IFX (UK) Ltd

Annual report and financial statements

Year ended 30 April 2023

Registered number 5422718

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Officers and professional advisors

Directors

N Williams
S Allen
W Marwick
J Walton
C Richardson (appointed 5 March 2024)
M Roskott (resigned 23 October 2023)

Secretary

A Evans

Independent auditors

PricewaterhouseCoopers LLP
1 Embankment Place
London
WC2N 6RH

Registered office

33 Cavendish Square
London
W1G 0PW

Strategic report

The Directors present their Strategic report of IFX (UK) Ltd ("the Group","IFX") for the financial year ended 30 April 2023.

Principal activities, results and review of the business - KPIs

The Group's primary focus is to provide a frictionless, accessible and complete digital treasury experience through the provision of bespoke foreign exchange and cross-border payment services, and multi-currency accounts to SMEs and institutional clients. Through the delivery of a sophisticated platform solution – named 'ibanq' - IFX offers own-name virtual IBAN accounts coupled with an array of value adding treasury management features including but not limited to bespoke reporting and multi-level account authorisation to compliment a wide selection of domestic and international payment capabilities and currency risk management tools.

The platform has continued to be the key driver in new client acquisition and expanding the service offering to existing clients leading to the subsequent growth in revenue and operating profit during the year. By building the solution on proprietary technology with little reliance on third party providers, IFX is able to proactively meet customer needs through investing in its product, engineering and operational functions to ensure that the business maintains its strong growth potential by way achieving scalable, transparent and simple payment solutions.

Complementing the platform offering, the Group maintains a telephone brokerage service for both corporate and retail customers. IFX positions its brokerage offering as a 'white-glove' service for those clients who's best interests are not met using a digital platform but rather require a more bespoke and supportive service to manage their currency exposure. The provision of spot contracts, deliverable forward contracts, limit orders and stop losses provide for a suite of risk management tools that support the individual needs of our growing customer base.
By way of offering its services, IFX maintains four offices across the world, namely in London and Amersham (both UK) as well as Dubai (UAE) and Warsaw (Poland). The Group also holds two oversea subsidiaries in Poland and Australia for the purposes of technological development and employment. IFX is focused on expanding its jurisdictional reach through the extension of existing licences and obtaining of new licences by way of meeting the objectives for the year ahead (see 'Future Developments and Opportunities' section).

As well as investing in technological functionality, IFX has evolved its sales and marketing efforts designed to accelerate growth potential and meet its financial objectives for the year. The profit after taxation amounts to £5,295,792 (2022: £2,943,695). The Group had net assets of £14,543,899 as at 30 April 2023 (2022: £9,248,107). The Group uses the following key performance indicators ("KPIs") to understand the development, performance and position of the Group:

	Year ended 30 April 2023	Year ended 30 April 2022
Revenue growth	27%	25%
Operating profit	5,185,435	3,650,689
Profit for the financial year	5,295,792	2,943,695

The total cash held by the business has increased significantly over the past financial year following this new client acquisition. The cash held is predominantly client funds. IFX's primary target clients consist of corporate clients who have a requirement to send and receive both domestic and cross-border payments meaning that as the Group obtains more customers utilising the platform (which enables firms to store funds on account), IFX will naturally hold more cash on account.

Strategic report (continued)

Principal risks and uncertainties

Financial risk and management

Foreign exchange risk
The Group is exposed to foreign exchange risk on all orders received from customers. This risk is mitigated by the Group immediately replicating those orders with its liquidity partners and thereby covering open positions. The Group will from time to time hedge its own exposure to foreign currency expenditure by taking out forward contracts.

Credit risk
The Group is exposed to counterparty credit risk whenever currency movement puts a counterparty's position with the Group at a loss. The Group mitigates this risk by holding initial margin from some clients and collecting margin call in response to adverse currency movements. The amount (if any) of initial deposit is determined by the financial strength of the client and the volatility of the currency pair involved. Additional margin is requested when the loss on a counterparty's position exceeds a predetermined percentage of the initial deposit or client's credit limit.

Liquidity risk
The Group is exposed to liquidity risk when it needs to meet margin call with its liquidity providers, but there can be a time delay in receiving the related margin call from its clients. The Group mitigates this where possible, by balancing the currency positions across its overall book with the liquidity providers, thus minimising the impact of heightened volatility and reducing the chances of being margin called. Additionally, ahead of events expected to create severe volatility, the Group will request margin call from its clients early. IFX monitors these positions daily within defined parameters.

Clients funds are held in instant access accounts in line with FCA regulations in accordance with limits set out in policy determined by the Board of Directors. These are managed to ensure that adequate funds are available to meet customer requirements on a daily basis and monthly MI is provided to management to determine whether limits remain practical.

Non financial risk and management

Regulation and compliance risk
The Company is authorised and regulated as an electronic money institution by the FCA in the United Kingdom and is registered as a Representative Office with the Dubai Financial Services Authority in the DIFC. The Company was registered as a Foreign Money Services Business with the Financial Transactions and Reports Analysis Centre of Canada in August 2023 and received its in-principle approval for a category 3.c. licence in April 2024 which permits IFX to provide its services both within the Canadian and Dubai markets.

In the course of routine operations, regulation and compliance risk refers to the risk of financial or reputational losses that may arise from failing to comply with the Company's regulatory requirements. As the business expands its operations across numerous jurisdictions and the respective regulators evolve and expand the scope of regulatory requirements, the risk of partial or non-compliance for new regulations remains high for the business.

As a fast-growing fintech, the board recognises the need to continue to improve controls, processes and regulatory compliance mechanisms. During the audited period, IFX was non-compliant with a number of safeguarding requirements which the board has sought to rectify through the introduction of new systems and controls, and governance throughout the company. Of particular note, IFX invested in the operational and technological automation of its safeguarding process, issued new terms and conditions, and grew its regulatory compliance function to improve management oversight. The business will make further improvements in its operational and

Strategic report (continued)

safeguarding procedures and technological infrastructure to resolve any regulatory challenges the company faces. The ongoing regulatory and compliance control processes continues to evolve and be strengthened to remain up to date with current standards and the board remains committed to further investment and faster maturity.

Beyond this financial year, IFX was delighted to welcome new Chief Compliance Officer Sara Cass in December 2023, and AFEP Chief Executive Officer Millie Richardson as Non-Executive Director in March 2024 to deliver an enhanced compliance strategy. Of particular note, the introduction of the independent Audit and Risk Committee in April 2024 has helped reshape how IFX continues to grow in a controlled and robust manner, as well as supporting the business with an effective horizon scanning procedure coupled with the introduction of an internal audit function and dedicated risk management procedures. As is the case for any regulated business, IFX failing to meet those obligations can result in fines, penalties and loss of licences.

Through the expansion of its operations and product offering, IFX remains focused on investing in a talented team of industry experts that are not only able to implement robust processes but also deploy enhanced technological infrastructure designed to automate risk management and ensure compliance with industry change. Internal audit personnel continuously assess department controls and recommend improvements by way of strengthening and enhancing frameworks as IFX grows and enters new markets. Investments are being made in the dedicated compliance and risk team to manage and monitor these risks, as well as a Legal department, which collaborate with external advisors to help shape effective controls. These teams work with various departmental functions to provide ongoing training to all staff to ensure regulatory compliance is at the forefront of product development, operational process and customer engagement.

Financial Crime risk
Financial crime risk refers to the Company failing to comply with the anti-money laundering and terrorism financing laws it is subject to. Operating a foreign exchange and payments business exposes IFX to the risk to individuals or organisations abusing its products and services for criminal purposes which could cause financial loss either to IFX and its customers, or result in reputational damage to IFX.

To mitigate this risk, IFX is enhancing existing controls and implementing new controls by way of improving governance and oversight when servicing and onboarding customers. Post-year end, the deployment of new third-party screening and transaction monitoring tools, surveillance technologies and the implementation of carefully considered policies and procedures validates the legitimacy of our customer base. Our dedicated Financial Crime Department and Fraud Specialist work closely with the Executive Committee to provide clear MI to determine the effectiveness of controls and have introduced a High Risk Forum to further support the first line of defence when onboarding higher-risk customers. As is the case for any regulated business, IFX failing to meet those obligations can result in fines, penalties and loss of licences.

IT and cyber security risk
IT risk is the loss of earnings and financial assets arising from improper IT systems. Cyber risk is the risk of losses arising from being targeted by hackers to cause significant disruption to the operations.

IFX is committed to implement strong governance across its technical infrastructure and processes. IT policies and procedures are in place and are monitored by the internal Technology function which also include experts IT consultants. The business has implemented sophisticated third party software designed to prevent cyber disruption and undertakes annual external audits intended to test the business' security measures. There is a formal escalation process and incident management process within the IT department which is overseen and coordinated with the Risk Department. There is insurance cover in place to provide for losses in case of a cyber-attack.

The board continues to keep pace with changes through additional investments and enhancements of processes and controls.

Strategic report (continued)

Geo-political risk
Due to the inherent nature of the business, the Group is exposed to international political events, particularly financial sanctions. Most notably, the war in Ukraine has resulted in vast array of sanctions which IFX continues to monitor to ensure its compliance with those measures whilst establishing there is no major impact on current profitability, growth plans and the asset values of the group. The group will continue to monitor the situation along with any other potentially impactful events.

Future developments and opportunities

IFX anticipates that the business will continue to trade well and maintain its current growth strategy. We remain committed to expanding our client reach and developing our service offering to provide scalable and holistic treasury and risk management services to our customers. The key strategic objectives for the next 12 months include:

- Offer multi-IBAN self issuance for corporate customer base
- Introduce deliverable forward contracts onto the 'ibanq' platform
- Introduce more local payout and real time payment functionality
- Deliver straight through processing
- Automate, strengthen and streamline operational and regulatory processes
- Undertake technological architecture transformation to enable scalable growth
- New Market Entry
    - Dubai – The Group has received in principle approval for a Category 3c licence from the Dubai Financial Services Authority in the DIFC. IFX will target both corporate and retail customers who require FX risk management services in the market.
    - Europe – IFX currently provides unregulated FX services to customers in Europe, and regulated payment services to European customers via CurrencyCloud B.V. IFX intends to become an authorised electronic money institution within European and service customers in the European Economic Area imminently.

The Group further continues to assess merger and acquisition opportunities within the market by way of stimulating growth and entering new markets and jurisdictions. IFX will evaluate targets that also provide for value-adding products and services that complement IFX's existing suite of services.

Approved by the Board and signed on its behalf by:



8 August 2024

W Marwick
Chief Executive Officer

Directors' report

The Directors present their report and the audited financial statements of IFX (UK) Ltd, the Group and the company for the financial year ended 30 April 2023.

Future developments and financial risk management of the group and the company have been addressed in the Strategic report.

Principal activities

The Group's principal activity continues to be that of the provision of tailored foreign exchange services, payments and multi-currency accounts, primarily to small and medium sized companies. The Group has an overseas branch in Poland.

Going concern

The Directors have assessed the prospects of the Group over the period of at least 12 months from the date of *approval of the Annual report and financial statements in the context of its current operating performance, its* internal business plan and the risks facing the business. The Group has prepared a sensitivity analysis on its business plan and evaluated the impact of a severe but plausible downside scenario, our staff and our operations, together with mitigating actions that could be implemented in such circumstances.

Having considered the above factors, the Directors have an expectation that the Group has adequate financial resources to meet its operational needs and continue to meet its obligations as they fall due for a period of at least twelve months from the signing of the financial statements and therefore the going concern basis has been adopted in preparing the financial statements.

Directors

The Directors who held office during the year and at the date of signing of this report, were as follows:

N Williams
S Allen
W Marwick
J Walton
C Richardson (appointed 5 March 2024)
M Roskott (resigned 23 October 2023)

Dividends

Dividends of £Nil (2022: £142,000) were paid during the year.

Shares issued

During the previous year, 235,581 Ordinary shares of £0.0003 were purchased for £2.38, for total consideration of £560,683. No new shares were issued in the current year.

Directors' report (continued)

Research and development

The Group performs research and development activities related to software development of its own proprietary systems.

Financial instruments and risk management

Financial risk management objectives and policies are disclosed in the Strategic report

Political contributions

The Group made no political contributions during the year (2022: £nil).

Indemnity provision

During the year and up to the date of signing the financial statements, the Group maintained liability insurance for the directors, which is a qualifying third party indemnity provision for the purposes of the Companies Act 2006.

Directors' confirmation of disclosure of information to the auditors

Each of the persons who is a director at the date of approval of this report confirms that:

a) so far as each of the Directors is aware, there is no relevant audit information of which the Group's auditors are unaware; and

b) the Directors have taken all reasonable steps in order to make themselves aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



S. Allen
Director

8 August 2024

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the group and the company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006.

On behalf of the board:



S Allen
Director

8 August 2024

Independent auditors' report to the members of IFX (UK) Limited

Report on the audit of the financial statements

Opinion

In our opinion, IFX (UK) Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 April 2023 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the annual report and financial statements for the year ended 30 April 2023 (the "Annual Report"), which comprise: Consolidated balance sheet and Company balance sheet as at 30 April 2023; Consolidated statement of comprehensive income, Consolidated statement of changes in equity, Company statement of changes in equity and Consolidated statement of cash flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 30 April 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and the 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.

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

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to but not limited to the Financial Conduct Authority's (FCA) payment services and electronic money regulations and anti bribery and corruption legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as tax legislation in relevant jurisdictions and the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to manipulate financial results including in revenue, potential management bias in accounting estimates and understatement of customer liabilities. Audit procedures performed by the engagement team included:

- Enquiring with management and in house compliance and legal teams regarding any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings held by those charged with governance;
- Reviewing correspondence with and submissions to Financial Conduct Authority (FCA) and inspecting the public record to identify any breaches in regulations or fines;
- Reviewing breaches, incident logs and legal expenses within the year and post year-end;
- Challenging assumptions and judgments made by management in its significant accounting estimates;
- Reviewing customer complaints within the year and post year-end;
- Reviewing the third party assurance reports provided to management in relation to regulatory compliance;
- Testing a sample of manually withdrawn customer balances;
- Performing audit procedures to test the risk of management override of internal controls, including journal entries posted with unexpected account combinations and all top-side journal entries; and,
- Reviewing external legal advice provided to management in relation to regaulatory compliance.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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 or intentional misrepresentations, or through collusion.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Mark Jordan (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
8 August 2024

Consolidated statement of comprehensive income

For the year ended 30 April 2023

	Note	Year ended 30 April 2023	Year ended 30 April 2022
		£	£
Revenue	5	**33,406,884**	26,382,893
Cost of sales		**(14,726,360)**	(13,219,581)
Gross profit		**18,680,524**	13,163,312
Administrative expenses		**(13,495,089)**	(9,512,623)
Operating profit	8	**5,185,435**	3,650,689
Finance income	10	**1,221,488**	5
Finance costs	11	**(393,095)**	(152,592)
Profit before taxation		**6,013,828**	3,498,102
Tax on profit	12	**(718,036)**	(554,407)
Total comprehensive income for the year		**5,295,792**	**2,943,695**

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

The notes on pages 18 to 36 form an integral part of these financial statements.

Consolidated balance sheet

As at 30 April 2023

	Note	As at 30 April 2023	As at 30 April 2022 Restated*
		£	£
Fixed assets			
Intangible assets	13	**3,180,620**	2,560,486
Tangible assets	14	**381,777**	93,254
		3,562,397	2,653,740
Current assets			
Debtors	16	**2,820,908**	1,918,436
Derivative assets	17	**2,853,351**	2,839,509
Cash and cash equivalents	29	**408,061,756**	283,963,269
		413,736,015	288,721,214
Current liabilities			
Creditors: amounts falling due within one year	18	**(402,099,589)**	(281,197,627)
Derivative liabilities	17	**(568,082)**	(913,472)
		(402,667,671)	(282,111,099)
Net current assets		**11,068,344**	6,610,115
Total assets less current liabilities		**14,630,741**	9,263,855
Deferred tax liability	19	**(86,842)**	(15,748)
Net assets		**14,543,899**	9,248,107
Capital and reserves			
Called up share capital	20	**371**	371
Share premium account	21	**560,612**	560,612
Other reserves		**1,228,349**	1,228,349
Profit and loss account		**12,754,567**	7,458,775
Total shareholders' funds		**14,543,899**	9,248,107

*See note 28 for details regarding the restatement of the prior year balance sheet.

The financial statements of IFX (UK) Ltd (registered number 5422718) on pages 13 to 36 were approved by the Board of Directors on 8 August 2024 and signed on its behalf by:

S Allen
Director

The notes on pages 18 to 36 form an integral part of these financial statements.

Company balance sheet

As at 30 April 2023

	Note	As at 30 April 2023	As at 30 April 2022 Restated*
		£	£
Fixed assets			
Intangible assets	13	**3,180,620**	2,558,515
Tangible assets	14	**381,777**	92,960
Investments	15	**-**	500,381
		3,562,397	3,151,856
Current assets			
Debtors	16	**2,778,317**	1,940,921
Derivative assets	17	**2,853,351**	2,839,509
Cash and cash equivalents	29	**408,059,349**	283,857,895
		413,691,017	288,638,325
Current liabilities			
Creditors: amounts falling due within one year	18	**(402,047,263)**	(281,194,790)
Derivative liabilities	17	**(568,082)**	(913,472)
		(402,615,345)	(282,108,262)
Net current assets		**11,075,672**	6,530,063
Total assets less current liabilities		**14,638,069**	9,681,919
Deferred tax liability	19	**(86,842)**	(15,748)
Net assets		**14,551,227**	9,666,171
Capital and reserves			
Called up share capital	20	**371**	371
Share premium account	21	**560,612**	560,612
Other reserves		**1,228,349**	1,228,349
Profit and loss account		**12,761,895**	7,876,839
Total shareholders' funds		**14,551,227**	9,666,171

The company profit and loss for the year was £4,885,056 (2022: £3,279,205).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

*See note 28 for details regarding the restatement of the prior year balance sheet.

The financial statements of IFX (UK) Ltd (registered number 5422718) on pages 13 to 36 were approved by the Board of Directors 8 August 2024 and signed on its behalf by:



S Allen
Director

The notes on pages 18 to 36 form an integral part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 April 2023

Consolidated

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total shareholders' funds £
At 1 May 2021	300	-	1,228,349	4,657,080	**5,885,729**
Profit for the financial year	-	-	-	2,943,695	**2,943,695**
Issue of share capital	71	560,612	-	-	**560,683**
Dividends paid (note 22)	-	-		(142,000)	**(142,000)**
At 30 April 2022	371	560,612	1,228,349	7,458,775	**9,248,107**
Profit for the financial year	-	-	-	5,295,792	**5,295,792**
At 30 April 2023	**371**	**560,612**	**1,228,349**	**12,754,567**	**14,543,899**

Company statement of changes in equity

For the year ended 30 April 2023

Company

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total shareholders' funds £
At 1 May 2021	300	-	1,228,349	4,739,634	**5,968,283**
Profit for the financial year	-	-	-	3,279,205	**3,279,205**
Dividends paid (note 22)	-	-	-	(142,000)	**(142,000)**
Issue of share capital	71	560,612	-	-	**560,683**
At 30 April 2022	371	560,612	1,228,349	7,876,839	**9,666,171**
Profit for the financial year	-	-	-	4,885,056	**4,885,056**
At 30 April 2023	**371**	**560,612**	**1,228,349**	**12,761,895**	**14,551,227**

On 31 December 2021 all share options were exercised and shares issued

The notes on pages 18 to 36 form an integral part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 April 2023

	Note	Year ended 30 April 2023	Year ended 30 April 2022 Restated*
		£	£
Net cash from operating activities	23	**125,829,735**	**37,179,959**
Taxation (paid)/received		(635,251)	(214,345)
Net cash generated from operating activities		**125,194,484**	**36,965,614**
Purchase of tangible assets		(366,743)	(56,087)
Purchase of intangible assets		(1,470,940)	(1,308,903)
Interest received		1,221,488	5
Cash used in investing activities		**(616,195)**	**(1,364,985)**
Interest paid		(393,095)	(152,592)
Dividends paid		-	(142,000)
Issue of share capital		-	560,683
Cash used in financing activities		**(393,095)**	**266,091**
Effect of exchange rates on cash and cash equivalents		**(86,707)**	**(178,543)**
Net increase in cash and cash equivalents		**124,098,487**	**35,688,177**
Cash and cash equivalents at 1 May 2022		283,963,269	248,275,092
Cash and cash equivalents at 30 April 2023		**408,061,756**	**283,963,269**

The company is a qualifying entity for the purposes of FRS 102 and has elected to take the exemption under paragraph 1.12(b) of FRS 102 not to present the company statement of cash flows.

The notes on pages 18 to 36 form an integral part of these financial statements.

*See note 28 for details regarding the restatement of the prior year balance sheet.

Notes to the financial statements

1 General information

The Group's and the Company's principal activity continues to be the provision of tailored foreign exchange services.

The Group is a private Group limited by shares and is incorporated in England in the United Kingdom. The address of its registered office is 33 Cavendish Square, London W1G 0PW. The Group's registration number is 5422718.

2 Statement of compliance

The group and individual financial statements of IFX (UK) Ltd have been prepared in compliance with United Kingdom Accounting Standards including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3 Accounting policies

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

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention for both Group and the Company, except for certain financial instruments carried at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates and requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

In accordance with Section 408 of the Companies Act 2006 a separate Profit and loss account for the company has not been presented.

The company has taken advantage of the following exemptions in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the company's cash flows;
- from the financial instrument disclosures, required under FRS 102 paragraphs, 11.42, 11.44, 11.45, 11.47, 11 .48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
- The requirement to disclose related party transactions under paragraph 33.1A of FRS 102, on the grounds that it is a qualifying entity and the Group's financial statements for the year ended 30 April 2023, which are publicly available, contain related party disclosures; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity as at 30 April 2023. Intergroup transactions and balances between group companies are therefore eliminated in full. All subsidiaries are consolidated within these financial statements other than those which are dormant.

Notes to the financial statements

3 Accounting policies (continued)

Going concern

The Directors have assessed the prospects of the Group over the period of at least 12 months from the date of approval of the Annual report and financial statements in the context of its current operating performance, its internal business plan and the risks facing the business. The Group has prepared a sensitivity analysis on its business plan and evaluated the impact of a severe but plausible downside scenario, our staff and our operations, together with mitigating actions that could be implemented in such circumstances.

Having considered the above factors, the Directors have an expectation that the Group has adequate financial resources to meet its operational need and continue to meet its obligations as they fall due for a period of at least twelve months from the signing of the financial statements and therefore the going concern basis has been adopted in preparing the financial statements.

Revenue

Revenue is the difference between the cost and selling price of currency (foreign currency margin) for spot and forward contracts, including window forwards. Revenue is recognised after receiving the client's authorisation to undertake a foreign currency transaction for immediate or forward delivery. Payment is due on delivery day, being the date the Group exchanges monies with the client to complete the trade. Open contract positions as of the period-end, are revalued to market value as at 30 April with the movement going into revenue.

Revenue also includes invoices raised for subscription fees, transaction and payments fees and other services provided. Invoices revenue is recognised over the period of when the service is provided. Subscription fees relate to revenue earned from customers who hold accounts with the Group and revenue is earned over a period of time. Transactions and payment fees related to the receipt of income attributable to payments, mass payments and collection fees that are transactional-based services. Fees are due on entering into the contract and earned once the performance obligation of the services is complete.

Revenue represents the net revenue of currency transactions undertaken by the Group. Wherever contracts are open at the year end, the balance of contracts due from the client at maturity is included in trade debtors.

The Group only trades in FX instruments that are outside the scope of the scope of Markets in Financial Instruments Directive ("MiFID"), otherwise referred to as non-MiFID instruments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Employee benefits

Employee entitlements for salaries and wages, bonuses and other similar benefits are recognised in the statement of comprehensive income when they accrue for employees.

Investments

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Notes to the financial statements

3 Accounting policies (continued)

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the Balance sheet date.

Development tax credits are calculated based on actual reported expenditures in developing the IFX trading platform. An assessment is performed and filed for each year. These tax credits are recognised on an accruals basis.

Intangible assets

Development costs:

These assets relate to the capitalised technology development of the Group's proprietary software. Development costs are only capitalised when all the following criteria are met:

- Completion of the intangible asset being technically feasible so that it will be available for use or sale;
- The Group intends to complete the intangible asset and use or sell it;
- The Group has the ability to use of sell the intangible asset;
- The intangible asset will generate probable future economic benefits;
- There are adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Development costs are amortised on a straight line basis over the estimated useful life of five years where the above following capitalisation conditions apply. Amortisation is included in Operating expenses in the statement of comprehensive income.

Other development expenditures that do not meet these criteria are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Licence costs:

These assets relate to the capitalised costs of obtain operational licences. Licence costs are amortised over the estimated useful life of 5 years.

Intangible assets are reviewed annually to check for impairment or where there are changes in events or circumstances that indicate the carrying value may not be recoverable.

Notes to the financial statements

3 Accounting policies (continued)

Tangible assets

Tangible assets are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs. Repairs, maintenance and minor inspection costs are expensed as incurred. Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible assets over their expected useful lives, using the straight-line method as follows:

Leasehold improvements	–	length of the lease contract
Furniture, fixtures and office equipment	–	5 years

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

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss and included in 'Other operating (losses) / gains'.

Impairment of non-financial assets

Non-financial assets are reviewed at each reporting date for impairment when there are any indicators that the carrying amount of the assets cannot be recovered. If any indication exist the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use and is determined for an individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of comprehensive income in those categories with the function of the impaired asset.

Financial instruments

The Group has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

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

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

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

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

Notes to the financial statements

3 Accounting policies (continued)

Financial instruments (continued)

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

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

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

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

iv) Other financial liabilities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised as Revenue in the profit or loss.

Cash and cash equivalents

Cash held on the Balance sheet includes cash received from customers on deposit or in advance of an agreed trade. A corresponding liability is held within Other creditors.

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Notes to the financial statements

3 Accounting policies (continued)

Functional and presentation currency

The Group financial statements are presented in pounds sterling, which is the Group's functional and presentation currency.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the Balance sheet date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Profit and loss account.

Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

The trading results of group undertakings are translated into sterling at the average exchange rates for the year.

Provisions and contingencies

Provisions are recognised when it is probable 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 that has resulted from past events. Where possible outflows from the business are considered improbable, that is considered a contingent liability and no liability is recognised.

Share capital

Ordinary share capital is classified as equity.

Related parties

Key management personnel, and persons connected with them, are 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 Company directly or indirectly.

Finance income

Interest received on client and operational bank accounts is classified as finance income.

Finance costs

Interest charged on operating bank accounts, as well as other costs associated with the management of cash and cash equivalents are classified as finance costs.

Notes to the financial statements

4 Critical accounting judgements and estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

- ***Fair value measurements and valuation processes***

Derivative financial assets and liabilities are measured at fair value for financial reporting purposes. Foreign currency forwards fair value measurements are derived from inputs other than quoted prices that are directly or indirectly observable. A credit valuation adjustment is calculated to account for counterparty credit risk on derivatives. The estimation process behind the CVA involves judgement based on the counterparty credit ratings, probabilities of default and potential future exposure.

A critical judgment taken by management in preparation of the financial statements during the year was as follows:

- ***Cash and cash equivalents***

The Group recognises financial assets and corresponding liabilities for the funds customers hold in their customer liability accounts. At the point that the cash is received from the customer, the Group becomes party to a contract and has a right and an ability to control the economic benefit from the cash flows associated with this balance. Additionally, pursuant to 11.38A of FRS 102, the Group, as per its judgement, considers it does not have a legally enforceable right to set off these financial assets and liabilities, or an intention to settle them on a net basis or settle them simultaneously. Therefore, management has concluded that the recognition of the financial assets and their respective liabilities on the balance sheet is appropriate.

5 Revenue

In the view of the Directors, revenue was derived from one business segment which was the provision of tailored foreign exchange services and international payments for corporate and private clients.

An analysis of revenue by geographical market is given below:

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
United Kingdom	15,913,346	15,561,509
Rest of world	17,493,538	10,821,384
	33,406,884	26,382,893

Notes to the financial statements

6 Staff numbers and costs

The average monthly number of persons employed by the Group during the year were as follows:

	Group Year ended 30 April 2023	Group Year ended 30 April 2022	**Company Year ended 30 April 2023**	Company Year ended 30 April 2022
	Number	Number	**Number**	Number
By activity				
Directors	**6**	7	**5**	6
Sales	**42**	32	**42**	32
Administration	**71**	56	**69**	53
	119	95	**116**	91

The aggregate payroll costs of these persons were as follows:

	Group Year ended 30 April 2023	Group Year ended 30 April 2022	**Company Year ended 30 April 2023**	Company Year ended 30 April 2022
	£	£	**£**	£
Wages and salaries	**9,969,621**	8,118,386	**9,714,708**	8,029,894
Social security costs	**1,271,620**	1,080,071	**1,230,984**	1,022,739
Other employee costs	**95,990**	81,790	**88,256**	73,421
Other pension costs	**143,919**	86,290	**143,919**	86,290
Share based payments	**-**	(1,228,349)	**-**	(1,228,349)
Total staff costs	**11,481,150**	8,138,188	**11,177,867**	7,983,995
Amounts capitalised	**(715,302)**	(719,832)	**(715,302)**	(719,832)
Staff costs charged to profit and loss	**10,765,848**	7,418,356	**10,462,565**	7,264,163

7 Directors' remuneration

The following Directors' remuneration was paid by the Group:

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Emoluments	**1,379,088**	1,540,280
Pension contributions	**57,961**	26,853
	1,437,049	1,567,133

During the previous year, four directors exercised share options under the share-based payment scheme. Four directors were members of the auto-enrolment pension scheme.

The highest paid director received aggregate emoluments of £481,753 (2022: £510,718) and pension contributions of £1,320 (2022: £1,320).

Notes to the financial statements

8 Operating profit

Operating profit is stated after charging/(crediting):

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Amortisation of intangible assets (note 13)	**850,806**	586,142
Depreciation of tangible fixed assets (note 14)	**78,220**	58,485
Operating lease charges	**1,167,596**	443,511

The analysis of auditors' remuneration is as follows:

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Fees payable to the Group's auditors and its associates for other services:		
Statutory audit of the financial statements of the Group	**410,000**	75,000
Payroll and other services	**16,824**	52,648
Tax compliance services	**50,355**	30,102
Total auditors' remuneration	**477,179**	157,750

9 Share based payment

During the period ended 30 April 2021, the Company issued an equity settled share-based payment scheme. On the 4 and 5 November 2020, EMI options were granted on 250,000 Ordinary shares of £0.0003, at an exercise price of £2.38. The options vest over a period of three years and are only exercisable on an "exit event". The options expire ten years after the date of the grant.

The fair value of the share options granted during in 2021 was determined using the Black-Scholes model and Monte Carlo simulation. These models are internationally recognised as being appropriate to value employee share schemes similar to the Company scheme.

On 31 December 2021 all the above share options were exercised and shares issued. All non-vested options were cancelled.

10 Finance income

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Interest income	**1,221,488**	5
	1,221,488	5

11 Finance costs

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Interest charges	**393,095**	152,592
	393,095	152,592

Notes to the financial statements

12 Tax on profit on ordinary activities

a) Analysis of tax charge/(credit) for the year:
The tax credit is made up as follows:

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Current tax:		
UK corporation tax on profit/(loss) for the year	852,942	550,530
Adjustments in respect of prior years	(206,000)	-
Total current tax	646,942	550,530
Deferred tax:		
Origination and reversal of timing differences	71,094	3,877
Total deferred tax	71,094	3,877
Total tax charge	**718,036**	**554,407**

b) Reconciliation of tax charge:

The total tax charge for the year is higher (2022: lower) than the standard UK 19.5% rate of corporation tax (2022: 19%). The differences are explained below:

	Year ended 30 April 2023	Year ended 30 April 2022
	£	£
Profit on ordinary activities before tax	**6,013,828**	3,498,102
Profit on ordinary activities before tax multiplied by 19.5% (2022: 19%)	**1,172,696**	664,639
Effects of:		
Expenses not deductible for tax purposes	**138,722**	207,337
Capital allowances for year in excess of depreciation	**(67,692)**	(11,046)
R&D tax credit	**(419,693)**	(324,743)
Adjustments in respect of previous years	**(206,000)**	-
Deferred tax (note 19)	**71,094**	3,877
Overseas branch tax	**28,909**	14,343
Total tax charge	**718,036**	554,407

The UK corporation tax rate was 19% for the period to 31 March 2023. From 1 April 2023, the corporation tax rate increased to 25%. In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021, and confirmed in the November 2022 Budget. Unrecognised deferred taxes at the balance sheet date have been measured using these enacted rates.

Notes to the financial statements

13 Intangible assets

Group

	Licence	Internally generated software development	Total
	£	£	£
Cost			
At 1 May 2022	13,941	3,649,939	3,663,880
Additions	-	1,470,940	1,470,940
At 30 April 2023	**13,941**	**5,120,879**	**5,134,820**
Accumulated amortisation			
At 1 May 2022	11,970	1,091,424	1,103,394
Charge for the year	1,971	848,835	850,806
At 30 April 2023	**13,941**	**1,940,259**	**1,954,200**
Net book amount			
At 30 April 2023	-	**3,180,620**	**3,180,620**
At 30 April 2022	1,971	2,558,515	2,560,486

Company

Cost			
At 1 May 2022	-	3,649,939	3,649,939
Additions	-	1,470,940	1,470,940
At 30 April 2023	-	**5,120,879**	**5,120,879**
Accumulated amortisation			
At 1 May 2022	-	1,091,424	1,091,424
Charge for the year	-	848,835	848,835
At 30 April 2023	-	**1,940,259**	**1,940,259**
Net book amount			
At 30 April 2023	-	**3,180,620**	**3,180,620**
At 30 April 2022	-	2,558,515	2,558,515

Please see note 23 for details of the treatment of amortisation in the statement of comprehensive income.

Notes to the financial statements

14 Tangible assets

Group	Furniture, fixtures and office equipment	Total
	£	£
Cost		
At 1 May 2022	140,802	140,802
Additions	366,743	366,743
At 30 April 2023	**507,545**	**507,545**
Accumulated depreciation		
At 1 May 2022	47,548	47,548
Charge for the year	78,220	78,220
At 30 April 2023	**125,768**	**125,768**
Net book amount		
At 30 April 2023	**381,777**	**381,777**
At 30 April 2022	93,254	93,254

Company	Furniture, fixtures and office equipment	Total
	£	£
Cost		
At 1 May 2022	136,899	136,899
Additions	366,743	366,743
At 30 April 2023	**503,642**	**503,642**
Accumulated depreciation		
At 1 May 2022	43,939	43,939
Charge for the year	77,926	77,926
At 30 April 2023	**121,865**	**121,865**
Net book amount		
At 30 April 2023	**381,777**	**381,777**
At 30 April 2022	92,960	92,960

Notes to the financial statements

15 Investments

Company

Cost or valuation	£
At 1 May 2022	500,381
Impairment	(500,381)
At 30 April 2023	-

Name of subsidiary undertaking	**Country of Incorporation**	**Nature of Business**	**Interest**	**Address of Registered office**
IFX Payments Europe sp. z.o.o.	Poland	Payment services	100% ordinary shares	Senatorska 2 00-075 Warsawa Poland
IFX Payments Pty Ltd	Australia	Technology Services	100% ordinary shares	Level 10, 68 Pitt Street, Sydney NSW 2000
IFX Payments Ltd	UK	Dormant	100% ordinary shares	33 Cavendish Square, London W1G 0PW, United Kingdom
IFX Securities Ltd	UK	Dormant	100% ordinary shares	33 Cavendish Square, London W1G 0PW, United Kingdom
Technique IO Limited	UK	Dormant	100% ordinary shares	33 Cavendish Square, London W1G 0PW, United Kingdom
Ibanq Limited	UK	Dormant	100% ordinary shares	33 Cavendish Square, London W1G 0PW, United Kingdom
IFX Payments (Europe) B.V.	Netherlands	Dormant	100% ordinary shares	Weeperstraat 61, 1018 VN, Amsterdam

All the above active subsidiaries are included in the consolidation. All subsidiaries are direct ownership of IFX (UK) Ltd.

Unless stated, all subsidiaries have a year end of 30 April.

The investment in the subsidiary IFX Payments Europe sp. z.o.o. has been fully impaired in the year. All subsidiaries are fully impaired as at 30 April 2023.

16 Debtors

Amounts receivable within one year

	Group As at 30 April 2023	Group As at 30 April 2022 Restated*	**Company As at 30 April 2023**	Company As at 30 April 2022 Restated*
	£	£	**£**	£
Trade debtors	**2,101,719**	1,104,873	**2,101,719**	1,104,873
Other debtors	**388,838**	642,169	**346,247**	664,654
Prepayments	**330,351**	171,394	**330,351**	171,394
	2,820,908	1,918,436	**2,778,317**	1,940,921

*See note 28 for details regarding the restatement of the prior year balance sheet.

Notes to the financial statements

17 Derivative assets and liabilities

	Group As at 30 April 2023	Group As at 30 April 2022	**Company As at 30 April 2023**	Company As at 30 April 2022
	£	£	**£**	£
Foreign currency forward contract assets	**2,853,351**	2,839,509	**2,853,351**	2,839,509
	2,853,351	2,839,509	**2,853,351**	2,839,509

	Group As at 30 April 2023	Group As at 30 April 2022	**Company As at 30 April 2023**	Company As at 30 April 2022
	£	£	**£**	£
Foreign currency forward contract liabilities	**568,082**	913,472	**568,082**	913,472
	568,082	913,472	**568,082**	913,472

The profit on forward contracts at fair value through profit or loss is £2,285,269 (2022: £1,926,037) which is included in revenue.

18 Creditors: amounts falling due within one year

	Group As at 30 April 2023	Group As at 30 April 2022 Restated*	**Company As at 30 April 2023**	Company As at 30 April 2022 Restated*
	£	£	**£**	£
Trade creditors	**2,212,084**	1,712,597	**2,187,685**	1,692,740
Other creditors	**396,989,011**	277,043,436	**396,989,011**	277,080,489
Other taxation and social security	**649,104**	597,507	**639,553**	582,695
Accruals and deferred income	**1,931,642**	1,538,030	**1,913,891**	1,532,809
Corporation tax	**317,748**	306,057	**317,123**	306,057
	402,099,589	281,197,627	**402,047,263**	281,194,790

Other creditors include £395,944,224 (2022: £275,270,835) of accounts payable for cash received from customers in advance of trades and held on account and funds received but not yet applied to a clients account.

Notes to the financial statements

19 Deferred tax liability

Group and Company	2023 £	2022 £
Accelerated capital allowances	**86,842**	15,748
Liability at 30 April 2023	**86,842**	15,748
Movements in the year:		
Liability at 1 May 2022	**15,748**	11,871
Charged to the Profit and loss account	**71,094**	3,877
Liability at 30 April 2023	**86,842**	15,748

Tax losses of £512k have been recorded in IFX Payments Europe sp. z.o.o. This has not been recognised as a deferred tax asset due to recoverability being uncertain. A deferred tax asset is only recognised to the extent that it is probable that sufficient future taxable profits will be available against which the Company can utilise the asset.

20 Called up share capital

Group	As at 30 April 2023 £	As at 30 April 2022 £
Allotted, called up and fully paid:		
1,235,581 (2022: 1,235,581) Ordinary shares of £0.0003 (2022: £0.0003) each		
At 1 May 2022	**371**	300
Issued during period	**-**	71
At 30 April 2023	**371**	371

Share capital issued during previous period relates to IFX Payments Pty Ltd.

Company	As at 30 April 2023 £	As at 30 April 2022 £
Allotted, called up and fully paid:		
1,235,581 (2022: 1,235,581) Ordinary shares of £0.0003 (2022: £0.0003) each		
At 1 May 2022	**371**	300
Issued during period	**-**	71
At 30 April 2023	**371**	371

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

Notes to the financial statements

21 Share premium account

Group and Company	As at 30 April 2023	As at 30 April 2022
	£	£
Ordinary shares		
235,581 (2022: 235,581) Ordinary shares of £0.0003 (2022: £0.0003) each were purchased for £2.3797	**560,612**	560,612
	560,612	560,612

22 Dividends

Group and company	As at 30 April 2023	As at 30 April 2022
	£	£
Equity ordinary shares		
Final Paid £Nil (2022: £0.142) per share	-	142,000
	-	142,000

23 Net cash from operating activities

	Year ended 30 April 2023	Year ended 30 April 2022 Restated*
	£	£
Operating profit	**5,185,435**	3,650,689
Amortisation (note 13)	**850,806**	586,142
Depreciation (note 14)	**78,220**	58,485
Foreign exchange movements	**86,707**	178,543
(Increase) in trade and other receivables	**(916,314)**	(394,533)
Increase in trade and other payables	**120,544,881**	33,100,633
Net cash from operating activities	**125,829,735**	37,179,959

24 Operating lease commitments

Group and company	As at 30 April 2023	As at 30 April 2022
	£	£
Payment due		
Not later than one year	**1,642,844**	290,670
Later than one year and not later than five years	**2,077,275**	225,914
	3,720,119	516,584

Notes to the financial statements

25 Financial instruments

Group	As at 30 April 2023	As at 30 April 2022 Restated*
	£	£
Financial assets measured at amortised cost		
Trade debtors	**2,101,719**	1,104,873
Other debtors	**388,838**	642,169
Cash and cash equivalents	**408,061,756**	283,963,269
	410,552,313	285,710,311
Financial liabilities measured at amortised cost		
Trade creditors	**2,212,084**	1,712,597
Accruals	**1,931,642**	1,538,030
Other creditors	**396,989,011**	277,043,436
	401,132,737	280,294,063
Financial assets measured at fair value through profit and loss		
Derivative financial assets	**2,853,351**	2,839,509
	2,853,351	2,839,509
Financial liabilities measured at fair value through profit and loss		
Derivative financial liabilities	**568,082**	913,472
	568,082	913,472

*See note 28 for details regarding the restatement of the prior year balance sheet.

26 Related party transactions

During the year, directors entered into foreign exchange transactions with the company totalling £1,778,030 (2022: £2,890,624). At the year end, funds were also held within the currency accounts totalling £4,324 (2022: £3,196,109). The company also paid rental charges of £Nil (2022: £119,915) to a director. No transactions were outstanding at the year end.

During the year, the ultimate beneficial owner and its related parties entered into foreign exchange transactions with the company totalling £175,213,928 (2022: £11,031,037). At the balance sheet date funds were also held within the currency accounts totalling £8,045,947 (2022:£23,350,689).

These transactions are normally undertaken at a discount to normal commercial terms, and the financial effect of these transactions is not material to the Company.

Related party note has been restated to include disclosures of additional related party transactions and balances which were previously not disclosed.

Notes to the financial statements

27 Ultimate controlling party

On 31 December 2021, AML Global (HK) Limited acquired 100% of the issued share capital of IFX (UK) Ltd.

Christopher Harborne is a director of AML Global (HK) Ltd and from 31 December 2021, is considered to be the ultimate controlling party of the group.

28 Restatement and reclassification

IFX have disclosed the following restatements to the prior year closing balances in the financial statements:

i) In the prior year, open trade positions as at year end for FX and Window forwards were not fair valued in line with FRS 102 and were recognised at the notional contract value as receivables and payables in the financial statements rather than derivative financial assets and liabilities. This has been corrected in the current year and the opening balance sheet has been restated as follows in the table below. The consolidated statement of comprehensive income in the year ended 30 April 2022 has not been restated to adjust the fair value gain/(loss) on derivative assets / liabilities as the impact is not material.

ii) Additionally, cash balance for the year ended 30 April 2022 of £284,797,388 was restated to £283,963,269 in the statement of financial position and the statement of cash flows. This restatement has been made to address the overstatement of both cash balances and customer liabilities by £834,119, resulting in no overall change to Company net assets and the Company's own cash balances which is separate to customer funds.

Year ended 30 April 2022	As originally reported	Effect of Restatement Derivatives	Effect of Restatement Cash balances	Restated amounts
Consolidated statement of financial position (extract)				
Creditors	(278,307,639)	430,085	834,119	(277,043,435)
Derivative liability	-	(913,472)		(913,472)
Derivative assets	-	2,839,509		2,839,509
Debtors	4,274,558	(2,356,122)		1,918,436
Cash and cash equivalents	284,797,388		(834,119)	283,963,269
Statement of cash flow line				
Decrease/(increase) in trade and other receivables	118,984	(513,517)		394,533
(Decrease)/increase in trade and other payables	33,761,297	(660,664)		33,100,633

Notes to the financial statements

29 Cash and cash equivalents

A reconciliation of total cash and cash equivalents to own cash and cash equivalents is provided below:

	Group As at 30 April 2023	Group As at 30 April 2022 Restated*	**Company As at 30 April 2023**	Company As at 30 April 2022 Restated*
	£	**£**	**£**	
Own cash and cash equivalents	**12,117,532**	8,692,434	**12,115,125**	8,587,060
Add client funds	**395,944,224**	275,270,835	**395,944,224**	275,270,835
Cash and cash equivalents	**408,061,756**	283,963,269	**408,059,349**	283,857,895

For relevant funds the FCA requires that the Company, as an non-banking payment services provider, meets safeguarding requirements. As at 30 April 2023, the group (company) held £373.2m (2022: £269.2m) of cash in segregated and separately labelled safeguarding bank accounts at investment grade banking institutions. Funds held in these accounts are restricted and are not available for use by the Group.