expense	**(344)**	1,444
Sold or forfeited during the year	**(628)**	(1,079)
Deferred tax	**(64)**	68
As at 31 December	**(603)**	433

Notes to the financial statements continued

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

30a. Net cash used in operations

	2023 £000	2022 £000
Operating profit from:		
– Continuing operations	**60,032**	48,475
– Discontinued operations (note 19)	**194**	20
	60,226	48,495
Adjustment for non-cash items:		
Amortisation of intangible assets	**8,585**	8,205
Depreciation of property, plant and equipment	**1,059**	763
Depreciation of right-of-use assets	**1,800**	1,767
Loss on disposal of property, plant and equipment	**3**	14
Impairment of intangible assets	**133**	–
Loss on disposal of intangible assets	**–**	543
Net exchange differences	**13,567**	(48,312)
	85,373	11,475
Movements in working capital:		
Decrease/(increase) in trade and other receivables	**857,754**	(1,147,093)
Increase in prepayments	**(357)**	(69)
Decrease/(increase) in derivative financial instrument assets	**37,036**	(33,112)
(Decrease)/increase in trade and other payables	**(1,034,613)**	1,094,130
Decrease in provisions	**(1,296)**	(786)
(Decrease)/increase in derivative financial instrument liabilities	**(34,902)**	32,929
Net cash used in operations	**(91,005)**	(42,526)

30b. Net (debt)/cash reconciliation

		Liabilities from financing activities		
	Net cash (excluding client cash) £000	Lease liabilities £000	Borrowings £000	Total £000
Opening balance at 1 January 2022	137,455	(10,804)	(103,978)	22,673
Cash flows	(54,103)	2,721	–	(51,382)
Acquisitions – leases liabilities	–	(316)	–	(316)
Foreign exchange adjustments	15,371	(23)	(5,165)	10,183
Other changes*	–	(551)	(8,801)	(9,352)
Net cash as at 31 December 2022	98,723	(8,973)	(117,944)	(28,194)
Opening balance at 1 January 2023	**98,723**	**(8,973)**	**(117,944)**	**(28,194)**
Cash flows	**(1,054)**	**2,651**	**–**	**1,597**
Acquisitions – leases liabilities	**–**	**(376)**	**–**	**(376)**
Foreign exchange adjustments	**(2,864)**	**55**	**2,719**	**(90)**
Other changes*	**–**	**(454)**	**(7,150)**	**(7,604)**
Net debt as at 31 December 2023	**94,805**	**(7,097)**	**(122,375)**	**(34,667)**

* Other changes include non-cash movements, interest accrued on borrowing balances and interest payments which are presented as operating cash flows in the consolidated statement of cash flows.

30c. Effects of exchange rate changes on cash and cash equivalents

The effects of exchange rate changes presented in the consolidated cash flow statement relates to all cash and cash equivalent balances as detailed in note 21, including funds held in designated client bank accounts. A liability is also held on the consolidated balance sheet within trade and other payables for client held funds (see note 25) and as such, a large portion of the effects of exchange rates changes on cash and cash equivalents will be offset by exchange rate movements on the liability balance.

As shown in note 31, the majority of the Group's foreign cash balances relate to USD and EUR. These currencies have moved by 5.6% and 2.2% against GBP respectively during the year which is the main driver of the 'effects of exchange rate changes on cash and cash equivalents' balance shown in the consolidated cash flow statement.

31. FINANCIAL RISK MANAGEMENT

Financial risk management objectives

The main risks arising from the Group's financial instruments are market risk (including foreign currency and interest rate risks), credit risk and liquidity risk. The Board approves prudent treasury policies for managing each of the risks which are summarised below.

Market risk

The Group's business activities primarily involve brokering FX spot and derivative contracts, specifically foreign currency forwards and foreign currency options to clients, and entering back-to-back arrangements

Notes to the financial statements continued

31. FINANCIAL RISK MANAGEMENT – CONTINUED

Market risk – continued

with counterparty banks, as well as the sourcing and distribution of large quantities of physical banknotes in various currencies. The back-to-back nature of the transactions eliminates exchange rate risk for the Group and means the financial exposure is limited to client credit risk. The Group has considered other risks including market risk (currency risk, interest rate risk and price risk), liquidity risk and cash flow interest rate risk. Any change in foreign currency risk for a given client contract will be mitigated by an offset in the corresponding back-to-back contract arrangement.

The Group does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The sensitivity to market risk in relation to derivative financial instruments is therefore immaterial.

Foreign currency risk management

The Group undertakes derivative transactions denominated in foreign currencies, however is not consequently exposed to exchange rate fluctuations. All exchange rate fluctuations between the Group and the client are economically hedged through a corresponding movement in the contract entered into with the counterparty banks.

The Group maintains bank balances and physical banknotes in a number of currencies, including client held funds, and is therefore exposed to movements in foreign exchange rates on these balances. For client held funds however, these are largely offset by movements in the corresponding liability (see note 30c for further details).

Foreign exchange exposure is managed by the Group's Treasury function with profits converted to each entities functional currency via foreign exchange spot deals.

Cash and cash equivalent balances, including Group bank balances, physical banknotes and funds held in designated client accounts, held in foreign currencies (in their GBP equivalent) at year end were as follows:

Currency	2023 £000	2022 £000
Euro (EUR)	**211,377**	285,026
United States dollar (USD)	**168,988**	209,936
Australian dollar (AUD)	**20,658**	10,527
Canadian dollar (CAD)	**10,886**	14,977
Brazilian real (BRL)	**9,557**	6,498
Hong Kong dollar (HKD)	**6,818**	5,754
Japanese yen (JPY)	**5,735**	2,949
Swiss franc (CHF)	**5,559**	5,092
Swedish krona (SEK)	**4,443**	5,182
Romanian leu (RON)	**3,847**	3,996
United Arab Emirates dirham (AED)	**3,264**	4,384
South African rand (ZAR)	**2,402**	3,051
New Zealand dollar (NZD)	**2,094**	2,159
Mexican peso (MXN)	**1,634**	139
Polish zloty (PLN)	**1,416**	1,352
Danish krone (DKK)	**1,363**	660
Singapore dollar (SGD)	**1,257**	1,383
Israeli new shekel (ILS)	**1,251**	1,406
Thai baht (THB)	**1,249**	802
Norwegian krone (NOK)	**1,233**	1,270
Barbarian dollar (BBD)	**1,162**	602
New Taiwan dollar (TWD)	**973**	300
Hungarian forint (HUF)	**878**	2,787
Icelandic króna (ISK)	**737**	899
Vietnamese dong (VND)	**725**	748
Saudi riyal (SAR)	**594**	1,042
Czech koruna (CZK)	**589**	1,067
Philippine peso (PHP)	**584**	206
Chinese yuan (CNH)	**422**	600
Chinese yuan renminbi (CNY)	**400**	77
Moroccan dirham (MAD)	**356**	321
Malaysian ringgit (MYR)	**349**	91
Kenyan shilling (KES)	**340**	473
Indonesian rupiah (IDR)	**316**	236
Eastern Caribbean dollar (XCD)	**209**	16
Turkish lira (TRY)	**182**	763
Indian rupee (INR)	**160**	208
Bulgarian lev (BGN)	**82**	256
Qarari riyal (QAR)	**80**	930
Pakistani rupee (PKR)	**60**	288
Jamaican dollar (JMD)	**10**	226
Other foreign currencies (individual balances less than £200k)	**1,089**	923
Total foreign currency risk	**475,328**	579,602
Great British pounds (GBP)	**128,691**	161,788
Total net cash and cash equivalents	**604,019**	741,390

Notes to the financial statements continued

31. FINANCIAL RISK MANAGEMENT – CONTINUED

Foreign currency risk management – continued

At 31 December 2023, if the GBP had weakened by 5% against the above currencies with all other variables held constant, the recalculated post-tax profit for the year would have been £24,254k (2022: £30,505k) higher. Conversely a 5% strengthening of GBP would have resulted in the post-tax profit being £23,325k (2022: £27,600k) lower.

Exchange rate exposures are managed within approved policy parameters utilising hedging.

The results of the foreign subsidiaries exposure to exchange rate fluctuations can be seen in the consolidated statement of comprehensive income.

Interest rate risk management

The Group's interest rate risk arises primarily from its borrowings with variable interest rates. The Group borrows at floating rates of interest and utilises interest rate swaps to manage its exposure where appropriate.

At 31 December with all other variables remaining constant, each 10 basis point increase/decrease in SOFR (2022: SOFR) would have resulted in the following (increase)/decrease to loss before tax:

	2023 £000	2022 £000
Impact of 10 basis point increase in interest rate	**(36)**	(39)
Impact of 10 basis point decrease in interest rate	**36**	39

The Group recognises a potential for interest rate risk given the small client deposit book, however has assessed this as being immaterial.

Other price risks

The Group is not exposed to any other material price risks.

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group does provide a limited amount of credit to its clients and credit exposures can arise, normally for a short period of time, as the Group depends on its clients to pay for monies and services provided and to honour their contractual obligations on foreign exchange contracts. All material credit exposures require approval by the Group Credit Committee comprising individuals independent of business revenue generation. Credit exposures are monitored regularly against approved risk limits, with client margins called for where appropriate.

For certain clients the Group requires collateral to be posted when their positions are out of the money above a certain tolerance level. For options and in-scope forwards, collateral is held in segregated client bank accounts which are off balance sheet. For all other clients, collateral held is recorded within cash and cash equivalents – funds held in designated client bank accounts (refer to note 21 for further details).

Payments are generally made in advance for large shipment orders of physical banknotes.

Credit risk for financial assets at amortised cost

The Group has two types of financial assets that are subject to the expected credit loss (ECL) model:

- cash and cash equivalents; and
- trade and other receivables.

Cash and cash equivalents are held with a number of reputable credit institutions, therefore the ECL is immaterial.

For trade and other receivables an ECL has been calculated in line with the simplified approach outlined in the accounting policy in note 5, which uses a lifetime expected loss allowance. To measure the ECL, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles over a period of 24 months before the balance sheet date and the corresponding historical credit losses experienced over this period.

The historical loss rates are adjusted to reflect current and forward-looking information, which is both reasonable and supportable, taking into account macro-economic factors affecting the ability of the clients to settle the receivables. After careful consideration it has been determined that no adjustments for forward looking considerations were required as at 31 December 2023 (2022: nil).

Based on historical recovery rates for payment service receivables, the loss allowance as at 31 December 2023 was determined as 4% for anything aged less than 30 days (2022: 0.93%). Anything aged greater than 60 days becomes highly unlikely to be recovered based on the general two to three day turn around cycle between trade maturity and settlement and therefore 100% ECL has been applied to this category. For anything between these ageing categories 50% has been applied.

The Group does not generally deliver physical banknotes to clients until funds are received for the purchase of the banknotes (i.e. until the debtor balance is settled) and as such the probability of default is low. Based on historical recovery rates, the loss allowance as at 31 December 2023 was determined as 0.01% for anything aged less than 30 days (2022: 0.01%).

All related party receivables are deemed fully recoverable.

The loss allowances for trade and other receivables at the balance sheet date can be reconciled to the opening loss allowances as follows:

	2023 £000	2022 £000
Opening ECL provision	**2,216**	1,598
Increase in loss allowance recognised in profit or loss during the year	**120**	878
Receivables written off during the year as uncollectible	**(685)**	(260)
Closing ECL provision	**1,651**	2,216

The above movement in loss allowance during the year can be reconciled to the net impairment losses on financial assets presented within direct expenses (see note 8).

Notes to the financial statements continued

31. FINANCIAL RISK MANAGEMENT – CONTINUED

Credit quality

In the absence of external credit ratings, the credit quality of financial assets are assessed by management taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal limits set by the Board. There are no significant concentrations of credit risk, whether through exposure to individual clients, specific industry sectors and/or regions.

The Group carries out a credit assessment of each counterparty prior to entering into a trading relationship. These assessments are carried out internally and each counterparty is given a grading. The grading scale that the Group uses ranges from credit grade 1 (investment grade equivalent, being the least risky) to credit grade 7 (in essence an entity which appears failed, being the most risky).

The majority of the Group's corporate clients fall between credit grades 3 and 5 which reflects the small and medium sized enterprise (SME) nature of the Group's client base.

	2023			2022		
	Forward contracts £000	Option contracts £000	Total £000	Forward contracts £000	Option contracts £000	Total £000
Counterparties internal credit rating:						
Credit grade 7	**604**	**36**	**640**	–	–	–
Credit grade 6	**1,278**	**198**	**1,476**	2,064	–	2,064
Credit grade 5	**8,606**	**3,799**	**12,405**	11,841	8,175	20,016
Credit grade 4	**3,601**	**11,676**	**15,277**	7,674	7,058	14,732
Credit grade 3	**1,836**	**500**	**2,336**	917	717	1,634
Credit grade 2	**–**	**–**	**–**	–	–	–
Credit grade 1	**–**	**–**	**–**	203	–	203
Credit grade – other*	**286**	**–**	**286**	2,735	5,509	8,244
	16,211	**16,209**	**32,420**	25,434	21,459	46,893
Counterparties with external credit ratings	**17,487**	**4,466**	**21,953**	40,171	4,345	44,516
	33,698	**20,675**	**54,373**	65,605	25,804	91,409

* The 'other' grouping contains all smaller counterparties, including private clients and small companies, where an average credit adjustment has been applied.

Liquidity risk management

The settlement of spot, forward and option contracts, and other short-term working capital requirements, necessitates adequate liquidity which is generated through intra-day settlement and liquidity facilities. These facilities are provided through financial institutions with which the Group has a long trading history. Liquidity and cash is managed on a daily basis by the Group Treasury team. The Group seeks to manage this risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Included in the external financing facility available to the wider Moneycorp Group is a committed revolving facility to provide short-term liquidity as required.

Liquidity risk tables

The following tables detail the maturity profile of the Group's remaining contractual financial liabilities with agreed repayment periods, excluding derivative financial liabilities assessed separately. The tables have been drawn up based on the undiscounted cash flows of financial liabilities at the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. For interest payments based on floating interest rates, the undiscounted amount is derived from interest rate curves at the balance sheet date. For all financial liabilities the expected maturities are the same as the contractual maturities.

The amounts included in the liquidity risk tables for variable interest rate borrowings are subject to change if variable interest rates differ to those estimates determined at the reporting date.

	Within 1 year £000	1-2 years £000	2-5 years £000	5+ years £000	Total £000
At 31 December 2023					
Borrowing principal and interest payments:					
– Related party loans	**–**	**–**	**–**	**201,415**	**201,415**
– Bank overdrafts	**405**	**–**	**–**	**–**	**405**
Lease liabilities	**2,493**	**2,268**	**3,043**	**–**	**7,804**
Trade and other payables	**853,374**	**–**	**–**	**–**	**853,374**
	856,272	**2,268**	**3,043**	**201,415**	**1,062,998**

	Within 1 year £000	1-2 years £000	2-5 years £000	5+ years £000	Total £000
At 31 December 2022					
Borrowing principal and interest payments:					
– Related party loans	–	79,809	–	73,838	153,647
– Bank overdrafts	25,417	–	–	–	25,417
Lease liabilities	2,632	2,399	4,967	–	9,998
Trade and other payables	1,886,299	–	–	–	1,886,299
	1,914,348	82,208	4,967	73,838	2,075,361

Notes to the financial statements continued

31. FINANCIAL RISK MANAGEMENT – CONTINUED

Liquidity risk tables – continued

The following table details the Group's liquidity analysis for its derivative financial instruments based on contractual maturities. Brokering derivative contracts, specifically foreign currency forwards and foreign currency options, involves entering back-to-back contracts with the client and counterparty banks. The back-to-back nature of the transactions means that for each trade there is a cash outflow in one currency and a corresponding cash inflow in another currency and as such it would be inappropriate to present only the liability positions. Foreign exchange options are fully back-to-back and therefore there is no net settlement value.

Assets	Within 1 year £000	1-2 years £000	2-5 years £000	5+ years £000	Total £000
At 31 December 2023					
Foreign exchange forwards	**31,018**	**1,716**	**964**	**–**	**33,698**
Foreign exchange options	**14,343**	**4,769**	**1,563**	**–**	**20,675**
	45,361	**6,485**	**2,527**	**–**	**54,373**
At 31 December 2022					
Foreign exchange forwards	58,286	5,567	1,602	150	65,605
Foreign exchange options	19,900	3,322	2,557	25	25,804
	78,186	8,889	4,159	175	91,409
Liabilities					
At 31 December 2023					
Foreign exchange forwards	**(20,282)**	**(1,074)**	**(811)**	**–**	**(22,167)**
Foreign exchange options	**(14,453)**	**(4,888)**	**(1,603)**	**–**	**(20,944)**
	(34,735)	**(5,962)**	**(2,414)**	**–**	**(43,111)**
At 31 December 2022					
Foreign exchange forwards	(45,967)	(4,063)	(1,459)	(133)	(51,622)
Foreign exchange options	(20,291)	(3,429)	(2,645)	(26)	(26,391)
	(66,258)	(7,492)	(4,104)	(159)	(78,013)

32. CAPITAL RISK MANAGEMENT

Capital risk is the risk that the Group has an insufficient level or composition of capital to support the Group's business activities and associated risks during both normal economic environments and under stressed conditions. The capital risk management objective for the Group is to maintain sufficient capital after debt servicing to enable it to continue as a going concern while maximising returns to shareholders. The Group's overall capital risk management strategy remains unchanged from the prior year. The debt servicing is applicable to the wider Moneycorp Group's bank loans. Any retained profit is kept in the business with no dividends being paid out.

The capital structure of the Group consists of net (debt)/cash (as disclosed in note 30b) and equity of the Group comprising issued capital, reserves and retained earnings as disclosed in the consolidated statement of changes in equity.

Moneycorp Financial Risk Management Limited, a subsidiary of the Group, is authorised and regulated by the FCA, and as part of the Capital Requirement Directive IV, is required to hold adequate capital which is calculated under the Internal Capital Requirements Regulation.

TTT Moneycorp Limited, a subsidiary of the Group, is regulated by the FCA under the Payment Services Directive and the required capital is held.

Moneycorp Technologies Limited (MTL), a subsidiary of the Group, is authorised and regulated by the Central Bank of Ireland (CBI). MTL was granted its licence on 24 June 2020 as an E-Money Institution under the European Communities Electronic Regulations 2011. It was also licensed on the same date as an Investment Firm under the European Union MiFID regulations 2017. As part of the Capital Requirements Directive, MTL is required to hold sufficient regulatory capital calculated in accordance with the regulations.

Moneycorp Bank Limited, a subsidiary of the Group, is regulated by the Financial Services Commission in Gibraltar and is required to hold adequate capital under the Capital Requirement Directive IV, which is calculated under the Internal Capital Requirements Regulation.

The rest of the Group is not subject to any externally imposed capital requirements.

Notes to the financial statements continued

33. COMMITMENTS AND CONTINGENT LIABILITIES

33a. Operating lease arrangements

The Group leases office space as a lessee under non-cancellable operating leases. The Group assesses whether a contract is, or contains, a lease under IFRS 16 and if so subsequently recognises a right-of-use asset and a corresponding lease liability. See notes 5 and 16 for further details. The below represents the lease expense recognised during the year, and outstanding commitments for future minimum lease payments under non-cancellable operating leases, for leases which do not meet the criteria to be recognised on the consolidated balance sheet in line with IFRS 16, or are short-term in nature.

	2023 £000	2022 £000
Lease payments under operating leases recognised as an expense in the year	**325**	2,465

Lease payments under operating leases recognised as an expense in the year can be allocated as £325k from continuing operations and nil from discontinued (2022: £246k and £2,219k respectively).

At the balance sheet date the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, outside of those already recognised on the consolidated balance sheet as a lease liability, which fall due as follows:

	2023 £000	2022 £000
Within one year	**102**	96
	102	96

The above operating lease payments represent rentals payable by the Group for certain office properties.

33b. Capital commitments

Significant capital expenditure contracted for at the balance sheet date but not recognised as liabilities is as follows:

	2023 £000	2022 £000
Intangible assets	**504**	460

33c. Other commitments and contingent liabilities

Other than the commitments above, the Group has no other material financial commitments or contingent liabilities outside of liabilities presented on the face of the consolidated balance sheet at the reporting date (2022: nil).

33d. Contingent assets

On 31 December 2021, the Group suffered a loss as a result of an external fraud against a subsidiary company with the loss recognised in the consolidated income statement during 2021.
The corporate assets linked to the external fraud have since been seized and locked up in bankruptcy proceedings. Following the Group's pursuit for recovery of the illicitly obtained funds, a court proceedings which was held on 16 October 2023 saw the court approve certain actions which will clear a path for the distribution of assets from the bankruptcy. Subsequent to balance sheet date, the trustee has recalculated proceeds due to Moneycorp following the disclosure of a Canada Report Agency claim and Moneycorp has accepted this amount for distribution with a payment to follow later in 2024.

34. LITIGATION AND CLAIMS

Legal claim – External fraud

The Group entered into litigation during the year regarding an external theft against the Group, which occurred in 2021. Refer to note 33 for further details.

The Group was not part of any material legal proceeding during the reporting year.

35. RELATED PARTY BALANCES AND TRANSACTIONS

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Transactions between the Group and its related parties are disclosed below.

35a. Trading transactions

Trade receivable balances held with the immediate parent company and other Moneycorp holding companies, which do not form part of the consolidated Group, at year end are disclosed in note 22.

Related party borrowings owing to the immediate parent company are disclosed in note 27. The corresponding finance costs paid are disclosed in note 12.

Notes to the financial statements continued

35. RELATED PARTY BALANCES AND TRANSACTIONS – CONTINUED

35b. Other related parties

During the year, Group companies entered into the transactions noted below with related companies who are not members of the Group but are connected via common control. These transactions were made on an arm's length basis. The gross amount of currencies sold to these entities are shown below:

	2023 £000	2022 £000
Tunstall Healthcare Group	**92,865**	88,425
QualiTest Group	**10,537**	19,636
PEI Media	**6,000**	224,638
Elgin Limited	**3,779**	2,170
Cruise.co.uk	**1,892**	1,000
Fishawack Health Group	**–**	9,500
Dorna Sports SL	**–**	4,776

The following gross amounts relating to unsettled derivative financial instrument contracts were outstanding as at the balance sheet date:

	2023 £000	2022 £000
Tunstall Healthcare Group	**–**	1,215

The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

35c. Directors' and management transactions

The following transactions were entered into by directors of Moneycorp Group companies during the year:

- Various directors entered into foreign exchange transactions yielding commission income for the Group of £2,342 (2022: £1,099) with an average margin of 0.08% (2022: 0.11%). No transactions were outstanding at the balance sheet date.
- Various Directors held total funds of £42,690 (2022: £28,991) within their foreign currency trading accounts at the balance sheet date.
- C Buchan held £10,000 on deposit with Moneycorp Bank Limited during the year (2022: £10,000) earning interest of £337. The balance at year end was £10,947 (2022: £10,610).

Private client transactions carried out on standard terms will earn the Group a margin in the range of 1% to 1.5%.

A director's son is employed by Moneycorp (Hong Kong) Limited in the role of Head of International Sales – Financial Institutions Group. This employment is on an arm's length basis and his total remuneration for the year was £366,053 (2022: £264,327).

35d. Remuneration of key management personnel

The remuneration of the key management personnel of the Group is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2023 £000	2022 £000
Short-term employee benefits	**3,235**	2,733
Post-employment benefits	**46**	47
Termination benefits	**722**	–
	4,003	2,780

Three of the key management personnel are members of a money purchase pension scheme (2022: 3).

36. GROUP HOLDING COMPANY AND CONTROLLING ENTITY

At balance sheet date, the Directors consider that the Company's immediate parent and controlling party to be Moneta Bidco Limited (100% effective holding), incorporated and registered in Jersey, Channel Islands.

The Moneycorp Group holding company is Moneta Topco Limited (100% effective holding), a company incorporated and registered in Jersey, Channel Islands. This company produces consolidated financial statements and this group (referred to within these financial statements as 'the wider Moneycorp Group') represents the largest group of which the Company is a subsidiary.

Consolidated financial statements are also produced for Moneta Midco II Limited, a company incorporated and registered in Jersey, Channel Islands. This group represents the smallest group of which the Company is a subsidiary, for which consolidated financial statements are produced.

The ultimate controller of Moneta Topco Limited at balance sheet date was Bridgepoint Europe IV (Nominees) Limited.

37. EVENTS AFTER THE BALANCE SHEET DATE

As at the date of signing the Directors do not consider any items material of note.

Other information

Alternative performance measures

In addition to generally accepted accounting measures, Moneycorp uses a number of alternative performance measures (APMs) in order to monitor business performance. APMs have been included within the annual report to supplement the disclosures prepared in accordance with other regulations, such as International Financial Reporting Standards (IFRS) as they are an effective way of communicating important entity specific developments. APMs should be viewed as complementary to, rather than as a substitute for, the amounts determined according to other regulations.

Definitions and other information is provided below on the APMs used by the Group:

EBITDA

EBITDA is an industry recognised measure defined as earnings before financing costs, tax, depreciation, amortisation and significant one-off items. EBITDA is a core KPI used internally to monitor performance on a monthly basis and is reported to the wider Moneycorp Group's lenders as defined in the Senior Financing Agreement. A detailed reconciliation from EBITDA to the statutory reported result is shown on page 97.

EBITDA MARGIN

EBITDA margin is calculated as EBITDA divided by revenue, and provides an indication of the conversion of revenue to EBITDA profitability.

TRADING VOLUME/FLOW

Trading volume represents the gross notional value of client currency transactions processed in their GBP equivalent and is used by management for all three business segments as it is the basis from which revenue is generated. Trading volume is measured as a single leg transaction volume.

CORPORATE REVENUE RETENTION

The Group monitors corporate revenue retention within the Payments – Corporate segment. This metric is defined as the revenue generated from corporate clients who transacted in the prior period and is calculated as the revenue generated from this client base in the current reporting period, divided by the revenue generated from the same client base in the prior period.

STRAIGHT-THROUGH PROCESSING (STP)

STP is a core KPI for Moneycorp as it allows us to monitor the automation of payments processed. STP is calculated as the percentage of Payments – Corporate and Private (excluding Brazil) payments that are sent without human intervention. The benefits of high STP are many – client experience, operational resilience, platform scalability and cost.

ONLINE TRANSACTIONS

The Group serves clients via a number of channels. Online transactions represent the percentage of Payments – Corporate and Private (excluding Brazil) payments initiated either via the Group's online payments platform or through our bulk upload payment capability. Online transactions is a performance measure used, similar to STP, to monitor digitalisation and automation of the Group's business and client servicing efficiency.

EBITDA to statutory results reconciliation

Reconciliation to statutory results

	2023 £000	2022 £000
Total Group revenue reconciliation		
Revenue per Management accounts	**223,510**	220,085
Statutory year end adjustments	**69**	(230)
Statutory reported results	**223,579**	219,855
EBITDA to statutory loss reconciliation		
EBITDA per Management accounts	**78,037**	70,367
Plus: other statutory adjustments*	**257**	(291)
Plus: significant one-off items	**(6,682)**	(10,309)
Plus: Depreciation, amortisation, impairment and loss on disposal	**(11,580)**	(11,292)
Statutory operating profit	**60,032**	48,475
Plus: Net finance costs	**(11,160)**	(9,380)
Plus: Tax charge	**(4,602)**	(4,779)
Profit for the period from continuing operations	**44,270**	34,316

* Other includes FX gains and losses, holding company costs not part of the trading Group and other statutory year end adjustments after the Management accounts closed.

Glossary

AI – Artificial Intelligence. The capability of a computer system to mimic human-like cognitive functions such as learning and problem-solving.

AML – Anti-Money Laundering. The system of laws, regulations, and procedures aimed at uncovering efforts to disguise illicit funds as legitimate income.

APAC – Asia-Pacific.

API – Application Programming Interface. A way for two or more computer programmes to communicate with each other. It is a type of software interface, offering a service to other pieces of software.

APM – Alternative Performance Measures. Measures which have been included within this annual report to supplement the disclosures prepared in accordance with other regulations, such as IFRS.

ATV – Average Transaction Value. The total volume/flow executed, divided by the total number of transactions in any given period. In essence, it is a measure of transaction sizing.

B2B – Business-to-Business. Trading relationship whereby one commercial enterprise transacts with another commercial enterprise.

BPS – Basis Points.

CAGR – Compound Annual Growth Rate. A measure of an investment's annual growth rate over time, with the effect of compounding taken into account.

CAR – Client Asset Regulations. Were introduced by the Central Bank of Ireland in 2007, with the latest revision in June 2022. Applicable to all MiFID regulated firms, the ultimate aim of the regulation is to maintain public confidence, minimise the risk of loss/misuse of client assets and protect investors in the event that an investment firm was to become insolvent.

CASS – Client Assets Sourcebook. As per FCA guidance, CASS provides rules for firms to follow whenever the firm holds or controls client money or safe custody assets in the UK. CASS helps ensure the safety of client money and assets if a firm fails and leaves the market.

CEO – Chief Executive Officer.

CFO – Chief Financial Officer.

CGU – Cash-generating Unit. Used to assess recoverability for accounting purposes, a CGU is the smallest identifiable group of assets that can generate cash flows from continued use, and that are largely independent of the cash flows from other assets/groups of assets.

CIT – Cash-In-Transit. A term used at Moneycorp to refer to third-party service providers who, under the coordination and management of Moneycorp's FIG team, provide security and transportation services in respect to the movement of physical currency globally.

COO – Chief Operations Officer.

CRCO – Chief Risk and Compliance Officer.

CRM – Customer Relationship Management. A system for managing a company's interactions with current and potential clients.

CTF – Counter-Terrorist Funding. Processes and/or systems working in conjunction with the AML process described above, but with the emphasis on specifically ensuring that the financial industry is not complicit (knowingly or otherwise) in the financial enablement of terror organisations.

XB – Cross-border or, more specifically cross-border payments, are financial transactions where the payer and the recipient are based in separate countries. They cover both commercial and private payments, including remittances and may (but not exclusively) include a foreign exchange element.

CVA – Credit Valuation Adjustment. A financial concept used in derivatives and risk management, made to reduce the valuation of uncollateralised financial instruments assets to reflect counterparty credit risk.

DE+I – Diversity, Equity, and Inclusion. Three closely linked values that ensure we are inclusive and supportive, and oppose discrimination of different groups of individuals, including people of different races, ethnicities, religions, abilities, genders and sexual orientations.

DVA – Debit Valuation Adjustment. A financial concept used in derivatives and risk management, often thought of as the inverse of CVA. DVA aims to accurately reflect the credit risk associated with a company's liabilities, particularly when valuing financial instruments.

EBT – Employee Benefit Trust.

ECL – Expected Credit Loss. The probability-weighted estimate of credit losses over the expected life of a financial instrument.

EEA – European Economic Area.

EMI – Electronic Money Institution (often referred to as an E-Money institution). A licensed firm governed by the rules for business practice, and supervision of, the e-money directive (EMD). The directive aims to lay the foundations for a single market for e-money services in the European Union (EU). Electronic Money licences issued in EU countries have passporting rights, which services can be offered in the rest of the EU and EEA.

EMEA – Europe, Middle East and Africa.

ESG – Environmental, Social and Governance. A collective term for a business's impact on the environment and society as well as how robust and transparent its governance is in terms of company leadership, executive pay, audits, internal controls, shareholder rights and other company issues.

ESS – Employee Share Scheme.

FBICS – Foreign Bank International Cash Services. The FBICS program is designed to permit certain foreign banks that do not have a presence in the United States to open limited-purpose master accounts on the books of the FRBNY, and to use those accounts to access Federal Reserve Bank currency services in connection with their international banknote operations.

FCA – Financial Conduct Authority. A financial regulatory body in the United Kingdom (UK), operating independently of the UK government, with the aim of protecting consumers, enhancing market integrity, and promoting competition in the interests of consumers.

Glossary continued

FI – Financial Institution. A collective term for central and commercial banks, FX bureaux, large corporations and governments. At Moneycorp we also use the term FI to refer to our Payments business segment which encompasses both FIG and Moneycorp Bank with the primary client base of FIs.

FIG – Financial Institutions Group. A business unit within our 'Payments – FI' segment, which specialises in global distribution of physical currency. As one of two members of the FBICS program, FIG is a primary supplier of USD, acting as a gateway to the FRBNY, as well as distributing other currencies to meet client needs.

FRBNY – The Federal Reserve Bank of New York. One of the 12 Federal Reserve Banks of the United States. It is uniquely responsible for implementing monetary policy on behalf of the Federal Open Market Committee and acts as the market agent of the entire Federal Reserve System (as it houses the Open Market Trading Desk and manages the System Open Market Account).

FTE – Full-Time Equivalent. A standardised measure of total full-time employees, or equivalent, making adjustments for employees working less than the normal contractual hours, used to ensure comparability.

FV – Fair Value. The price that would be paid when an asset is sold in an orderly transaction between market participants and both the buyer and seller freely agree on the price.

FVLCS – Fair Value Less Costs to Sell. The amount that a market participant would pay/receive to buy/sell an asset based on FV, reduced by the costs associated with executing the sale.

FX – Foreign exchange.

GFSC – Gibraltar Financial Services Commission. A body which regulates the financial services industry in Gibraltar. Moneycorp Bank is authorised by the GFSC to carry out various financial services activities.

GHG – Greenhouse Gas. A gas which absorbs and emits heat in the atmosphere. As GHGs are a leading cause of global warming and climate change, GHG reporting is becoming an area of focus and forms part of SECR reporting.

HNWI – High Net Worth Individuals. HNWIs are the primary client base for Moneycorp's Payments – Private business segment.

IAS – International Accounting Standards. A set of rules for financial statements issued by the IASB (see IFRS for further details).

IASB – International Accounting Standards Board. An independent accounting standard-setting body, responsible for the development and publication of IFRS accounting standards. The aim of the IASB is to develop high-quality, understandable, enforceable and globally accepted accounting standards.

IBAN – International Bank Account Number. An alphanumeric code that can be used by banks in other countries to identify an account when making an overseas payment. Often referred to as an 'IBAN Number', an IBAN contains up to 34 numbers and letters, depending on the country and bank the account belongs to. This code typically includes a two-letter country code, a two-digit check code, a four-character bank identifier code and other routing information.

IFRS – International Financial Reporting Standards. IASs and IFRSs, collectively referred to 'IFRSs' are a set of accounting rules for the financial statements of public companies that are intended to make them consistent, transparent and easily comparable around the world.

ISA – International Standards on Auditing. Professional standards for the auditing of financial information. These standards are issued by the International Auditing and Assurance Standards Board (IAASB).

ISO 27001 – An international standard for information security management systems. Conformity with ISO 27001 means that an organisation or business has put in place a system to manage risks related to the security of data owned or handled by the company, and that this system respects all the best practices and principles enshrined in this International Standard.

KPI – Key Performance Indicators. Quantifiable measures of performance over time for a specific business objective.

KYC – Know-Your-Client. A process and/or standard that ensures service providers can verify a client's identity and know their client's investment knowledge and financial profile. This often includes customer identification and due diligence, which particularly focuses on the source of funds and reason for transaction(s).

LOD – Lines of Defence. The three LOD model is an accepted regulated framework designed to facility an effective risk management system and includes management control, risk and compliance oversight functions, and independent assurance.

LP – Liquidity Providers. Moneycorp utilises APIs to instantly connect with a global network of liquidity providers. This enables real-time FX rate quotation from each provider, which allows for the most optimal pricing for both clients and the business.

M&A – Mergers and Acquisitions.

MENA – Middle East and North Africa.

MiFID – Markets in Financial Instruments Directive. A set of European regulations governing equities market, intended to enhance transparency and reporting requirements to protect European investors. These rules were replaced by the revised MiFID II regulation in 2018.

MSB – Money Service Business. As defined by the FCA, an MSB is a business that engages in the activities of operating a bureau de change, transmitting money or any representation of monetary value, or cashing cheques which are made payable to customers. Moneycorp is thus considered an MSB by the FCA.

MSO – Money Service Operator. Like 'MSB', 'MSO' is a Hong Kong-based term used to refer to an individual or business that conducts either money changing or remittance services under the AML/CTF Ordinance and therefore must be licensed by the Customs and Excise Department. Moneycorp falls within this definition and has acquired this licensing as part of the Group's regulatory and compliance network.

MTM – Mark-to-Market. A method of adjusting the value of assets and liabilities to reflect their 'fair value' based in current market conditions, often used for instruments that display price volatility over time, such as derivative financial instruments.

Glossary continued

Multi-currency IBAN account – A type of account that is set up with one account number and has the ability to send, receive and hold more than one currency. The multi-currency IBANs are designed for a more complex world where more and more businesses are global but want to manage their cash flow and cash management from one account.

NPS – Net Promoter Score. A research metric that measures customer experiences and can be interpreted as an indicator of customer loyalty. The survey itself asking respondents to rate the likelihood that they would recommend a company, product, or a service to a friend or colleague.

OMNI-platform – A unifying payments platform that helps companies provide a consistent customer experience across all channels. Our OMNI-platform allows clients to access real-time data and input their required transactions through multiple channels including online portal, or API. Regardless of channel, these all then flow through to our OMNI-platform which executes the necessary processes to seamlessly complete the transaction.

PSD – Payment Services Directive. PSD 2, which replaced the PSD, is an EU Directive, administered by the European Commission to regulate payment services and payment service providers throughout the European Union (EU) and European Economic Area (EEA).

RegTech – Regulatory Technology. Refers to the management and/or automation of regulatory process via the use of technology. The primary functions of RegTech include regulatory monitoring, reporting and compliance.

SECR – Streamlined Energy and Carbon Reporting. UK regulations introduced in 2019 making it mandatory for large businesses, including charitable companies, to annually report on their energy and carbon emissions as well as any efficiency measures, they've taken throughout the year. Moneycorp has voluntarily chosen to participate in this reporting, despite the absence of a legal requirement in line with our global ESG policy.

SLA – Service-Level Agreement. An agreement defining the level of service one party should expect from another, including the metrics by which service is measured, as well as remedies and/or penalties should agreed-upon service levels not be achieved.

SME – Small and/or Medium sized Enterprises. The UK government definition of SMEs encompasses micro (less than 10 employees and an annual turnover under €2m), small (less than 50 employees and an annual turnover under €10m) and medium-sized (less than 250 employees and an annual turnover under €50m) businesses.

SOC – System and Organisation Controls. Specifically SOC2, is a standard that specifies how organisations should protect customer data from unauthorised access, security incidents and other vulnerabilities.

SOFR – Secured Overnight Financing Rate. A broad measure of the cost of borrowing cash overnight collateralised by Treasury securities.

Soteria – Moneycorp's proprietary transaction monitoring and compliance system, which launched in June 2022.

TAM – Total Addressable Market (or Total Available Market). A term that is typically used to reference the total market revenue opportunity available for a product or service.

VIU – Value-In-Use. The present value of the future cash flows expected to be derived from an asset or CGU in its current condition.

YOY – Year-on-Year (or Year-over-Year). A financial analysis metric that compares a Company's performance for one period to the same time period in the previous year.

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