

Company registration number 04947859 (England and Wales)

**FIINU PLC (FORMERLY IMMEDIATE ACQUISITION PLC AND IMMEDIA GROUP
PLC)**

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

About Fiinu

Fiinu is a fintech group, including Fiinu Bank Limited and is the developer of the Plugin Overdraft® which is an unbundled overdraft solution that allows customers to have an overdraft with Fiinu Bank without changing their existing bank. The underlying Bank Independent Overdraft® technology platform is bank agnostic, allowing Fiinu Bank to serve all other banks' customers. Open Banking allows Fiinu's Plugin Overdraft® to attach ("plugin") to the customer's primary bank account, no matter which bank they may use. Fiinu's vision is built around Open Banking, and it believes that it increases competition and innovation in UK banking.

Fiinu Bank

Fiinu Bank Limited (registered in England & Wales with Company number 12973786) obtained its UK deposit-taking banking licence with restrictions from the Prudential Regulation Authority (PRA) with the consent of Financial Conduct Authority (FCA) in July 2022 and the work since that date is aimed at obtaining an unrestricted licence, subject to obtaining the required capital, to enable the provision of services to the UK public in the second half of 2023.

Fiinu Holdings Limited

Fiinu Holdings Limited (registered in England and Wales with Company number 10544700) develops intellectual property and fintech modules, which will include a range of innovative new products, initially for use by Fiinu Bank Limited.

FIINU PLC

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FIINU PLC

COMPANY INFORMATION

Directors	M Sjoblom	(Appointed 8 July 2022)
	D Hopton	(Appointed 8 July 2022)
	J Liow Yune Loy	(Appointed 8 July 2022)
	H Evans	(Appointed 8 July 2022)
	C Sweeney	(Appointed 8 July 2022)
	P Tansey	(Appointed 8 July 2022)
	S Leathers	

Secretary	AMBA Secretaries Limited 400 Thames Valley Park Drive Reading, RG6 1PT
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Company number	04947859
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Registered office	Meadows Business Park Station Approach Blackwater, Camberley GU17 9AB
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Auditor	Mazars LLP 30 Old Bailey London EC4M 7AU
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Business address	Meadows Business Park Station Approach Blackwater, Camberley GU17 9AB
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Joint Brokers	Panmure Gordon (UK) Limited 40 Gracechurch Street London EC3V 0BT
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	S.P. Angel Corporate Finance LLP Frederick House 35 Maddox Street London W1S 2PP
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Nominated Adviser	Spark Advisory Partners Limited 5 St John's Lane London EC1M 4BH
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Solicitors	Fladgate LLP 16 Great Queen Street London WC2B 5DG
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FIINU PLC

FOUNDER'S STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

We have come a long way and our mission is to start a new era of banking and to revolutionise how people manage their finances, creating better financial inclusion and increasing financial flexibility for consumers.

We are currently focused on building a Bank Independent Overdraft® platform for Fiinu Bank, which will promote its flagship banking product in the UK – its Plugin Overdraft®, which will give consumers access to an overdraft facility without the need to switch banks and current accounts. It will also help to build credit and avoid rejection stress.

We have obtained evidence that the current macroeconomic environment, rising inflation, and cost-of-living crisis is resulting in more demand for an overdraft, and that the gap between supply and demand of overdraft credit is widening in many markets. In 2017, we presented a thematic analysis and details on how to technically unbundle overdrafts from current accounts without the need for customers to switch banks and thereby extending access to a broader population and improving financial inclusion. The Fiinu business model is based on this. It is technology-led and enabled by Fiinu Bank, using Open Banking to improve consumer outcomes in the lending sector.

Customers will be able to link multiple bank accounts to their dedicated Fiinu Bank overdraft account through Open Banking application programming interfaces (APIs). The underwriting process is also led by Open Banking, as opposed to conventional underlying risk-based underwriting methods.

Financial Inclusion

The presence of an arranged overdraft in a credit file can improve the credit rating if consumers use it sensibly. Fiinu Bank's Open Banking-led underwriting model is based on the principle that overdraft limits will be provided to those who can demonstrate an ability to make repayments within a reasonable time without adversely impacting their overall financial well-being or needing to borrow more elsewhere to repay Fiinu.

Over the past 12 months, only circa 10% of newly opened personal current accounts in the UK include an agreed overdraft. Fiinu Bank is adopting a sophisticated approach to assess affordability and to set credit limits, thereby potentially enabling it to extend its overdraft credit to a substantially wider population than traditional banks.

Outlook and the Year Ahead

We are optimistic about the outlook and the year ahead. We have achieved a sequence of critical milestones, including the granting of a restricted banking licence, admission to the AIM public market coupled with raising £14m of initial funding which has allowed us to move at pace in developing our systems and control structures and now, most recently, the conditional raising of up to £6.5m before costs to support ongoing operations. The company is now focused on securing £34-42m of capital and as is anticipated, a full unrestricted banking licence in the second half of 2023.

MARKO SJOBLÖM

Founder and Executive Director

FIINU PLC

CHAIR'S STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

Review and Outlook

I am delighted to present my first statement as Chairman at a most exciting time in the UK banking market which Fiinu aims to revolutionise with the provision of services to so many, to this point in time, under-served people.

I am particularly pleased with the work effort, commitment and achievements of the entire team ranging from the Board through the management team and to all our employees who have worked with diligence and speed and with a very clear focus on the goal of obtaining an unrestricted banking licence and commencing the provision of services to the UK public in, we anticipate, the second half of 2023.

The building of a thorough governance framework across the group has been particularly impressive and puts us in good shape in advance of the anticipated commencement of business by providing a robust platform upon which to build and develop.

I thank the Board for the huge progress we have made and in such a challenging environment and want to also thank the previous Immediate Acquisition PLC Board, for their stewardship up and until the reverse takeover by Fiinu Holdings Limited in July 2022. This takeover provided the ability for the group to access the capital markets through its AIM listing to obtain capital to enable the growth of the business.

I also thank our shareholders for their support. We would not have been able to achieve what we have without their loyalty and support.

We very much look forward to building upon these achievements and a very exciting future.

DAVID HOPTON

Chair

FIINU PLC

CHIEF EXECUTIVE'S STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

Chief Executive's Statement Overview

Fiinu has had a significant year of progress despite the serious challenges posed by the difficult capital markets, the ever increasing cost environment and the extremely tight mobilisation year timetable.

It has been a year of milestones achieved against targets set and I thank all our employees and business partners for their support. These targets included especially the retention of our people, our control framework and the support of our shareholders as we look to build on this first year.

The Year 2022

Through the reverse takeover (RTO) of Immediate Acquisition Plc, which was subsequently re-named Fiinu Plc, the group concluded by the re-admission in July of its shares to trading on the AIM market. This provided the group with access to the capital markets to seek the required investment required to support unrestricted launch of Fiinu Bank Limited. Over the following 6 months the achievements were exceptional;

September 2022 saw the contract signed and configuration commenced on the core banking platform with Tuum along with completion of the hiring of key management positions;

October 2022: Contract signed with TransUnion to provide open banking and credit reference services along with the key decision engine services provider;

November 2022: The critical Payment Initiation Service Provider ("PISP") was selected following a detailed process to provide inbound and outbound secure payment services and Initial microservices covering customer identification & validation and messaging were delivered into internal test environments;

December 2022: Regulatory Senior Management Function ("SMF") approval received for Fiinu Bank Limited's Chief Financial Officer, Chief Risk Officer and Chair of Board Risk and Compliance Committee and the development of the mobile application 'front end' was completed.

Staff

We are blessed to have excellent people within the Group and we continue to attract new individuals though I continue to monitor the head count required by the our business plan. I thank all our members of staff for their commitment and hard work in the past year as they managed the uncertainty and challenges of the new working model.

Shareholders

I am delighted with the support, both in terms of capital investment and guidance, received from our major shareholders and thank them and the new investors who have joined and supported Fiinu in not only our reverse takeover of Immediate Acquisition Plc to obtain access to the capital markets through its AIM listing and £14million gross fund raise but also, following the end of this financial year, the further conditional raise of up to £6.5m before costs to support ongoing operations. The company is now focused on securing £34-42m of capital as is anticipated, a full unrestricted banking licence in the second half of 2023.

Fiinu Banking

This has been a pivotal, exciting and truly trend-setting year for Fiinu Bank as will be seen by the whole banking market and more importantly the consumer when, as we anticipate, subject to capital, launching as a bank without restrictions in the second half of 2023.

Fiinu Technology

I am truly excited by the ground-breaking work being undertaken by our team members in collaboration with our key external partners as they build out the technology stack with some revolutionary applications and processes that will lead to the provision of the Plugin Overdraft. Whilst we focus on securing the future of Fiinu Bank it is becoming clear how large an opportunity for future revenue streams our proprietary technology will become.

FIINU PLC

CHIEF EXECUTIVE'S STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Consumers, Fairness & Opportunity

We at Fiinu believe that we are on a mission which is to provide on a far fairer and more open basis a good quality banking overdraft facility to so many people who have been denied this opportunity to help them in their well-managed day-to-day affairs but also help them build up good credit histories that other consumer lending products can not and do not.

Looking forward

The progress since the July 2022 RTO has been nothing short of spectacular and has involved a deep level of commitment and dedication from our Board and staff and our key suppliers and shareholders all of whom can see the vision become reality in what is a very short period of time.

I look forward to the rest of this calendar year when we aim to move from development and into the serious business of serving the UK consumer fair and accessible lending in a market that currently underserves them.

CHRIS SWEENEY

Chief Executive Officer

7 June 2023

FIINU PLC

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The Directors present the strategic report for the period ended 31 December 2022.

Overview

The Fiinu group comprises the publicly traded holding company, Fiinu plc and two principal operating group companies, Fiinu Holdings Limited and Fiinu Bank Limited (together the "Group").

Fiinu plc

Fiinu plc (registered in England and Wales with Company number 04947859) is the Group holding company that was admitted to trading on the AIM market on 8th July 2022 following the reverse takeover of Immediate Acquisition plc ("Immediate") of Fiinu Holdings Limited and the renaming of Immediate to Fiinu plc.

Fiinu Holdings Limited

Fiinu Holdings Limited (registered in England and Wales with Company number 10544700) is a wholly owned subsidiary of Fiinu plc and it develops intellectual property and fintech modules, which will include a range of innovative new products, initially for use by Fiinu Bank Limited, including big data insights.

Fiinu Bank Limited

Fiinu Bank Limited (registered in England & Wales with Company number 12973786) is a wholly owned subsidiary of Fiinu Holdings Limited and obtained its UK deposit-taking banking licence with restrictions from the Prudential Regulation Authority (PRA) with the consent of Financial Conduct Authority (FCA) in July 2022 and the work undertaken since that date in this mobilisation year is aimed at obtaining an unrestricted licence which will enable the provision of services to the UK public in the second half of 2023.

Strategy summary

The Group's strategic focus is on pioneering smarter solutions to create financial fairness & freedom achieved by building a digital-first bank, in an innovative and effective way earning customers rational and emotional trust from a compelling brand promise. Solving problems with simple and well-designed solutions that deliver sustainable results for all our stakeholders. Ultimately, the Group is inclusive & diverse in our culture, and dynamic & collaborative in our approach.

During the period the following changes to the Group's strategy included the following disposals:

- May 2022: Immedia Broadcast Ltd., the only active trading business, was sold on 9 May 2022 for £2.0m
- June 2022: Remaining investments in Audioboom plc sold for a net £0.95m

Financial Overview

A summary of the Group's performance for the financial period is set out below:

	Period to 31 Dec 2022 £'000	Year to 31 Mar 2022 £'000
Revenue	-	-
Administrative expenses	(3,356)	(974)
Net finance income/(expenditure)	2	(1)
Operating (loss) from continuing operations	(3,354)	(975)
Income tax income	378	-
Total (loss for the period)	(2,976)	(975)

FIINU PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Financial analysis

The changes in the group for the period to 31 December 2022 compared to the results of the year to 31 March 2022 were as follows:

Revenue: No revenue has been generated by the group in the period to 31 December 2022 and the year to 31 March 2022 as expected in the period preceding and post mobilisation, which began in July 2022.

Expenses: Operational costs have been presented below in two parts; from before RTO in July 2022 and the post-RTO period from then until the 31 December 2022.

	Period to 31 Dec 2022 £'000	Year to 31 Mar 2022 £'000
Pre-RTO	(318)	(975)
Post-RTO		
Non-people costs	(420)	-
People costs	(2,238)	-
Total	(2,976)	(975)

Set up costs: The costs associated with the establishment of the parent company.

Balance Sheet: Total Equity at 31 December 2022 of £7.3m (31 March 2022: £(0.3m)) saw a significant increase as the group benefitted by the issue of new share capital raising gross funds of £8.1m.

Cash Flows: Cash increased by £6.7m to £7.0m (2021: £0.3m) on account of the fund-raise. During the period, the Company issued new share capital to raise gross funds of £8.1m to satisfy the capital requirement for mobilisation.

During the period to 31 December 2022, Fiinu plc sold the following operating businesses:

- May 2022: Immedia Broadcast Ltd, the only active trading business, was sold on 9 May for £2.0m
- June 2022: Remaining investments in Audioboom plc sold for a net £0.95m

Key Performance Indicators

The key targets of the Directors over the financial year have clearly changed between the period prior to the reverse-takeover in July and afterwards in the Group's new life as a fintech company that includes Fiinu Bank Limited. Therefore, showing comparatives for the prior year ended 31 December 2021 provide no use within this report and consequently only those KPIs employed currently are presented here comprising available credit and liquidity and staff numbers, being relevant KPIs for the Group.

1. AVAILABLE LIQUID RESOURCES

	31 Dec 2022	Target £'000
Cash and near-cash assets	7,045	35,000 - 42,000 (commitment)

The Group's target is to secure a capital commitment as indicated above. This will allow the resubmission of the application for the Bank's banking licence

FIINU PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

2. STAFF NUMBERS

	31 Dec 2022	Target (commencing lending operations)
Average staff numbers*	13	
Total staff at year end date	36	74
Comprising:		
Employees	11	67
Contractors	18	
Board	7	7

*The average number of staff is calculated for the period from the RTO onwards

The Board and senior management of the Company frequently meet and discuss the progress being made as the bank mobilisation process keenly targets readiness for full licensing which is anticipated to take place in the second half of 2023. Allied with this is the need to maintain tight controls over cash resources and the variable costs of the Group which comprise primarily people costs. To that end, the KPIs most keenly monitored and discussed are liquidity and headcount. As the business develops past its start-up phase future a wider range of more detailed indicators that will assist in the management of steady state business activities will be developed.

Likely future developments

The initial stages since the RTO in July 2022 have focussed on the development of appropriate systems, procedures and processes accompanied by the relevant policies managed by the best available people in the market as part of the mobilisation year in the lead up to the anticipated commencement of banking business in the second half of 2023. Management are totally focussed on achieving their aims within the budget and regulatory capital requirements set and agreed with regulators.

Dividends

The Board does not propose to pay a dividend in respect of the financial period (31 March 2022: £nil).

Statement of Financial Position

Total net assets were £7.3m (31 March 2022: £(0.3m)) and net current assets £6.2m (31 March 2022: £0.3m net current liabilities). Cash balances at period-end were £7.0m (31 March 2022: £0.3m).

Risks and Uncertainties

Risk appetite is established, reviewed and monitored by the Board. The Group, through the operation of its Committee structure, considers all relevant risks and advises the Board as necessary. The Group maintains a comprehensive risk register as part of its risk management framework promoting a risk-based approach to the internal controls and management of the Group. The Group operates a full risk department supplemented by an externally appointed Internal Audit function which is coordinated by the Finance department. Internal Audit reports directly to the Audit Committee.

Liquidity and capital risk

As noted in the Chief Executive's Report, the Group's focus is on managing the costs of its business whilst putting in place the critical functions, technology and people to receive unrestricted regulatory approval for operation as a Bank in the second half of 2023.

To mitigate risk, the Board continues to focus on ensuring that the financial position remains robust and suitably liquid.

Operational risk

Operational risk is the risk of loss to the Group resulting from inadequate or failed internal processes, people and systems, or from external events.

FIINU PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Business continuity risk is the risk that serious damage or disruption may be caused as a result of a breakdown or interruption, from either internal or external sources, of the business of the Group. This risk is mitigated by the Group having business continuity and disaster recovery arrangements including business interruption insurance in place.

The Group seeks to ensure that its risk management framework and control environment is continuously evolving which Compliance and Risk monitor on an ongoing basis.

Credit risk

As part of the mobilisation programme the Board has taken active steps to minimise and manage future credit losses once unrestricted business commences. At current, and until the anticipated commencement of banking business in the second half of 2023, there is no credit risk with the exception to that of the major banks with whom the Group places its cash resources.

Regulatory risk

The Company operates in a highly regulated environment in the UK. The Group has Internal Audit and Compliance and Risk functions resourced with appropriately qualified and experienced individuals. The Directors monitor changes and developments in the regulatory environment and ensure that sufficient resources are available for the Group to implement any required changes. The impact of the regulatory environment on the Group's management of its capital is discussed in note 22 of the financial statements.

Environment

The Group is developing its Environmental policy which is underpinned by its overall Environmental, Social and Governance ('ESG') initiative. Further updates to be provided on the strategy and progress to be reported in 31 December 2023 annual statements.

Section 172 Statement

Broader Stakeholder Interests

Directors of the Group must consider Section 172 of the Companies Act 2006 which requires them to act in the way that would most likely promote the success of the Group for the benefit of all its stakeholders. The Board and its committees consider who its key stakeholders are, the potential impact of decisions made on them taking into account a wider range of factors, including the impact on the Company's operations and the likely consequences of decisions made in the long term. The Group's key stakeholders, material issues and how the Board and the Group have engaged with them during the year is set out below.

Employees

The CEO and his management team on behalf of the Board engage with employees through a variety of methods including weekly all staff notifications of updates and monthly all staff meetings.

Shareholders

Our shareholders have been pivotal in supporting the Group and its new management team and Board in their plan to radically change the path of the Group. The Board recognise and frequently discuss the importance of good, open and constructive relationships with both new potential as well as existing shareholders and is committed to this communication. The way in which this has been achieved has been by our Chief Executive Officer, supported by the management team, maintaining regular contact and meetings with individual and institutional shareholders, both existing and potential new ones, and communicating and discussing shareholders' views with the Board. The support from existing shareholders and the investment made in the Company by new shareholders is indicative of their support of the overall plan and its progress. A number of Board members and employees also hold the Group's shares and regular communications are provided. Shareholders have been in the past and will be in the future invited to meet the Board and management team, all of whom attend, the Annual General Meeting. For this year, the annual report and accounts for the year ended 31 December 2022 along with all past accounts, relevant regulatory communications and other material is set out on the Group's website at www.fiinu.com.

FIINU PLC

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

On 15 June 2022 The Directors of Immediate Acquisition Plc announced that it had entered into a Sale and Purchase Agreement to acquire Fiinu Holdings Ltd which, on account of the relative sizes of the two entities, constituted a reverse takeover under the London Stock Exchange AIM Rules (See note 1.2).

Regulators

The Board recognises the importance of good regulatory relationships and is absolute in its insistence on continuous and open communication with our regulators at the Prudential Regulation Authority ("PRA") and the Financial Conduct Authority ("FCA") as well as with the London Stock Exchange. Regular ongoing dialogue has continued through the CEO and his team with the PRA who receive regular Management information. The FCA have approved the appointments of each member of the new Management team and the Board members where required.

Customers

Our future customers are fundamental to the business of the Group and the Board recognise that their interests are of paramount importance as is the benefit that the Board believes will be provided to those future customers by the Group's services.

Community and Suppliers

The Board through its Executive Directors are keenly focused on its key supplier relationships especially those of an outsourced variety and constantly challenges and reviews its arrangements. The Group openly encourages its employees to engage in local charitable, community groups and other causes.

Each of the Board members consider that they have acted together, in good faith in a way most likely to promote the success of the Group for the benefit of its broader range of stakeholders as a whole taking into account section 172 of the Companies Act 2006.

On behalf of the Board

P Tansey
Director

7 June 2023

FIINU PLC

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The Directors' annual report and financial statements for the period ended 31 December 2022.

During the period, in connection with the RTO of the company, its name was changed from Immedia Group plc on 12 May 2022 to Immediate Acquisition plc and subsequently changed to Fiinu plc on 13 July 2022.

Principal activities

The principal activity of the group is banking services to provide overdrafts through Open Banking to retail customers. The bank is currently in the mobilisation phase.

During the period ended 31 December 2022, the group changed its accounting reference date from 31 March to 31 December to bring the subsidiary companies in line with Fiinu plc. As such, these financial statements have been prepared for the nine month period ended 31 December 2022, with comparative information being presented for the twelve months ended 31 March 2022. As a result, amounts presented in this annual report are not directly comparable.

Results and dividends

The results for the year are set out on page 30.

During the period ended December 2022, Fiinu Holdings Limited and Fiinu Bank Limited adopted International Financial Reporting Standards (IFRS) having previously prepared financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UKGAAP). As such the bank has applied the provisions of IFRS1, First-time adoption of International Financial Reporting Standards' (IFRS1) in the preparation of this annual report.

The Directors do not propose to pay a dividend for the period to 31 December 2022 (31 March 2022: £nil).

The corporate governance statement set out on pages 16 to 23 forms part of this report.

Going concern

The financial statements of the Group have been prepared on a going concern basis. In making this assessment, the Directors have prepared detailed financial forecasts for the period to June 2024 which considers the funding and capital position of the Group. Those forecasts make assumptions in respect of future trading conditions, notably the regulatory and economic environment and its impact on the Group's revenues and costs, its liquidity and level of regulatory capital and the future development of the Fiinu Bank Limited subsidiary which is contingent upon regulatory approvals being granted to operate as a bank without restrictions and commencement of full banking services coupled with the relevant investor funding. The forecasts take into account foreseeable downside risks, based on the information that is available to the Directors at the time of the approval of these financial statements

The past financial year, and in particular the period since the admission of Fiinu plc to the London Stock Exchange AIM market in July 2022, does not provide any test of those forecasts and assessments as the year commencing 8 July 2022, the 'mobilisation year', is one of investment, development and testing with restricted regulatory approvals in place. The Group are anticipating a binding Heads of Terms to be signed to provide sufficient comfort that the required attestation can be made to the PRA and FCA. Following which Fiinu Bank Ltd will obtain approval from the PRA and FCA to remove the restrictions, conditional on the funding being received. This is in preparation for the grant, anticipated in the second half of 2023, of an unrestricted regulatory licence with which revenue generating business from banking activities can commence.

However, the final outcome of the considerations of the regulators cannot be predicted nor can the success of the necessary fund raise and so by definition there remains uncertainty over the future success in gaining the full regulatory banking licence by the second half of 2023 contingent, as it will be, on raising the necessary funding that the full licence would require the Group to secure in order to operate without the need for further funding in the first twelve months of authorised operation. These circumstances therefore represent a material uncertainty that may cast doubt on the ability of the group to continue as a going concern

Financial instruments and risk management

Details of risks and risk management arising from the Group's financial instruments are set out in note 22 of the financial statements.

FIINU PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Directors

The Directors who held office during the year and their interest in the shares of the Company were as follows:

	Year ended 31 Dec 2022 Number of shares	Year ended 31 Mar 2022 Number of shares
D Hopton (appointed 8 July 2022)	1,396,325	-
P Tansey (appointed 8 July 2022)	-	-
C Sweeney (appointed 8 July 2022)	1,114,701	-
M Sjoblom (appointed 8 July 2022)	125,182,668	-
J Loy (appointed 8 July 2022)	698,163	-
H Evans (appointed 8 July 2022)	-	-
S Leathers	-	-
T R Hipperson (resigned 8 July 2022)	-	-
M I Horrocks (resigned 8 July 2022)	33,606,561	8,869,638
S R Penney (resigned 9 May 2022)	-	443,388
D J Trevorrow (resigned 9 May 2022)	-	-

Further details of Directors' service contracts, remuneration, share interests and interests in options over the Company's shares can be found in the Remuneration Report.

Major Shareholdings

At the date of publication of this report, the Company had been notified of the following shareholdings (other than those of the Directors) of 3% or more of the share capital:

	Ordinary shares	%
M Horrocks	33,606,561	12.23
Kindred Capital	19,629,673	7.14
N & J Rush	11,398,657	4.15
C Akers	8,550,000	3.11

Political Contributions

The Group and Company did not make any political donations or incur any political expenditure during the year (2021: nil).

Qualifying Third Party Indemnity Provisions

The Company has arranged qualifying third-party indemnity for all of its Directors.

Employees

Our employees are vital to the success of the Group. The Group and its employees are committed to delivering a quality service which meets our own expectations, those of the regulators and those of our future clients wherever possible. Employees are kept informed and consulted regularly on key issues affecting them and the Group through regular communication between management and staff.

The Company policy is to give full and fair consideration to all disabled people who apply for employment and seeks to develop the skills and potential of disabled people, affording them access to training and promotion opportunities and, makes every effort to retain in suitable employment those staff who have the misfortune of becoming disabled whilst in the employment of the Group.

FIINU PLC

DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Events after the Reporting Period

Further fund raise

On 26 January 2023 the Company announced that the total anticipated funds required to exit mobilisation of £35 – 42million would be raised on a staged basis in the run-up to Easter through to completion by July 2023. On 14 March 2023 the Company announced that £6.49m of funds had been raised before costs as part of the total anticipated funds required to exit mobilisation. The fundraise was split into three components comprising an immediate subscription of 3,846,155 new ordinary shares that were admitted to trading on the AIM market on 20 March 2023 followed by an arrangement to convert the existing £2.49million of loan facility with Dewscope Limited, in tranches, into equity for which the initial £750,000 was duly converted into 5,769,231 new ordinary shares and admitted to the AIM market on 28 April 2023. The third component was an initial conditional subscription of up to £3.5million for new ordinary shares by GEM Global Yield LLC SCS and GEM Yield Bahamas Limited (together "GEM") at a price per new ordinary share determined by a calculation of the average closing bid price for the shares over a 30 day trading period subject to delivery of the required notices.

Annual General Meeting (AGM)

The resolutions being proposed at the AGM include usual resolutions dealing with the ordinary business of the AGM together with certain additional special business. A description of all the resolutions is set out within the Notice of AGM document.

Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware and each Director has taken all the steps that they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Mazars LLP were appointed as auditor and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

On behalf of the Board

C Sweeney
Director

7 June 2023

FIINU PLC

DIRECTORS' BIOGRAPHIES

FOR THE PERIOD ENDED 31 DECEMBER 2022

DAVID HOPTON

Non-Executive Director, Chair

David is an experienced Board member with over 40 years' experience in financial services. He is a former banker and regulator with extensive knowledge of financial services and governance. Prior to Fiinu, David's experience includes 17 years at the Bank of England, 22 years in Senior Management teams in UK banking industry and five years as a Non-Executive Director and External Adviser.

As a central banker, David was involved in research, policy, regulation, money and government bond markets, industrial finance and industrial relations, including two years at the Bank of International Settlement in Basel, as Secretariat to the G10 Governors Committee.

At Abbey National / Santander, David was the Deputy Head of Santander Global Banking and Markets UK, and a member of Santander UK senior management team. David was member of ALCO, Risk and Executive Committees. David was responsible for a Short-Term Markets trading profit centre and for the management of short-term liquidity.

After retiring from executive management, David was appointed as Independent Non-Executive Director for Punjab National Bank International Limited, a retail bank catering specifically for the needs of Indian communities in the UK, where as well as being Senior Independent Director David served as the Chair of Management Committee of Board and Chair of Board Risk Committee. David was also a member of Audit and Compliance Committee and Nomination and Remuneration Committee. David is currently also an Independent Non-Executive Director at Masthaven Bank in the UK.

MARKO SJOBLÖM

Founder

Marko is a successful second-time entrepreneur and the Founder of Fiinu. He is the CEO of Fiinu's technology business, Fiinu Services Ltd. He is a former elite athlete with a doctorate in artificial intelligence and unbundling banking services. His fintech experience includes over ten years on Wall Street and in the City of London including ten years with leading banking, treasury, risk and payments companies. He has served as a treasury steering committee member at four DAX-30 companies.

Prior to Fiinu, Marko founded one of the largest overdraft-style lenders in the UK which developed a fully automated software robot that lent and recovered over \$1 billion in small increments in the UK without reliance on credit bureau data. His previous business was independently valued at \$171 million after five years. Prior to becoming an entrepreneur, Marko was a Sales Director at Reval, a Wall Street based hedge accounting and quant risk modelling platform. The company was acquired by Carlyle Group, through a \$280 million LBO. Marko was a Director at Kyriba, an in-house bank and payment factory SaaS platform which became a unicorn after receiving a \$160 million investment from Bridgepoint Capital. Marko was also with Trema for five years, helping large incumbent banks and corporate treasuries to manage their risk through straight-through-process automation. The company was acquired by Warburg Pincus, through a \$150 million LBO in 2006 and later by ION Group.

CHRIS SWEENEY

Chief Executive Officer

Chris is an experienced executive. Prior to joining Fiinu, Chris was CEO at 118 118 Money and prior to that he was CEO of Vanquis Bank and Executive Director with over 20 years' experience in consumer finance and retail banking with a track record of driving businesses through strategic transformational change in UK and overseas markets. He is adept at building and leading robust and delivery focused teams and a passionate believer that strategic change is led by really understanding what customers truly value and that meeting those insights will deliver outstanding commercial results and good customer outcomes. Prior to joining Vanquis Bank, Chris was the Chief Executive of Personal Banking, International at Standard Bank, and became Group Executive of Card Payment Solutions in January 2013. Between 2001 and 2010 he worked for Barclaycard and Barclays, across the UK, Europe and Africa. Chris has an BSc (Hons) degree in Chemistry from the University of Birmingham and has completed the Advanced Management Programme at Harvard Business School.

FIINU PLC

DIRECTORS' BIOGRAPHIES

FOR THE PERIOD ENDED 31 DECEMBER 2022

PHILIP TANSEY

Chief Financial Officer

Philip is the former CFO for WH Ireland plc, an AIM quoted financial services group comprising bespoke personal wealth management services with a corporate and institutional broker. Philip has extensive experience leading global operations in dynamic enterprises. He previously worked for Panmure Gordon as a main Board Executive Director after joining from BGC Partners Inc where he was Chief Control Officer. Over six years he managed the day-to-day operation of the firm's infrastructure, its public accounts and significant transactions including acquisitions, restructurings and legal negotiations including a major turn-around and clean-up operation. He also acted as Company Secretary. Before joining BGC, he was a Director within Deutsche Bank's Office of Internal Controls. His career has also spanned Credit Suisse First Boston, where he was Chief Operating Officer of the bank's fixed income and derivatives product control group. Phillip's early career included roles at CIBC Wood Gundy, Bankers Trust, Salomon Brothers and BDO Stoy Hayward, where he qualified as a chartered accountant.

HUW EVANS

Non-Executive Director

Huw worked for Barclays Bank for 30 years in various roles. He has a very strong banking risk and credit background including a role as the Risk Director with the 12 countries that then comprised Barclays Africa & Middle East and, latterly, ten years with banks in the Middle East in similar roles. Huw is an enterprise-wide risk professional who is used to building strong relationships at C-Suite and board level. He is an experienced wholesale and debt capital markets practitioner, as well as being thoroughly versed in all aspects of consumer lending, portfolio optimisation and auto-decisioning, developed and proven over many years. Prior to joining Fiinu, Huw was Group Chief Credit Officer at the Commercial Bank of Qatar where he was responsible, amongst other things, for all aspects of enterprise-wide consumer credit origination, processing, scoring and recovery. Huw also owned the risk control framework for BMI Bank (Bank Muscat International) in Bahrain, as their Chief Risk Officer. He is currently an Independent Non-Executive Director at All Africa Capital Limited, a financial consultancy based in London.

JERRY LIOW YUNE LOY

Non-Executive Director

Jerry has served over 25 years in financial services with a focus on accounting and audit. He has worked across the private and public sectors and led the development of small to large companies through multiple transformations (be it systems, processes, people) including start-up, growth, maturing and decline. Prior to joining Fiinu, Jerry gained valuable banking, financial and operational experience with KPMG, The Capital Group, the private banking arms of two Middle Eastern banks as well as managing programmes for the UK Government's Department for International Trade and the Japanese Government's Ministry of Foreign Affairs. Jerry has extensive experience of working with audit committees and with regulatory bodies. At NBAD Private Bank (Suisse) SA and QNB Banque Privée (Suisse) SA, two start up banks, Jerry served as Secretary to the Audit Committee and The Board of Directors. Jerry now chairs the audit committees for two other regulated financial services entities and is an Independent Non-Executive Director at Redwood Bank. Jerry is a Fellow of the Institute of Chartered Accountants in England and in Wales, qualifying with KPMG.

SIMON LEATHERS

Non-Executive Director

Simon is a Senior Corporate Finance / Capital Markets professional with over 20 years of experience advising and executing a wide range of corporate finance transactions, with roles including Main Market Sponsor, AIM NOMAD and Takeover Code (Rule 3) adviser. Simon trained as an FCA at PwC and is a Chartered MCS1 with a broad range of public and private company corporate finance experience across a range of industry sectors, most notably the IT and natural resource sectors.

FIINU PLC

CORPORATE GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

Fiinu Plc is subject to the 2018 UK Corporate Governance Code (the "UK Corporate Governance Code"), which was issued in July 2018 by the Financial Reporting Council and is available at www.frc.org.uk. The UK Corporate Governance Code sets out guidance in the form of principles and provisions on how companies should be directed and controlled to follow good governance practice. Companies listed in the UK are required to disclose how they have applied the main principles and whether they have complied with its provisions throughout the financial year. Where the provisions have not been complied with, companies must provide an explanation.

Throughout the year to 31 December 2022, the Company has complied with the provisions set out in the UK Corporate Governance Code, except for the following matters:

Provision 5

Engagement with the workforce, one or a combination of the following methods should be used by the Company: a Director appointed from the workforce, a formal workforce advisory panel, or a designated non Executive Director - Due to the re-establishment of operations within the Group this area has yet to be addressed and will be reviewed throughout the year

Provision 12

The Board should appoint one of the Independent Non-Executive Directors to be the Senior Independent Director to provide a sounding Board for the Chair and serve as an intermediary for the other Directors and shareholders – Following the year-end, the Board appointed Simon Leathers as Senior Independent Director, and this role and its activities will be developed throughout the next year.

Provision 21

The Board should carry out a formal and rigorous annual evaluation of the performance of the Board, its committees, the Chair and individual Directors. The chair should consider having a regular externally facilitated Board evaluation – The Audit Committee is charged with the responsibility for arranging a review of Board effectiveness which it will commission and conduct over the forthcoming 12 months.

Statement of Compliance with TCFD

Due to the re-establishment of operations within the Group, this strategy is being developed and will be reviewed throughout the year.

Viability statement and other disclosures

Following the commencement of trading operations within the Group in 2023 these disclosures will be developed and enhanced throughout the year.

Board and Committee attendances

Since the reverse takeover earlier in the year, the Board and sub-committees meet at least monthly in line with effective Corporate Governance. The attendance for the Board and Committees for the 12-month period to 31 December 2023 will be included in the report next year.

Independence

The Board is confident that all of the Non-Executive Directors during the year satisfied the independence criteria of the UK Corporate Governance Code on their appointment and continued to satisfy those criteria. All significant commitments which the Directors have outside of the Company are disclosed and monitored on an ongoing basis where there are any changes. The Board is satisfied that each of the Non-Executive Directors commits sufficient time to their duties and fulfils their obligations to the Company.

This statement has been collectively prepared by the Board of Directors of the Company (the "Board"). The Board refers to the Code as a useful guide to assist in articulating how the Company approaches and applies good corporate governance and this report sets out the Company's application of the Code, by the Board, and where appropriate, cross references other sections of the Annual Report. Where the Company's practices depart from the expectations of the Code, the Board has given an explanation as to why.

FIINU PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

The main principles of the Code and the Board's assessment of compliance by the Company is set out below:

Code Principle Leadership

The Role of the Board

Every company should be headed by an effective board which is collectively responsible for the long-term success of the company

How the company applies it

- Board has been structured to ensure that correct mix of skills and experience are in place to allow it to operate effectively;
- Board meetings are scheduled regularly, with supplementary meetings held as required. A rolling plan of items for discussion is reviewed regularly so that all matters reserved to the Board, with others as appropriate, are discussed;
- The structure and business of the Boards is designed to ensure that the Directors focus on the strategy, monitoring, governance and performance of the Company;
- There is a clear schedule of Matters Reserved for the Board for decision making which includes; setting and reviewing the Group's long-term objectives, commercial strategy, business plan and annual budget; overseeing the Group's operations and management; governance and risk control issues and major capital projects.

Division of Responsibilities

There should be a clear division of responsibilities at the head of the company between the running of the board and the executive responsibility for the running of the company's business.

- The roles of Board Chair and Chief Executive are not the same individual;
- The division of responsibilities between the two roles is set out in writing and will be reviewed by the Board annually so it remains relevant and accurate;
- The Chair's role is to lead and manage the Board, and to play a role in facilitating the discussion of the Company's strategy by the Board;
- The Chief Executive Officer and the Chief Financial Officer are responsible for the day-to-day management of the Company's operational activities, and for the proper execution of strategy, as set by the Board;
- There is no dominant individual or group of individuals on the Board unduly influencing its collective decision-making ability.

Independence of Tenure

The tenure of an Independent Director shall be limited

The tenure of an Independent Director shall be limited to a cumulative term of nine (9) years from the date of first appointment without further extension. Upon completion of nine (9) years tenure, an Independent Director will vacate his/her Board seat from the Company.

The Chair

The Chair is responsible for leadership of the board and ensuring its effectiveness

- With support from the Company Secretary the Chair has full responsibility for setting the Board's agenda;
- The Chair sets the meeting timetable, actively encourages contribution from all Directors in Board meetings, and is responsible for ensuring that constructive interaction is on-going between the individual members of the Board.

FIINU PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Non-Executive Directors

As part of their role as members of a unitary board, Non-Executive Directors should constructively challenge and help develop proposals on strategy.

- The Chair encourages an open environment in Board meetings and ensures that Non-Executive Directors are provided with adequate time and opportunity in such meetings to give their views and challenge the Executive Directors;
- The Chair and Non-Executive Directors met during the year without the Executive Directors being present in order to scrutinise the performance of Executive Management and for any significant issues or problems arising to be discussed;
- The Senior Non-Executive Director acts as an intermediary between the Chair and the other Directors

Effectiveness

The Composition of the Board

The Composition of the Board:

The board should have a balanced mix of skills, experience, knowledge and independence to enable them to discharge their responsibilities and duties effectively

- Board has been structured to ensure that correct mix of skills and experience are in place to allow it to operate effectively;
- The Board currently has three independent Non-Executive Directors and three Executive Directors;
- The composition of the Board is reviewed by the Nomination Committee to ensure it has the appropriate balance of skills, experience and knowledge of the Company;

Appointments to the Board

There should be a formal, rigorous and transparent procedure for the appointment of new Directors to the Board

- Appointment of new Directors to the Board is led by the Nomination Committee who has the responsibility for nominating candidates for appointment as Directors to the Board, bearing in mind the need for diversity and a broad representation of skills across the Board;
- Further detail on the work of the Nomination Committee will be found on the Corporate Governance pages of the Annual Report and Accounts.

Commitment

All Directors should be able to allocate sufficient time to the company to discharge their responsibilities effectively

- The time commitment required from each Director is stipulated within their letter of appointment and discussed openly between the Chair and relevant Director;
- The Nomination Committee is responsible for considering on an annual basis, whether each Director is able to devote sufficient time to their duties.

Development

All Directors should receive an induction on joining the board and should regularly update and refresh their skills and knowledge.

- In time each Director will receive a comprehensive induction programme, tailored to their specific background and requirements.
- New Directors will receive an induction pack which contains information on the Group's business, its structure and operations, Board procedures, corporate governance related matters and details regarding Directors' duties and responsibilities;
- All new Directors are introduced to the Group Leadership Team and members of the Senior Leadership Team;
- As part of the Board Evaluation process, training and development needs are considered and training courses are arranged, where appropriate

FIINU PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Information and Support

The Board should be supplied in a timely manner with information in a form and of a quality appropriate to enable it to discharge its duties..

- The Chair, with the assistance of the Company Secretary, ensures that the Directors receive accurate, timely and clear information.
- All Directors receive appropriate documentation in advance of each Board and Committee meeting including detailed briefings on all matters in order to discharge their duties effectively in considering a matter and reaching a decision on it.
- The Board has an annual rolling plan of items for discussion which is reviewed and adapted regularly to ensure all matters reserved to the Board, with other items as appropriate, are discussed. At each meeting, the Chief Executive Officer updates the Board on key operational developments, provides an overview of the market and other key operational risks and highlights the important milestones reached in the delivery of the Group's strategic objectives. The Chief Financial Officer provides an update on the Group's financial performance, banking arrangements, the Company's relationships with investors and potential investors and shareholder analysis;
- Meeting proceedings and any unresolved concerns expressed by any Director are minuted by the Company Secretary. Other members of management are also invited to attend Board meetings to present on specific business issues and proposals. This way the Board is given the opportunity to gain a more in-depth understanding of key areas of the business. External speakers are also invited to present to the Board on topical industry issues. All of these topics lead to discussion, debate and challenge amongst the Directors

Evaluation

The Board should undertake a formal and rigorous annual evaluation of its own performance and that of its committees and individual Directors.

- The Nomination committee instructed an evaluation of the composition and effectiveness of the Board and its Committees be undertaken by an external provider;
- The Chair met with the Non-Executive Directors during the year without the Executive Directors present to discuss Board balance, monitor the powers of individual Executive Directors and raise any issues between themselves as appropriate. Led by the Senior Independent Director, the Non-Executive Directors also met during the year without the Chair present to appraise his performance and to discuss any other necessary matters as appropriate

Re-election

All Directors should be submitted for re-election at regular intervals, subject to continued satisfactory performance

- The Company's Articles of Association require a Director to be subject to election at the first Annual General Meeting ('AGM') following their appointment and thereafter every third year;.
- However, in accordance with the Code, all Directors will be subject to election / re-election at the 2023 AGM

FIINU PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Accountability

Financial and Business Reporting

The board is to present a fair and understandable assessment of the company's position & prospects

- The Directors' report will be set out in full in the Consolidated 31 December 2022 Annual Report and Accounts. This will include an explanation concerning the Directors' responsibility for preparing the Annual Report and Accounts and a statement that the Directors' consider the Annual Report and Accounts, taken as a whole, to be fair, balanced and understandable and that it provides the information necessary for shareholders to assess the Company's performance, business model and strategy.
- The Strategic Review section of the Company's Annual Report and Accounts set outs the strategic objectives of the Company and how these will be delivered and the details of Fiinu's business model to describe how the Company will generate and preserve value over the longer term.

Risk Management and Internal Control

The board is responsible for determining the nature and extent of the significant risks it is willing to take in achieving its strategic objectives. The board should maintain sound risk management and internal control systems

- A section explaining the Risk and Uncertainties was set out in the Admission document and will be set out in the 2022 Annual Report and Accounts and the Board takes overall responsibility for risk management with a particular focus on determining the nature and extent of the significant risk it is willing to take in achieving its strategic objectives ("risk appetite");
- The activities of the Audit Committee are also set out in the Admission document and will again be set out in the 2022 Annual Report and Account;
- The Board has overall responsibility for maintaining and reviewing the Group's systems of internal control and ensuring that the controls are robust and effective in enabling risks to be appropriately assessed and managed;
- The Director's assessment of the Group's prospects was again set out in the Admission document and will be set out in the 2022 Annual Report;
- On behalf of the Board, the Audit Committee conducts an annual review of the effectiveness of the systems of internal control including financial, operational and compliance controls and risk management systems.

Audit Committee and Auditors

The board should establish formal and transparent arrangements for considering how they should apply the corporate reporting and risk management and internal control principles and for maintaining an appropriate relationship with the company's auditors

- The Board reviews the operation and effectiveness of the Group's risk management activities through the Audit and Risk Management Committees, which undertake the day-to-day oversight of the risk management framework on behalf of the Board;
- The Chairman of the Audit Committee regularly provides an update on the work carried out by the Audit Committee to the Board.

FIINU PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Remuneration

The Level and Components of Remuneration

Executive Directors' remuneration should be designed to promote the long-term success of the company. Performance-related elements should be transparent, stretching and rigorously applied.

- The Board delegates responsibility for setting appropriate levels of remuneration for its Executive Directors to the Remuneration Committee;
- An appropriate alignment of interests between Executive Directors and shareholders through remuneration is a key goal of the Remuneration Committee, and an underlying principle for its decision-making.

Procedure

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual Directors. No Director should be involved in deciding their own remuneration.

- Remuneration Committee oversees the process and procedures utilised for the development of policies on executive Remuneration within which no Director is involved in regard to their own situation.

Relations with Shareholders

Dialogue with shareholders

There should be a dialogue with shareholders based on the mutual understanding of objectives. The board as a whole has responsibility for ensuring that a satisfactory dialogue with shareholders takes place.

- The Board recognises and values the importance of meeting the Company's shareholders to obtain their views, and has established a programme to communicate with shareholders, based on its financial reporting calendar;
- Meetings will be held with major shareholders following both the full-year and half-year results. Normally, these meetings are with the Chief Executive Officer and Chief Financial Officer. The whole Board is briefed on the outcome of these meetings and any issues raised are discussed;
- The Chair is contactable at the Company's registered office address to answer any queries that both institutional and individual shareholders may have.

Constructive Use of general meetings

The board should use general meetings to communicate with investors and to encourage their participation.

- All of the Directors aim to attend the AGM and value the opportunity of welcoming individual shareholders and other investors to communicate directly and address their questions;
- In addition to the mandatory information required, a full, fair and balanced explanation of the business of all general meetings is sent in advance to shareholders.

FIINU PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

At the date of this report the Group Board consists of three Executive and four Non-Executive Directors. The Board is responsible for the overall direction and strategy of the Group and meets regularly throughout the year. Under the Company's Articles of Association at every AGM, any of the Directors:

- who have been appointed by the Directors since the last AGM; or
- who were not appointed or reappointed at one of the preceding two AGMs,
- must retire from office and may offer themselves for reappointment by the members.

The Board has formally established a number of committees and agreed their terms of reference, as follows:

Remuneration Committee

The principal function is to determine the policy on Executive appointments and remuneration. The committee consists of all the Non-Executive Directors with Simon Leathers as Chair. It is the aim of the committee to attract, retain and motivate high calibre individuals with a competitive remuneration package.

Remuneration for Executives normally comprises basic salary, bonus, benefits in kind and options. Details of the current Directors' remuneration are given in the Remuneration Report (page 31).

Other Executive Directors and Risk Committee members may be invited to attend the meetings and the committee has access to advice from HR.

Audit Committee

The committee is made up of all the Non-Executive Directors with Jerry Loy as Chair. It is responsible for reviewing the Company's arrangements with its external and internal auditors, including the cost effectiveness of the audit and the independence and objectivity of the auditors. It also reviews the application and appropriateness of the Company's accounting policies, including any changes to financial reporting requirements brought about by both external and internal requirements and it gives consideration to all major financial announcements made by the Company including its interim and preliminary announcements and annual report and accounts. The Audit Committee is charged with the responsibility for arranging a review of Board effectiveness which it will commission and conduct over the forthcoming 12 months.

The external auditors, internal auditors and other Executive Directors may be invited to attend the meetings.

Risk and Compliance Committee

The committee is made up of all the Non-Executive Directors with Huw Evans as Chair. It is responsible for advising the Board on risk appetite, tolerance and strategy, taking into account the current and prospective regulatory and market environment.

The Committee maintains a constant review of both the Group's overall risk assessment processes and the effectiveness of the Group's internal controls and risk management systems. It advises the Board on proposed strategic transactions that may impact the risk profile of the Group.

The Head of Compliance and Risk and the Executive Directors may be invited to attend the meetings.

Nomination Committee

The committee consists of all the Non-Executive Directors with David Hopton as Chair. It is the aim of the committee to identify and nominate potential candidates to fill Board vacancies; to consider succession planning and to consider appropriate training for the Board.

Executive Committee

The committee is made up of the senior management of the Group and is chaired by the CEO. The committee is responsible for oversight of all delegated functions by the Board and the day-to-day operational business. In addition, it is responsible for ensuring the strategy of the Board is implemented and any issues that need to be communicated to the Board are recorded as such. The committee is also responsible for ensuring timely identification and resolution of regulatory and compliance issues, ensuring senior management are aware of significant regulatory matters and to act as a forum to update the Head of Compliance and Risk about organisational change and new business.

FIINU PLC

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

Internal control

The Board has overall responsibility for the framework of internal control established by the Group and places critical importance on maintaining a strong control environment. This framework of internal control is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Detailed internal control procedures exist throughout the Group's operations and compliance is monitored by management and through the Group's Compliance Department, Internal Audit and the Executive Committees.

On behalf of the Board

David Hopton
Chair
7 June 2023

FIINU PLC

REMUNERATION REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

The Directors present the Directors' Remuneration Report (the "Remuneration Report") for the financial year ended 31 December 2022.

Composition and Role of the Remuneration Committee

As detailed within the Corporate Governance report, the Board has established a Remuneration Committee which currently consists of all the Non-Executive Directors, chaired by Simon Leathers.

The committee determines and agrees with the Board the framework and policy of Executive remuneration and the associated costs to the Group and is responsible for the implementation of that policy. The committee determines the specific remuneration packages for each of the Executive Directors and no Director or Senior Executive is involved in any decisions as to their own remuneration. The committee has access to information and advice provided by the CEO and the CFO and has access to independent advice where it considers it appropriate.

This report explains how the Group has applied its policy on remuneration paid to Executive Directors.

Framework and Policy on Executive Directors' Remuneration

The Group's remuneration policy is designed to provide competitive rewards for its Executive Directors and other senior executives, taking into account the performance of the Group and the individual executives, together with comparisons to pay conditions throughout the markets in which the Group operates. It is the aim of the committee to attract, retain and motivate high calibre individuals with a competitive remuneration package. It is common practice in the industry for total remuneration to comprise base salary, performance-linked bonuses and where applicable, share plan awards.

The remuneration packages are constructed to provide a balance between fixed and variable rewards. Therefore remuneration packages for Executive Directors and Senior Executives normally include basic salary, bonuses, benefits in kind and options. In agreeing the level of basic salaries and annual bonuses the committee takes into consideration the total remuneration that Executives could receive.

Basic Salary

Basic salaries are reviewed on an annual basis or following a significant change in responsibilities. The committee seeks to establish a basic salary for each Executive determined by individual responsibilities and performance, taking into account comparable salaries for similar positions in companies of a similar size in the same market.

Incentive Arrangements

Bonuses

These are designed to reflect the Group's performance, taking into account the performance of its peers, the market in which the Group operates and the individual's contribution to that performance.

Performance related contractual incentive scheme

These are designed to reward performance by employees across the Group.

Share Options

The Group will immediately, following the publication of this report and financial statements, implement two different share ownership plans for employees and other staff members; a Company Share Option Scheme ("CSOP") and an unapproved share option scheme.

Other Employee Benefits

Depending on the terms of their contract certain Executive Directors and Senior Executives are entitled to a range of benefits, including contributions to private medical insurance and life assurance.

FIINU PLC

REMUNERATION REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2022

Service Contracts and Notice Periods

The Executive Directors are employed on rolling contracts subject to six months' notice from either the Executive or the Group, given at any time. The service contracts of the current Executive Directors are available for inspection by any person from the Human Resources department at the Group's registered office during normal office hours on any day except weekends and bank holidays.

Contracts of employment for Senior Executives are all on a rolling basis subject to notice periods ranging from three to six months.

Service contracts do not provide explicitly for termination payments or damages but the Group may make payments in lieu of notice. For this purpose pay in lieu of notice would consist of basic salary and other relevant emoluments for the relevant notice period excluding any bonus.

External Appointments undertaken by Executive Directors

In the committee's opinion, experience of other companies' practices and challenges is valuable for the personal development of the Group's Executive Directors and for the Company. It is therefore the Group's policy to allow Executive Directors to accept directorships at other companies, provided the time commitment does not interfere with the Executive Directors' responsibilities within the Group. Fees are retained by the individual Executive Director.

Non-Executive Directors

All Non-Executive Directors have a letter of appointment for an initial period of twelve months and thereafter on a rolling basis subject to three months' notice by either the Non-Executive Director or the Group, given at any time.

In the event of termination of their appointment they are not entitled to any compensation. The terms and conditions of appointment of Non-Executive Directors are available for inspection by any person at the Group's administrative office during normal working hours on any day except weekends or bank holidays.

Non-Executive Directors' fees are determined by the Executive Directors having regard to the need to attract high calibre individuals with the right experience, the time and responsibilities entailed and comparative fees paid in the market in which the Group operates. They are not eligible for pensions.

Directors' Emoluments

The remuneration of each Director as listed on page 1, Company Information, excluding share options and awards, during the period ended 31 December 2022 is set out in the table below:

				31 Dec 2022	31 Mar 2022	31 Dec 2022	31 Mar 2022
	Salary	Benefits	Bonus	Total	Total	Pension	Pension
Executive							
C Sweeney	431,647	-	-	431,647	-	-	-
P Tansey	45,833	-	-	45,833	-	-	-
M Sjoblom	-	-	-	-	12,500	-	-
Non - Executive							
D Hopton	74,024	-	-	74,024	-	-	-
S Leathers	12,500	-	-	12,500	-	-	-
H Evans	40,000	-	-	40,000	-	-	-
J Loy	40,000	-	-	40,000	-	-	-
T R Hipperson	-	-	-	-	-	-	-
M I Horrocks	-	-	-	-	-	-	-
S R Penney	-	-	-	-	-	-	-
D J Trevorrow	-	-	-	-	-	-	-
	644,004	-	-	644,004	12,500	-	-

The highest paid Director for 2022 was C Sweeney receiving emoluments of £431,647 (31 March 2022: M Sjoblom £12,500).

FIINU PLC

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2022

In respect of the Directors' report and the financial statements, the Directors are responsible for preparing the Directors' report and Strategic report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the group and parent company financial statements in accordance with UK – adopted international accounting standards (IFRSs) and the requirements of the Companies Act 2006. Under company law the Directors are satisfied that the financial statements give a true and fair view of the state of affairs of the group and parent company and of the profit or loss of the group and parent company for that period.

In preparing these financial statements, requires that Directors:

- properly select and apply suitable accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- state whether applicable UK-adopted International Accounting Standards have been followed;
- provide additional disclosures when compliance with the specific requirements is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Group's ability to continue as a going concern.

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

Website Publication

The Directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the Company's website is the responsibility of the Directors. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein

FIINU PLC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIINU PLC

Opinion

We have audited the financial statements of Fiinu Plc (the 'Parent Company') and its subsidiaries (the 'Group') for the nine-month period ended 31 December 2022 which comprise the Consolidated statement of total comprehensive income, the Consolidated and Company statement of financial position, Consolidated and Company statement of changes in equity, Consolidated and Company statement of cash flows, and notes to the Consolidated financial statements and 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.

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2022 and of the Group's loss for the period then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Material uncertainty related to going concern

We draw attention to note 1.4 in the financial statements, which indicates that when assessing the Group and Parent Company's ability to continue as a going concern, the directors have concluded that a material uncertainty exists in relation to the Company's ability to raise the capital required to support its subsidiary's, ('Fiinu Bank Limited's; the 'Bank'), year one of operations post approval from the Prudential Regulatory Authority ('PRA') and the Financial Conduct Authority ('FCA') to operate as a bank without restrictions, following the re-submission of the Bank's banking application.

As stated in note 1.4, these events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Group's and the Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our evaluation of the directors' assessment of the Group's and the Parent Company's ability to continue to adopt the going concern basis of accounting included, but were not limited to:

- Undertook an initial assessment at planning stage to identify events or conditions that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern;
- Evaluating the future cash flow projections of the Bank, being the main operational entity within the Group and to identify whether future returns from the Bank will be sufficient to cover operational costs for the Parent Company;
- Assessing and challenging key assumptions for future actions by assessing the likelihood of raising sufficient amount of additional capital in the short term to maintain a surplus to the regulatory capital requirements for the Bank. In our assessment, we considered the recent capital raising activities, the risks associated to the achievement of the group's business plan and the ability of the group's potential investors.

FIINU PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FIINU PLC

- Assessing and challenging the appropriateness of management's forecasts by assessing historical forecasting accuracy and performing a downside sensitivity analysis on business growth rates and timing of capital injections in order to understand the impact on capital requirements;
- Making inquiries of management, reviewing correspondence with regulators and minutes of board meetings;
- We discussed the Bank's overall mobilization requirements with the PRA and reviewed minutes of board meetings to consider whether there were events subsequent to the balance sheet date which could have a bearing on the directors' assessment of going concern conclusion; and
- Evaluating the appropriateness of the directors' disclosures in the financial statements on going concern, including the material uncertainties, to ensure they complied with the applicable accounting framework.

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

In relation to Fiinu Plc's reporting on how it has applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to:

- the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting; and
- the directors' identification in the financial statements of the material uncertainty related to the Group's and the Parent Company's ability to continue as a going concern over a period of at least twelve months from the date of approval of the financial statements.

Key audit matters

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

We summarise below the key audit matter in forming our opinion above, together with an overview of the principal audit procedures performed to address each matter and our key observations arising from those procedures. The matter set out below are in addition to the "Material uncertainty related to going concern" above which, by its nature, is also a key audit matter.

These matters together with our findings, were communicated to those charged with governance through our Audit Completion Report.

FIINU PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FIINU PLC

Key audit matter

Acquisition accounting relating to reverse take-over (Group)

Refer to note 1.2 and 2.

During the year Immediate Acquisition plc (IME) acquired Fiinu Holdings Limited ('FHL') for a total consideration of approximately £37.5 million to be satisfied by the issue of new ordinary shares in IME to the selling shareholders of FHL.

Post the acquisition IME changed its name to Fiinu Plc.

The acquisition constituted a reverse takeover under the AIM Rules for Companies.

Given the complexity of the accounting requirements surrounding this transaction management is required to make judgements on the appropriate accounting treatment. This significant judgement requires the analysis of complex legal documentation and therefore carries a significant audit risk and deemed to be a key audit matter

How our scope addressed this matter

Our audit procedures included, but were not limited to:

- Obtaining the key legal documents which included the Principal Share Purchase Agreement, Minority Share Purchase Agreement, AIM Admission Document and the letter to PRA by MGI Midgley and Snelling dated 2 July 2022 supporting the transaction details in relation to the number of shares, agreement date and shareholders involved to form our own independent assessment of the transaction flow ;
- Engaging with our accounting technical experts to assess management's accounting treatment against IFRS 3 requirements;
- Critically challenging management's accounting assessment on the transaction; and
- Reviewing the appropriateness of disclosures to meet the requirements of UK-adopted international accounting standards. .

Our observations

Based on the procedures performed we consider the managements judgements and disclosures in the Acquisition accounting relating to the reverse take-over to be appropriate.

Our application of materiality and an overview of the scope of our audit

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Group materiality

Overall materiality

How we determined it

Rationale for benchmark applied

- £73,000
- 1% of consolidated net assets
- The Group is profit-oriented, but, is still in its investment and development phase and has not generated operating revenues.

Shareholders and investors are the primary users of the Group's financial statements. They tend to focus mostly on the capital position of the Group.

Whilst we have considered loss before tax as a potential benchmark, it remains volatile. Consequently, in our view, net assets provide the best indicator of the level of economic activity during the period and is considered the most appropriate benchmark.

Performance materiality

- Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole.

We set performance materiality at £36,500 which represents 50% of overall materiality.

FIINU PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FIINU PLC

	In determining the performance materiality we considered a number of factors, including that the group is in mobilisation phase and that this is our first year as statutory auditors, and concluded that an amount towards the lower end of our normal range was appropriate.
Reporting threshold	- We agreed with the directors that we would report to them misstatements identified during our audit above £2,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.
Parent company materiality	
Overall materiality	- £73,000
How we determined it	- 1% of consolidated net assets
Rationale for benchmark applied	- The Parent Company is profit-oriented, but, is still in its investment and development phase and has not generated operating revenues. Shareholders and investors are the primary users of the Group and Parent Company's financial statements. They tend to focus mostly on the capital position of the Group. Whilst we have considered loss before tax as a potential benchmark, it remains volatile. Consequently, in our view, the consolidated net assets provide the best indicator of the level of economic activity during the period and is considered the most appropriate benchmark.
Performance materiality	- Performance materiality is set to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements in the financial statements exceeds materiality for the financial statements as a whole. We set performance materiality at £36,500 which represents 50% of overall materiality. In determining the performance materiality we considered a number of factors, including that this is our first year as statutory auditors, and concluded that an amount towards the lower end of our normal range was appropriate.
Reporting threshold	- We agreed with the directors that we would report to them misstatements identified during our audit above £2,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

As part of designing our audit, we assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements, such as assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the group and the parent company, their environment, controls, and critical business processes, to consider qualitative factors to ensure that we obtained sufficient coverage across all financial statement line items.

FIINU PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FIINU PLC

Fiinu Plc, Fiinu Holdings Limited and Fiinu Bank Limited were identified as significant components in the Group. Our group audit scope included an audit of the group and the parent company financial statements. Based on our risk assessment all significant components of the group, including the parent company, were subject to full scope audit performed by the group audit engagement team.

At the parent company level, the group audit team also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The other information comprises the information included in the annual report and consolidated financial statements other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, the part of the directors' remuneration report to be audited has been properly prepared in accordance with the Companies Act 2006.

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Group and the Parent Company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Corporate governance statement

We have reviewed the directors' statement in relation to going concern, longer term viability and that part of the Corporate Governance Statement relating to the Group's and the Parent Company's voluntary compliance with the provisions of the UK Corporate Governance Code.

FIINU PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FIINU PLC

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified, set out on page 11;
- Directors' explanation as to its assessment of the entity's prospects, the period this assessment covers and why they period is appropriate, set out on page 7;
- Directors' statement on fair, balanced and understandable, set out on pages 16-22;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks, set out on pages 8-9;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems, set out on page 19; and;
- The section describing the work of the audit committee, set out on page 19.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the Group and the Parent Company and their industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: financial crime regulations and regulatory and supervisory requirements from the regulatory authorities where the Group and Parent Company conduct their business, primarily the Financial Conduct Authority (FCA), Prudential Regulatory Authority (PRA) and HM Revenue & Customs (HMRC).

FIINU PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FIINU PLC

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Gaining an understanding of the legal and regulatory framework applicable to the Group and the Parent Company, the industry in which they operate, and the structure of the group, and considering the risk of acts by the Group and the Parent Company which were contrary to the applicable laws and regulations, including fraud;
- Inquiring of the directors, management and, where appropriate, those charged with governance, as to whether the Group and the Parent Company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities including the FCA, PRA, and HMRC;
- Reviewing minutes of directors' meetings in the year; and
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit;
- The group and company operates in a regulated environment. As such, the Senior Statutory Auditor reviewed the experience and expertise of the engagement team to ensure that the team had the appropriate competence and capabilities, which included the use of experts and specialists where appropriate.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, the Companies Act 2006, and UK adopted International Accounting Standards.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements, including the risk of management override of controls, and determined that the principal risks related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions.

Our procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud;
- Addressing the risks of fraud through management override of controls by performing journal entry testing;
- Incorporating an element of unpredictability within our testing; and
- Being skeptical to the potential of management bias through significant judgements and assumptions.

The primary responsibility for the prevention and detection of irregularities, including fraud, rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

The risks of material misstatement that had the greatest effect on our audit are discussed in the "Key audit matters" section of this report.

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.

FIINU PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF FIINU PLC

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by directors on 8 November 2022 to audit the financial statements for the year ending 31 December 2022 and subsequent financial periods. The period of total uninterrupted engagement is one year, covering the year ended 31 December 2022.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the Group or the Parent Company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with our additional report to the audit committee.

Use of our report

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

Pauline Pélissier (Senior Statutory Auditor)
For and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor
30 Old Bailey
London
EC4M 7AU

Date 7 June 2023

FIINU PLC

CONSOLIDATED STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 DECEMBER 2022

		Period ended 31 December 2022 £	Year ended 31 March 2022 £
Administrative expenses	Notes	(8,218,903)	(973,965)
Operating loss	3	(8,218,903)	(973,965)
Investment revenues	7	11,596	-
Finance costs	8	(9,970)	(1,222)
Loss before taxation		(8,217,277)	(975,187)
Income tax income	9	377,879	-
Loss and total comprehensive income for the period		(7,839,398)	(975,187)

Profit for the financial period is all attributable to the owners of the parent company.

Total comprehensive income for the period is all attributable to the owners of the parent company.

Earnings per share	10		
Basic		(3.31)	(0.52)
Diluted		(3.31)	(0.52)

FIINU PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		31 December 2022 £	31 March 2022 £
	Notes		
ASSETS			
Non-current assets			
Intangible assets	11	878,639	29,563
Property, plant and equipment	12	276,524	5,412
		<u>1,155,163</u>	<u>34,975</u>
Current assets			
Trade and other receivables	14	660,078	45,964
Current tax recoverable		352,879	95,150
Cash and cash equivalents		7,045,161	275,370
		<u>8,058,118</u>	<u>416,484</u>
Total assets		<u><u>9,213,281</u></u>	<u><u>451,459</u></u>
EQUITY			
Called up share capital	18	26,513,186	3,758,184
Share premium account		9,194,313	5,189,313
Merger reserve		(21,120,782)	(5,090,626)
Retained earnings		(7,293,795)	(4,134,550)
Total equity		<u>7,292,922</u>	<u>(277,679)</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	17	93,425	-
Current liabilities			
Trade and other payables	16	1,693,603	729,138
Lease liabilities	17	133,331	-
		<u>1,826,934</u>	<u>729,138</u>
Total liabilities		<u>1,920,359</u>	<u>729,138</u>
Total equity and liabilities		<u><u>9,213,281</u></u>	<u><u>451,459</u></u>

The consolidated financial statements were approved by the Board of Directors and authorised for issue on 7 June 2023 and are signed on its behalf by:

D Hopton
Director

P Tansey
Director

FIINU PLC

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		31 December 2022 £	31 December 2021 £
	Notes		
ASSETS			
Non-current assets			
Property, plant and equipment	28	224,546	-
Investments	29	46,482,583	1,977,267
Other receivables	31	-	56,482
		46,707,129	2,033,749
Current assets			
Trade and other receivables	31	1,801,269	1,050,267
Cash and cash equivalents		99,078	26,685
		1,900,347	1,076,952
Total assets		48,607,476	3,110,701
EQUITY			
Called up share capital	33	26,513,186	3,758,184
Share premium account		27,944,314	5,189,313
Revaluation reserve		-	836,265
Shared based reserve		40,218	40,218
Retained earnings		(7,093,177)	(7,176,955)
Total equity		47,404,541	2,647,025
LIABILITIES			
Non-current liabilities			
Lease liabilities	17	93,425	-
Current liabilities			
Trade and other payables	32	976,179	463,676
Lease liabilities	17	133,331	-
		1,109,510	463,676
Total liabilities		1,202,935	463,676
Total equity and liabilities		48,607,476	3,110,701

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes. The company's loss for the year was £752,487 (2021 - £649,784 loss).

FIINU PLC

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the Board of Directors and authorised for issue on 7 June 2023 and are signed on its behalf by:

D Hopton
Director

P Tansey
Director

Company Registration No. 04947859

FIINU PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Merger reserve £	Retained earnings £	Total £
As restated for the period ended 31 March 2022:						
Balance at 1 April 2021		2,558,184	3,586,541	(2,687,835)	(3,159,363)	297,527
		2,558,184	3,586,541	(2,687,835)	(3,159,363)	297,527
Period ended 31 March 2022:						
Loss and total comprehensive income for the period		-	-	-	(975,187)	(975,187)
Issue of share capital		1,200,000	1,602,772	(2,402,791)	-	399,981
Balance at 31 March 2022		3,758,184	5,189,313	(5,090,626)	(4,134,550)	(277,679)
Period ended 31 December 2022:						
Loss and total comprehensive income for the period		-	-	-	(7,839,398)	(7,839,398)
Issue of share capital	18	4,005,000	4,005,000	-	-	8,010,000
Share-based payment credit		-	-	-	4,680,153	4,680,153
Effect of reverse take-over	19	18,750,002	-	(16,030,156)	-	2,719,846
Balance at 31 December 2022		26,513,186	9,194,313	(21,120,782)	(7,293,795)	7,292,922

FIINU PLC

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Share premium account	Revaluation reserve	Share based payment reserve	Retained earnings	Total
Notes	£	£	£	£	£	£
Balance at 1 January 2021	2,558,184	3,586,541	67,500	40,218	(6,527,171)	(274,728)
Year ended 31 December 2021						
Loss and total comprehensive income for the year	-	-	-	-	(649,784)	(649,784)
Transactions with owners in their capacity as owners:						
Issue of share capital	33	1,200,000	1,602,772	-	-	2,802,772
Other movements	-	-	768,765	-	-	768,765
Balance at 31 December 2021	3,758,184	5,189,313	836,265	40,218	(7,176,955)	2,647,025
Period ended 31 December 2022:						
Loss and total comprehensive income for the year	-	-	-	-	(752,487)	(752,487)
Transactions with owners in their capacity as owners:						
Issue of share capital	33	22,755,002	22,755,001	-	-	45,510,003
Transfer from revaluation reserve	35	-	(836,265)	-	836,265	-
Balance at 31 December 2022	26,513,186	27,944,314	-	40,218	(7,093,177)	47,404,541

FIINU PLC

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

		31 December 2022		31 March 2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash absorbed by operations	21		(4,497,027)		(692,240)
Interest paid			-		(1,222)
Income taxes refunded			120,150		-
Net cash outflow from operating activities			(4,376,877)		(693,462)
Investing activities					
Purchase of intangible assets		(849,076)		(26,063)	
Purchase of property, plant and equipment		(50,457)		-	
Interest received		11,596		-	
Net cash used in investing activities			(887,937)		(26,063)
Financing activities					
Proceeds from issue of shares		8,010,000		399,981	
Net of cash acquired on reverse takeover		3,577,275		-	
Proceeds from borrowings		500,000		-	
Payment of lease liabilities		(47,533)		-	
Interest paid		(5,137)		-	
Net cash generated from financing activities			12,034,605		399,981
Net increase/(decrease) in cash and cash equivalents			6,769,791		(319,544)
Cash and cash equivalents at beginning of year			275,370		594,914
Cash and cash equivalents at end of year			7,045,161		275,370

FIINU PLC

COMPANY STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 DECEMBER 2022

		31 December 2022	31 March 2022
	Notes	£	£
Cash flows from operating activities			
Cash absorbed by operations	34	(3,365,399)	(1,549,239)
Interest paid		-	47
Net cash outflow from operating activities		(3,365,399)	(1,549,192)
Investing activities			
Purchase of additional capital in subsidiaries		(8,982,580)	-
Proceeds from disposal of subsidiaries		1,882,500	-
Loans made		-	(1,050,000)
Repayment of loans		1,050,000	-
Purchase of investments		-	(249,083)
Proceeds from disposal of investments		951,460	-
Interest received		69,111	72,188
Net cash used in investing activities		(5,029,509)	(1,226,895)
Financing activities			
Proceeds from issue of shares		8,010,000	3,000,000
Share issue costs		-	(197,228)
Proceeds from borrowings		500,000	-
Non-operating income treated as financing activity		(42,699)	-
Net cash generated from financing activities		8,467,301	2,802,772
Net increase in cash and cash equivalents		72,393	26,685
Cash and cash equivalents at beginning of year		26,685	-
Cash and cash equivalents at end of year		99,078	26,685

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Fiinu plc is a public company limited by shares incorporated in England and Wales. The registered office is Meadows Business Park, Station Approach, Blackwater, Camberley, GU17 9AB. The group's principal activity is of banking services to provide overdrafts through Open Banking to retail customers. The group is currently in the mobilisation phase.

The group consists of Fiinu plc and all of its subsidiaries.

1.1 Accounting convention

The Group's consolidated and the Company's financial statements are prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006 requirements, except as otherwise stated. On publishing the parent company financial statements here together with the consolidated financial statements, the company is taking advantage of the exemption in s408 of the Companies Act 2006 not to present its individual statement of profit and loss. Profit and loss and other comprehensive income and related notes that form a part of these approved financial statements.

The AIM Rules require that the consolidated financial statements of the group be prepared in accordance with International Financial Reporting Standards.

During the period ended December 2022, Fiinu Holdings Ltd and Fiinu Bank Ltd adopted International Financial Reporting Standards (IFRS) having previously prepared financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UKGAAP). As such the group has applied the provisions of IFRS1, First-time adoption of International Financial Reporting Standards' (IFRS1) in the preparation of this annual report.

The reported financial position and financial performance for the previous period are reconciled in note 25.

For the year ended 31 December 2022 the parent company has continued to apply International Financial Reporting Standards (IFRS) in line with previous accounting periods.

The financial statements are prepared in sterling, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

There are no new standards or amendments to standards which are material to the financial statements and mandatory for the first time for the financial year ended 31 December 2022.

1.2 Reverse takeover transactions

On 15 June 2022 The Directors of Immediate Acquisition Plc announced that it had entered into a Sale and Purchase Agreement to acquire Fiinu Holdings Ltd which, on account of the relative sizes of the two entities, constituted a reverse takeover under the London Stock Exchange AIM Rules. As a prelude to the acquisition, which completed on 7 July 2023, Immediate Acquisition Plc raised £8.01million in new equity capital. The shares in the enlarged company were then readmitted to trading on the AIM market on 8 July 2023 under its new name of Fiinu plc.

Where there has been a reverse takeover, the coming together of the entities does not constitute a business combination and as such the transaction is accounted for as, in substance, a capital reorganisation. The accounting acquirer is different from the legal acquirer. As such, from an accounting perspective, the previous comparatives and any results prior to the reverse takeover have not been presented and the assets and liabilities of the accounting acquirer are recorded in the consolidated financial statements at their pre-combination amounts. The share capital in the consolidated financial statements however, reflects that of the legal acquirer.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Fiinu Holdings Ltd has been identified as the accounting acquirer and Fiinu plc, the legal acquirer. The share capital in the consolidated accounts reflects that of the legal acquirer, being Fiinu plc. The comparatives, and any results prior to 8 July 2022 of Fiinu plc have not been presented and the assets and liabilities of the Fiinu Holdings Limited group have been recorded in the consolidated financial statements at their pre-combination amounts.

1.3 Basis of consolidation

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Acquisitions are accounted for using the acquisition method. the cost of an acquisition is measured at fair value at the date of exchange of the consideration. Identifiable assets and liabilities of the acquired business are recognised at their fair value at the date of acquisition. To the extent that the cost of an acquisition exceeds the fair value of the net assets acquired the difference is recorded as goodwill. Where the fair value of the net assets acquired exceeds the cost of an acquisition the difference is recorded in profit and loss.

1.4 Going concern

The financial statements have been prepared on a going concern basis. In assessing going concern, the Directors have considered the current statement of financial position, the financial projections, longer-term strategy of the business and the capital and liquidity plans, including stress tests and plans for future capital injections.

The circumstances in relation to the requirement to raise capital to support year one of operations post approval from the PRA and FCA to operate as a bank without restrictions, following the re-submission of Fiinu Bank's banking application. This represents a material uncertainty that may cast significant doubt on the ability of the bank and therefore potentially the Group to continue as a going concern.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.5 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Research and development expenditure

Expenditure on research is recognised as an expense in the period in which it is incurred.

Cost that are directly attributable to the development phase of new customised technologies are recognised as intangible assets provided they meet the following recognition criteria:

- completion of the intangible asset is 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 or sell the intangible asset;
- the intangible asset will generate probable future economic benefits. Among other things, this requires that there is a market for the output from the intangible asset or the intangible asset itself, or, if it is to be used internally, the asset will be used in generating such 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 not meeting the criteria for capitalisation are recognised as expenses as incurred. Amortisation is recognised as an administrative expense in profit or loss on a straight line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use. The estimated useful lives for intangible assets are as follows:

Research and development	not yet in use
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1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, leased assets are depreciated over the shorter of the lease term and their useful lives. Depreciation is recognised on the following bases:

Leasehold property	Over the period of the lease
Office and IT equipment	3-10 years
Plant and equipment	3-7 years
Computers and network equipment	3-5 years or contract term if shorter

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.7 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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

1.8 Borrowing costs

Finance costs comprise interest expense on borrowings including leases which are recognised in profit or loss in the period in which they are incurred.

1.9 Impairment of tangible and intangible assets

At each reporting end date, the group reviews the carrying amounts of its tangible and intangible 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 in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

1.10 Cash and cash equivalents

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

1.11 Financial assets

Financial assets are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

When any of the above-mentioned conditions for classification of financial assets is not met, a financial asset is classified as measured at fair value through profit or loss. Financial assets measured at fair value through profit or loss are recognised initially at fair value and any transaction costs are recognised in profit or loss when incurred. A gain or loss on a financial asset measured at fair value through profit or loss is recognised in profit or loss, and is included within finance income or finance costs in the statement of income for the reporting period in which it arises.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the group's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

The parent company has made an irrevocable election to recognize changes in fair value of investments in equity instruments through other comprehensive income, not through profit or loss. A gain or loss from fair value changes will be shown in other comprehensive income and will not be reclassified subsequently to profit or loss. Equity instruments measured at fair value through other comprehensive income are recognized initially at fair value plus transaction cost directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to retained earnings when the equity instrument is derecognised or its fair value substantially decreased. Dividends are recognized as finance income in profit or loss.

Impairment of financial assets

Financial assets carried at amortised cost and FVOCI are assessed for indicators of impairment at each reporting end date.

The expected credit losses associated with these assets are estimated on a forward-looking basis. A broad range of information is considered when assessing credit risk and measuring expected credit losses, including past events, current conditions, and reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

For trade receivables, the simplified approach permitted by IFRS 9 is applied, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

Financial assets are derecognised 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 to another entity.

1.12 Financial liabilities

The group recognises financial debt when the group becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.13 Equity instruments

Equity instruments issued by the parent company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer payable at the discretion of the company.

Share capital represents the nominal value of shares that have been issued.

Share premium includes any premium received on issue of share capital.

The company also has warrants in issue following an equity fund raising process. The warrants had a life of 1 year from grant date, which was extended to 30 June 2022 and have since expired. The grant date fair value of warrants granted to investors is recognised as an expense against share premium, with a corresponding increase in equity. The amount recognised as an expense is adjusted to reflect the expected number of share warrants that vest unless this adjustment is due to the share price not achieving the exercise price threshold.

The investment revaluation reserve includes accumulated gains and losses on financial assets.

Retained losses include retained profits and losses relating to current and prior years and purchases and sales of own shares by the Employee Benefit Trust.

All transactions with owners of the parent are recorded separately within equity.

1.14 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because 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 tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end 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 is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

For cash-settled share-based payments, a liability is recognised for the goods and services acquired, measured initially at the fair value of the liability. At the balance sheet date until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

At inception, the group assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the group recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property and are recognised for all leases except those which are considered to have a fair value below £4,500 and those with a duration of 12 months or less.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the group's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the group is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.19 Earnings per share

The group presents basic and diluted earnings per share ("EPS") data for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, which comprise share options granted to employees.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Impairment

Determine whether there are indicators of impairment of the group's assets. Factors taken into consideration when reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Intangible fixed assets

Intangible fixed assets relate to development of a new banking software required in order to operate in the banking industry. Costs are only capitalised when directly attributable to the development of the software, and the technical and commercial feasibility of the asset for use have been established.

Deferred tax

The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the group's future taxable income against which the group loses and deductible temporary differences can be utilised.

Going concern

Going concern has been assessed and reflected in note 1.4.

Business combination

For business combinations during the period it has been considered if the combination was a business combination under IFRS3 or not. Factors that have been considered were the nature of the activities of Fiinu plc and whether these constituted being a business and who was the legal acquirer and if this was different from the accounting acquirer. If conditions have not been met for a business combination under IFRS3 the transaction is treated as a share based payment.

Management have applied judgment to determine that the operations of Fiinu Plc did not constitute a business at acquisition of Fiinu Holdings. Therefore Fiinu Plc is judged to be the accounting acquiree and the transaction is not a business combination within the scope of IFRS 3.

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

3 Operating loss

	31 December 2022	31 March 2022
	£	£
Operating loss for the period is stated after charging/(crediting):		
Exchange losses/(gains)	3,964	(64)
Depreciation of property, plant and equipment	48,799	2,486
Share-based payments	4,680,153	-
	<u> </u>	<u> </u>

4 Auditor's remuneration

	31 December 2022	31 March 2022
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements company and consolidation	74,000	16,500
Audit of the financial statements of the company's subsidiaries	120,000	37,500
	<u> </u>	<u> </u>
	194,000	54,000
	<u> </u>	<u> </u>
For other services		
Tax services	-	4,675
Other services	-	15,000
	<u> </u>	<u> </u>
Total non-audit fees	-	19,675
	<u> </u>	<u> </u>

The fees disclosed as payable to auditors for the year to 31 December 2022 relate to Mazars LLP (March 2022: Nexia Smith & Williamson).

5 Employees

The average monthly number of persons (including Directors) employed by the group during the period was:

	31 December 2022 Number	31 March 2022 Number
Front office/administration	10	4
Finance/IT	3	-
	<u> </u>	<u> </u>
Total	13	4
	<u> </u>	<u> </u>

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

5 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2022 £
Wages and salaries	1,149,961	261,388
Social security costs	155,808	26,890
Pension costs	18,772	23,416
	<u>1,324,541</u>	<u>311,694</u>

6 Directors' remuneration

	31 December 2022 £	31 March 2022 £
Remuneration for qualifying services	644,004	191,508
Company pension contributions to defined contribution schemes	-	6,150
	<u>644,004</u>	<u>197,658</u>

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

	31 December 2022 £	31 March 2022 £
Remuneration for qualifying services	431,647	89,434
Company pension contributions to defined contribution schemes	-	3,450
	<u>431,647</u>	<u>92,884</u>

Remuneration for each individual Director, which is required to be disclosed under AIM rules, is shown in the Directors' Report.

The disclosure is in line with the Companies Act 2006 which reflects the payments to the statutory directors of Fiinu Plc (formerly Immediate Acquisition Plc and Immedia Group Plc) and not the accounting position of Fiinu Holdings Ltd as accounting acquirer which is shown in the Directors' Remuneration report.

7 Investment income

	31 December 2022 £	31 March 2022 £
Interest income		
Financial instruments measured at amortised cost:		
Bank deposits	11,596	-
	<u>11,596</u>	<u>-</u>

FIINU PLC

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

8 Finance costs

	31 December 2022 £	31 March 2022 £
Interest on lease liabilities	4,833	-
Third party loan interest payable	5,137	1,222
Total interest expense	9,970	1,222

9 Income tax expense

	31 December 2022 £	31 March 2022 £
Current tax		
UK corporation tax on profits for the current period	(352,879)	-
Adjustments in respect of prior periods	(25,000)	-
Total current UK tax credit	(377,879)	-

The charge/credit for the period can be reconciled to the loss per the income statement as follows:

	2022 £	2022 £
Loss before taxation	(8,217,277)	(975,187)
Expected tax credit based on a corporation tax rate of 19.00% (2022: 19.00%)	(1,561,283)	(185,286)
Effect of expenses not deductible in determining taxable profit	809,143	1,264
Unutilised tax losses carried forward	399,261	184,022
Adjustment in respect of prior years	(25,000)	-
Taxation credit for the period	(377,879)	-

The group has unused trading losses of £6,732,996 (March 2022: £3,798,574) carried forward at the year end. No deferred tax asset has been recognised at the year end as there is no certainty that there will be sufficient profits in the foreseeable future. This creates a potential deferred tax asset of £1,683,249 (March 2022: £721,726).

Factors that may affect future tax charges

Increases in the UK corporation tax rate from 19% to 25%, with marginal relief available for profits between £50,000 and £250,000 (effective 1 April 2023) were substantively enacted on 3 March 2021. This will increase the company's future tax charge accordingly.

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2022

10 Earnings per share

	31 December 2022	31 March 2022
	Number	Number
Number of shares		
Weighted average number of ordinary shares in issue	237,184,397	187,500,017
Less weighted average number of own shares		
	<u>237,184,397</u>	<u>187,500,017</u>
Weighted average number of ordinary shares for basic earnings per share	<u>237,184,397</u>	<u>187,500,017</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>237,184,397</u>	<u>187,500,017</u>
	31 December 2022	31 March 2022
	£	£
Earnings		
Continuing operations		
Loss for the period from continued operations	(7,839,398)	(975,187)
	<u>(7,839,398)</u>	<u>(975,187)</u>
	2022	2022
	Pence per share	Pence per share
Basic and diluted earnings per share		
From continuing operations	(3.31)	(0.52)
	<u>(3.31)</u>	<u>(0.52)</u>

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of shares outstanding during the year.

In accordance with IAS 33 the diluted earnings/(loss) per share is stated at the same amount in both December 2022 and March 2022 as basic as there is no dilutive effect.

11 Intangible assets

	Development costs £
Cost	
At 1 April 2021	3,500
Additions	26,063
	<u>29,563</u>
At 31 March 2022	29,563
Additions - purchased	849,076
	<u>878,639</u>
At 31 December 2022	878,639
Carrying amount	
At 31 December 2022	878,639
	<u>878,639</u>
At 31 March 2022	29,563
	<u>29,563</u>

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

11 Intangible assets

(Continued)

Intangible assets as at 31 December 2022 are made up of development costs incurred in designing a banking software model. The development of this asset is not yet complete, therefore no amortisation has been recorded.

12 Property, plant and equipment

Group	Leasehold property	Office and IT equipment	Plant and equipment	Computers and network equipment	Total
	£	£	£	£	£
Cost					
At 1 April 2021	-	15,463	1,236	9,937	26,636
At 31 March 2022	-	15,463	1,236	9,937	26,636
Additions	269,455	-	-	50,457	319,912
Disposals	-	-	(1)	-	(1)
At 31 December 2022	269,455	15,463	1,235	60,394	346,547
Accumulated depreciation and impairment					
At 1 April 2021	-	13,826	1,234	3,678	18,738
Charge for the period	-	1,637	-	849	2,486
At 31 March 2022	-	15,463	1,234	4,527	21,224
Charge for the period	44,909	-	1	3,889	48,799
At 31 December 2022	44,909	15,463	1,235	8,416	70,023
Carrying amount					
At 31 December 2022	224,546	-	-	51,978	276,524
At 31 March 2022	-	-	2	5,410	5,412

The Group leases assets including land and buildings. Information for Property, plant and equipment which includes right-of-use assets, is as follows:

Right-of-use assets	2022 £	2022 £
Net values		
Property	224,546	-
Additions	269,455	-
Depreciation charge for the period		
Property	44,909	-

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

13 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Fiinu Bank Ltd	Same as parent	Ordinary	0	100.00
Fiinu Services Ltd	Same as parent	Ordinary	0	100.00
Fiinu Holdings Ltd	Same as parent	Ordinary	100.00	-
The Cube Group of Companies Limited	Same as parent	Ordinary	100.00	-
Cube Music Limited	Same as parent	Ordinary	0	100.00
Immedia Broadcasting Limited	Same as parent	Ordinary	100.00	-
You TV Limited	Same as parent	Ordinary	100.00	-
Immedia TV Limited	Same as parent	Ordinary	100.00	-

All companies in the Fiinu plc group are registered in England and Wales and have their registered offices at Meadows Business Park, Station Approach, Camberley, GU17 9AB.

On 31 January 2023 the following dormant subsidiaries were dissolved at Companies House, The Cube Group of Companies Limited, Cube Music Limited, Immedia Broadcasting Limited, You TV Limited and Immedia TV Limited.

14 Trade and other receivables

Group	Current		Non-current	
	31 December 2022	31 March 2022	31 December 2022	31 March 2022
	£	£	£	£
VAT recoverable	257,579	28,157	-	-
Other receivables	200,979	17,807	-	-
Prepayments	201,520	-	-	-
	<u>660,078</u>	<u>45,964</u>	<u>-</u>	<u>-</u>

A provision for impairment of trade receivables is established after using an expected loss model. Expected loss is calculated from a provision matrix based on the expected lifetime default rates and estimates of loss on default, using forward looking information.

At 31 December 2022 and 31 March 2022 there are no trade receivables.

15 Cash and cash equivalents

Group cash and cash equivalents as at 31 December 2022 of £7,045,161 (March 2022: £275,370) consist of bank balances.

Company cash and cash equivalents as at 31 December 2022 of £99,078 (2021: £26,685) consist of bank balances.

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

16 Trade and other payables - group

	31 December 2022	31 March 2022
Group	£	£
Trade payables	409,896	89,668
Accruals	680,960	619,025
Social security and other taxation	95,246	13,035
Other payables	507,501	7,410
	<u>1,693,603</u>	<u>729,138</u>

17 Lease liabilities

	31 December 2022	31 March 2022
Maturity analysis	£	£
Within one year	142,596	-
In two to five years	95,064	-
	<u>237,660</u>	<u>-</u>
Total undiscounted liabilities	237,660	-
Future finance charges and other adjustments	(10,904)	-
	<u>226,756</u>	<u>-</u>
Lease liabilities in the financial statements	<u>226,756</u>	<u>-</u>

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	31 December 2022	31 March 2022
	£	£
Current liabilities	133,331	-
Non-current liabilities	93,425	-
	<u>226,756</u>	<u>-</u>
	<u>2022</u>	<u>2022</u>
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	4,833	-
	<u>4,833</u>	<u>-</u>

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

17 Lease liabilities

(Continued)

The group has a lease contract for property (March 2022: none) which has a lease term of 5 years with a break clause at 2 years.

Contracts may contain both lease and non-lease components. The group allocates consideration between lease and non-lease components based on the price of a lessor, or similar supplier, would charge to purchase that component separately.

The lease term begins at the commencement date and includes any rent-free periods provided by the lessor. Lease terms vary between contracts and depend on the individual facts and circumstances of the contract,

Lease liabilities are measured at the present value of the remaining lease payments, discontinued using the group's incremental borrowing rate as at 1 January 2022. The group's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted average rate applied was 6% (2021: nil).

18 Share capital

	31 December 2022 Number	31 March 2022 Number	31 December 2022 £	31 March 2022 £
Ordinary share capital				
Authorised				
Ordinary shares of 10p each	36,000,000	36,000,000	3,600,000	3,600,000
Issued and fully paid				
Ordinary shares of 10p each	265,131,861	37,581,840	26,513,186	3,758,184

There are no restrictions on the transfer of shares in Fiinu plc. All shares carry equal voting rights.

Reconciliation of movements during the period:

	£	Number
At 1 April 2022	3,758,184	37,581,844
Issue of fully paid shares	4,005,000	40,050,000
Issue of shares for share based payment	18,750,002	187,500,017
At 31 December 2022	26,513,186	265,131,861

During the period a total of 227,550,017 shares were issued, of which 187,500,017 were issued as part of the reverse take over as a share for share exchange.

19 Other reserves

Merger reserve

As the accounting acquirer in the reverse takeover on 8 July 2022, the Net Assets of Fiinu Holdings Limited form the accounts up to the date of the reverse takeover. As the legal acquirer, the share capital of Fiinu plc is included in the balance sheet. The Merger reserve is created from the accounting entries to reflect the reverse take-over

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

20 Retirement benefit schemes

	31 December 2022	31 March 2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	18,772	23,416

The group operates a defined contribution auto-enrolment workplace pension scheme (the Fiinu Bank Limited pension scheme) administered by NEST for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

21 Cash absorbed by operations

	31 December 2022	31 March 2022
	£	£
Group		
Loss for the period after tax	(7,839,398)	(975,187)
Adjustments for:		
Taxation credited	(377,879)	-
Finance costs	9,970	1,222
Investment income	(11,596)	-
Depreciation and impairment of property, plant and equipment	48,799	2,488
Share based payment	4,680,153	-
Movements in working capital:		
(Increase)/decrease in trade and other receivables	(149,315)	178,615
(Decrease)/increase in trade and other payables	(857,761)	100,622
Cash absorbed by operations	(4,497,027)	(692,240)

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	2022	2022
	£	£
Cash and cash equivalents	7,045,161	594,914

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Financial Instruments

Treasury

The group's financial instruments through which it meets its day to day working capital requirements comprise cash and liquid resources, as well as receivables and payables. The principal risk on the financial assets is credit risk, which the Board has reviewed and manages through its policies summarised below. The group has remained unchanged since the beginning of the year.

Borrowing facilities

There were no borrowing facilities available at 31 December 2022 or 31 March 2022.

The group uses sources of finance for property, which under IFRS 16 are shown as right of use assets with a corresponding lease liability, as per notes 12 and 17. As at 31 December 22, the group owed £226,756 on lease liabilities.

Interest rate risk

Interest rate risk is the risk that the value of future cash flows associated with financial instruments will fluctuate due to changes in interest rates. Interest rate risk arises from interest bearing financial assets and liabilities held by the group. Interest bearing assets and liabilities comprise cash and bank loans. The Directors do not believe that impact of any interest rate changes would be material to profit or loss, or equity.

Liquidity risk

Short-term flexibility is normally achieved through the use of cash balances, primarily held on short-term deposit. Financial liabilities as shown in note 16 are payable within one year and between one and five years. The Directors consider that the group's exposure to liquidity risk is minimal.

Foreign currency risk

The group has no material financial exposure to foreign exchange gains or losses.

Credit risk

The Finance Director is responsible for managing the group's credit exposure. The group's cash is held with an A-rated high street bank whilst the group's exposure to credit risk relating to receivables is mitigated by the quality of its predominantly blue chip customers. Policies are maintained to ensure the group makes credit sales only to customers with an appropriate credit rating, and credit limits are set and reviewed based on credit references, debt aging and collection history.

Trade receivables are considered in default and subject to additional credit control procedures when they are more than 30 days past due in line with industry practice. Trade receivables are only written off when there is no reasonable expectation of recovery due to insolvency of the debtor.

The group's maximum exposure to credit risk is as follows:

	31 December 2022	31 March 2022
Group	£	£
Cash and cash equivalents (note 15)	7,045,161	275,370
Total financial assets	7,045,161	275,370

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Financial Instruments

(Continued)

Fair value measurement of financial instruments

Financial assets and financial liabilities measured at fair value in the Statement of Financial Position are grouped into three levels of a fair hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: quoted prices in active markets for identical assets and liabilities

Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly

Level 3: unobservable inputs for the asset or liability

All financial assets held at fair value are measured at level 1 within the hierarchy in December 2022 and March 2022. There were no transfers between Level 1 and Level 2 in December 2022 or March 2022.

Table 1: Categories of financial assets and liabilities: financial assets

Group	Financial assets at fair value through other comprehensive income	Financial assets at fair value through the profit and loss	Financial assets at amortised cost	Total
	2022	2022	2022	2022
	£	£	£	£
Cash and cash equivalents (note 15)	-	-	7,045,161	7,045,161
Total financial assets	-	-	7,045,161	7,045,161
31 March	2022	2022	2022	2022
	£	£	£	£
Financial assets (note 16)	-	-	-	-
Cash and cash equivalents (note 15)	-	-	275,370	275,370
Total financial assets	-	-	275,370	275,370

Table 2: Categories of financial assets and liabilities: financial liabilities at amortised cost

Group	Other trade payables and accrued expenses	Total
	2022	2022
	£	£
Lease liabilities (note 17)	226,756	226,756
Trade and other payables (note 16)	409,896	409,896
Non-trade payables and accrued expenses (note 16)	1,283,710	1,283,710
Total financial liabilities	1,920,362	1,920,362

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

22 Financial Instruments

(Continued)

31 March	2022	2022
	£	£
Lease liabilities (note 17)	-	-
Trade and other payables (note 16)	89,668	89,668
Non-trade payables and accrued expenses (note 16)	639,470	639,470
Total financial liabilities	729,138	729,138

Table 3: Analysis of trade and other payables by due date

Due date as at 31 December 2022				
<30 days	>30<183 days	>183<366 days	>366 days	Total
£	£	£	£	£
Trade and other payables				
121,138	202,037	86,721	-	409,896
Non-trade payables and accrued expenses				
102,747	680,963	500,000	-	1,283,710

Due date as at 31 March 2022				
<30 days	>30<183 days	>183<366 days	>366 days	Total
££	£	£	£	
Trade and other payables				
89,668	-	-	-	89,668
Non-trade payables and accrued expenses				
20,445	619,025	-	-	639,470

23 Capital risk management

Capital risk is the risk that the group has insufficient capital to cover regulatory requirements and/or support its growth plans.

The group is operated in line with its capital risk appetite as set by the Board and was above its Total Capital Requirements throughout the period ended 31 December 2022.

The Group regularly reviews and manages its capital in order to maintain an optimal structure, taking account of its future capital requirements, projected profitability, operating cash flows, capital expenditure and projected strategic investment opportunities. The management regards capital as total equity and reserves.

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

24 Events after the reporting date

On 15 March 2023, the Company announced that it had conditionally raised up to £6.49 million before costs in new equity funding.

The first quarter 2023 saw a series of banks, including but not limited to Silicon Valley Bank ('SVB') and Credit Suisse, which operate in the UK and globally enter into either bankruptcy or merger leading to a widespread unrest in the financial markets. The Group had no direct exposures to any of these failed entities. At this stage, the Directors do not believe this would have a material adverse effect on the Group and consider this to be a non-adjusting post balance sheet event.

On 28 April 2023 Fiinu Plc announce through the London Stock Exchange Regulatory News Service that continuing challenging capital market conditions have impeded its fundraising process. Whilst good progress has been made with regard to our operational readiness for Fiinu's full banking activity, the lack of full funding commitment at this stage has slowed the necessary regulatory application processes such that Fiinu has determined a preferential course of action is to make an application to withdraw its licence aiming to re-apply after a short period of 2 - 3 months. This application was submitted to the PRA and FCA and is awaiting completion of the process. This action will allow the Company to focus on securing its exit funding requirement which is estimated to be in the range of £34 - £42 million. Once this funding has been secured it is intended for the application process to be resumed and completed promptly, again subject to the necessary PRA and FCA approval.

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including Directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	31 December 2022 £	31 March 2022 £
Short-term employee benefits	728,162	13,004

Other information

A loan due to a Director of £152 (March 2022: £240) remains outstanding at the year end.

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

26 Transition adjustments

Reconciliation of equity

	Notes	1 April 2021 £	31 March 2022 £
Equity as previously reported		294,027	(307,242)
Adjustments arising from transition:		3,500	29,563
Equity as restated		<u>297,527</u>	<u>(277,679)</u>

Reconciliation of loss for the financial period

	Notes	2022 £
Loss as previously reported		(949,124)
Adjustments arising from transition:		
Capitalisation of development costs		(26,063)
Loss as restated		<u>(975,187)</u>

Reconciliation of equity

		At 1 April 2021			At 31 March 2022		
	Notes	Previously reported £	Effect of transition £	As restated £	Previously reported £	Effect of transition £	As restated £
Fixed assets							
Other intangibles		-	3,500	3,500	-	29,563	29,563
Property, plant and equipment		7,898	-	7,898	5,412	-	5,412
		<u>7,898</u>	<u>3,500</u>	<u>11,398</u>	<u>5,412</u>	<u>29,563</u>	<u>34,975</u>
Current assets							
Trade and other receivables		320,737	-	320,737	141,114	-	141,114
Bank and cash		594,914	-	594,914	275,370	-	275,370
		<u>915,651</u>	<u>-</u>	<u>915,651</u>	<u>416,484</u>	<u>-</u>	<u>416,484</u>

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

26 Transition adjustments

(Continued)

Notes	At 1 April 2021			At 31 March 2022		
	Previously reported £	Effect of transition £	As restated £	Previously reported £	Effect of transition £	As restated £
Creditors due within one year						
Other payables	(629,522)	-	(629,522)	(729,138)	-	(729,138)
Net current assets/(liabilities)	286,129	-	286,129	(312,654)	-	(312,654)
Total assets less current liabilities	294,027	3,500	297,527	(307,242)	29,563	(277,679)
Net assets	294,027	3,500	297,527	(307,242)	29,563	(277,679)
Equity						
Share capital	3,758,184	-	3,758,184	3,758,184	-	3,758,184
Share premium	5,189,313	-	5,189,313	5,189,313	-	5,189,313
Other reserves	(5,490,607)	-	(5,490,607)	(5,090,626)	-	(5,090,626)
Profit and loss	(3,162,863)	3,500	(3,159,363)	(4,164,113)	29,563	(4,134,550)
Total equity	294,027	3,500	297,527	(307,242)	29,563	(277,679)

Notes to reconciliations

During the period, the group has transitioned from FRS102 reporting to IFRS reporting. As a result of the transition, costs of £29,563 that had previously been expensed were reclassified as Development costs under Intangible assets.

27 Fair value on acquisition

As noted in section 1.2 - *Reverse takeover transactions* Fiinu Holdings Limited is identified as the accounting acquirer. The fair value of the acquired entity, Immediate Acquisition Plc, at the time of the RTO was identified as the net asset value of the entity at that time which totaled £2.7million comprising cash of £3.6million and net creditors of £0.9million.

28 Property, plant and equipment

Company	Leasehold land and buildings £
Cost	
At 1 January 2021 and 1 January 2022	-
Additions	269,455
At 31 December 2022	269,455

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 DECEMBER 2022

28 Property, plant and equipment (Continued)

Company	Leasehold land and buildings
	£
Accumulated depreciation and impairment	
At 1 January 2021 and 1 January 2022	-
Charge for the period	44,909
At 31 December 2022	44,909
Carrying amount analysed between owned assets and right-of-use assets	
At 31 December 2022	
Owned assets	-
Right-of-use assets	224,546
	224,546

Property, plant and equipment includes right-of-use assets, as follows:

	31 December 2022	31 December 2021
Right-of-use assets	£	£
Net values at the period end		
Property	224,546	-
Total additions in the period	269,455	-
Depreciation charge for the period		
Property	44,909	-

29 Investments

	Current		Non-current	
Company	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
Investments in subsidiaries	-	-	46,482,583	801,918
Listed investments	-	-	-	1,175,349
	-	-	46,482,583	1,977,267

Fair value of financial assets carried at amortised cost

Except as detailed below the Directors believe that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

During the year the company disposed of its investment in AudioBoom Group plc and in the subsidiary company Immedia Broadcast Ltd.

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

29 Investments

(Continued)

Investment in subsidiary undertakings

Details of the company's principal operating subsidiaries are included in note 13.

Movements in non-current investments

	Shares in subsidiaries £	Other investments £	Total £
Cost or valuation			
At 1 January 2022	801,918	1,175,349	1,977,267
Additions	46,482,583	-	46,482,583
Disposals	(801,918)	(1,175,349)	(1,977,267)
	<u>46,482,583</u>	<u>-</u>	<u>46,482,583</u>
Carrying amount			
At 31 December 2022	<u>46,482,583</u>	<u>-</u>	<u>46,482,583</u>
At 31 December 2021	<u>801,918</u>	<u>1,175,349</u>	<u>1,977,267</u>

30 Business disposals

On 31 May 2022 the company disposed of its 100% holding in Immedia Broadcast Limited. Included in these financial statements are losses of £37,886 arising from the group's interests in Immedia Broadcast Limited up to the date of its disposal.

Net assets of business disposed of

£

Cash and cash equivalents	558,217
Intangible assets	28,576
Property, plant and equipment	114,158
Trade and other receivables	1,221,149
Inventories	161,557
Trade and other payables	(1,286,680)
Provisions	(70,000)
	<u>726,977</u>
Gain on disposal	<u>1,273,023</u>
Total consideration	<u>2,000,000</u>

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

30 Business disposals (Continued)

The consideration was satisfied by: £

Cash 1,882,500

Deferred consideration 117,500

-

2,000,000

Net cash inflow arising on disposal £

Cash consideration received 1,882,500

Cash and cash equivalents disposed of (558,217)

1,324,283

31 Trade and other receivables

Company	Current		Non-current	
	31 December 2022	31 December 2021	31 December 2022	31 December 2021
	£	£	£	£
VAT recoverable	28,745	-	-	-
Amounts owed by subsidiary undertakings	1,547,638	-	-	56,482
Loan receivable		1,050,000		
Other receivables	200,978	-	-	-
Prepayments	23,908	267	-	-
	<u>1,801,269</u>	<u>1,050,267</u>	<u>-</u>	<u>56,482</u>

32 Trade and other payables - company

Company	31 December 2022	31 December 2021
	£	£
Trade payables	163,134	-
Amounts owed to fellow group undertakings	-	753
Accruals	301,775	462,923
Social security and other taxation	11,270	-
Other loans	500,000	-
	<u>976,179</u>	<u>463,676</u>

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

33 Share capital				
Company	31 December	31 March	31 December	31 March
	2022	2022	2022	2022
	Number	Number	£	£
Ordinary share capital				
Authorised				
Ordinary shares of 10p each	36,000,000	36,000,000	3,600,000	3,600,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Issued and fully paid				
Ordinary shares of 10p each	265,131,861	37,581,840	26,513,186	3,758,184
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

There are no restrictions on the transfer of shares in Fiinu plc. All shares carry equal voting rights.

Reconciliation of movements during the period:

	£	Number
At 1 April 2022	3,758,184	37,581,844
Issue of fully paid shares	22,755,002	227,550,017
	<u> </u>	<u> </u>
At 31 December 2022	26,513,186	265,131,861
	<u> </u>	<u> </u>

34 Cash absorbed by operations	31 December	31 December
	2022	2021
Company	£	£
Loss for the year after tax	(752,487)	(649,784)
Adjustments for:		
Finance costs	-	(47)
Investment income	(69,111)	(72,188)
Depreciation and impairment of property, plant and equipment	44,909	-
Gain on sale of investments	(974,194)	-
Movements in working capital:		
Increase in trade and other receivables	(1,627,020)	(4)
Increase/(decrease) in trade and other payables	12,504	(827,216)
	<u> </u>	<u> </u>
Cash absorbed by operations	(3,365,399)	(1,549,239)
	<u> </u>	<u> </u>

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

	2022	2022
	£	£
Cash and cash equivalents	99,078	26,685
	<u> </u>	<u> </u>

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

35 Other reserves

Revaluation reserve

The revaluation reserve includes accumulated gains and losses on financial assets.

Share based payment reserve

The share based payment reserve includes share-based payment charges.

36 Share-based payments

Company

The movements in the number of share options issued to employees of Fiinu Plc prior to the reverse takeover and outstanding at the reporting date. Their weighted average prices are as follows:

	Number of share options		Average exercise price	
	31 December 2022	31 March 2022	31 December 2022 £	31 March 2022 £
Outstanding at start of period'	1,291,000	1,151,000	18.84	16.76
Granted in the period	-	140,000	-	35.90
Outstanding at end of period'	<u>1,291,000</u>	<u>1,291,000</u>	<u>18.84</u>	<u>18.84</u>
Exercisable at end of period'	<u>1,291,000</u>	<u>1,291,000</u>	<u>18.84</u>	<u>18.84</u>

Options outstanding

Share options outstanding (including options and warrants awarded to directors) at the end of the year have the following expiry dates and exercise prices:

Grant date	Expiry date	Exercise price	31 December 2022	31 March 2022
			Number	Number
Scheme (i) 18 October 2013	3 years	10	339,000	339,000
Scheme (ii) 18 October 2013	4 years	10	182,000	182,000
Scheme (iii) 1 October 2018	Lapsed	27.5	-	-
Scheme (iv) 1 October 2018	Lapsed	20	-	-
Scheme (v) 21 October 2020	8.83 years	24.5	300,000	300,000
Scheme (vi) 19 Feb 2021	9.75 years	36	140,000	140,000
Scheme (vii) 22 Feb 2021	9.75 years	25	330,000	330,000
Scheme (viii) 8 Jan 2021	Lapsed	35	-	12,000,000
			<u>1,291,000</u>	<u>13,291,000</u>

Share options and warrants were granted to employees, directors and shareholders under the following terms and conditions:

- Share Options under the Immedia EMI Share Option Scheme. These options vested on 20 March 2014 with the publication of the Group's audited financial statements for the financial year ending 31 December 2013 and may be exercised over a ten-year period commencing on that date.

FIINU PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2022

36 Share-based payments

(Continued)

ii. Share Options under the Immedia EMI Share Option Scheme. These options vested on 20 March 2015 with the publication of the Group's audited financial statements for the financial year ending 31 December 2014 and may be exercised over a ten-year period commencing on that date.

iii. Options over a total of 175,000 shares were granted to employees including Directors on 1 October 2018 subject to the average closing market price of the shares, over 3 days, exceeding 35 pence by 31 December 2019. The vesting-conditions were not satisfied and the options lapsed on 1 January 2020.

iv. Warrants were issued to a company that one of the Directors has a beneficial interest in. The warrants are exercisable in 3 tranches of 100,000 warrants each. The warrants vest if the share price reaches 30p/40p/50p and are exercisable for a period of 5 years from the date of issue.

v. Options over a total of 330,000 shares were granted to non-board employees on 21 October 2020. The options vested immediately with an exercise price of 24.5p (being the market price at the time of grant. The options may be exercised at any time and may be exercised over a ten-year period commencing on that date.

vi. Options over a total of 140,000 shares were granted to the Executive Directors on 19 February 2021. The options have an exercise price of £0.3599 pence per share (being the 30-day moving average share price immediately prior to the award). The options vest immediately and may be exercised over a ten-year period commencing on that date.

vii. Warrants over a total of 500,000 shares were granted to the Non-Executive Directors on 22 February 2021. The Warrants have an exercise price of 25 pence per share, being set equal to the issue price for new ordinary shares issued in the recent placing and subscription (announced on 8 January 2021). The Warrants vest immediately and are exercisable in whole or in part at any time in the next three years. The fair value of options granted in prior years was estimated at the date of grant using a Black-Scholes option pricing model (which is believed to be appropriate given the immaterial amounts involved).

viii. The Company issued 12,000,000 New warrants on a 1:1 basis to the Placees and Subscribers of the £3m equity fund raising in January 2021. The New Warrants were exercisable at a price of 35 pence each for a period of 12 months from Admission, save that in the event that the Company publishes an Admission Document within 12 months from Admission in connection with a reverse takeover, the New Warrants will expire on the Business Day falling two Business Days prior to the date of the General Meeting at which the proposed reverse takeover is to be approved. The expiration date for the New Warrants was extended to 30 June 2022 on 21 December 2021.

The company has recognised a total expense of £nil related to equity-settled share based payment transactions in the current year (2021: £15,120).

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