

**Thredd Group Limited (Formerly Global Processing  
Services Group Limited)**

**Company Registration Number: 11319858**

**Annual Report, Company and Consolidated Financial  
Statements**

**For the year ended 31 December 2022**

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**Thredd Group Limited (Formerly Global Processing Services Group Limited)**

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**For the year ended 31 December 2022**

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**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Group Strategic Report**  
**For the year ended 31 December 2022**

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**Strategic Report**

I am pleased to present the results of Thredd Group Limited (Formerly Global Processing Services Group Limited) ("the Company" or "Thredd") for the year ended 31 December 2022.

Thredd is the trusted next-gen payments processing partner for innovators looking to modernise their payments offerings worldwide. We process billions of debit, prepaid and credit transactions annually, serving over 100 fintechs, digital banks, and embedded finance providers, from consumer to corporate, across 44 countries.

Thredd's unique offering is its client-centric approach combining hands-on support with modern, reliable, and scalable technology. Thredd's assured solution accelerates the development and delivery of consumer and corporate payments components embedded within digital banks, as well as for expense management, B2B payments, crypto, lending, credit, Buy Now Pay Later ("BNPL"), FX, remittance, and open banking innovators. By partnering with our clients from concept to creation with our easily configurable solutions, we allow these leaders the agility to achieve their core business aspirations.

Thredd has enabled market leaders since 2007 and has a highly reliable platform with 99.99% availability. Thredd's highly customisable solutions on our API-first platform, surrounded by our in-depth industry expertise, value added services, global presence and technical resilience, are designed to scale with ease. Thredd is certified by Visa and Mastercard to process transactions globally.

The company has branded offices in London, Newcastle, Singapore, and Sydney, with remote colleagues based all over the world.

The major risks and uncertainties on risk and risk management are compliance monitoring, annual due diligence and the third party data security. Please refer to note 17 on the risks from the Company's use of financial instruments.

**Board**

I, Kevin James Schultz, was appointed as Chief Executive Officer of the Auxo Topco Jersey group during the year and will report to the Board of Directors and be responsible for signing the strategic report. On 22 September 2022, Cecil Rodwell Edwards and I were appointed as directors of Thredd Group Limited (Formerly Global Processing Services Group Limited). Joanne Dewar and Richard Innes Hodgson resigned as directors of Thredd Group Limited during the period.

**Trading performance**

For the year ended 31 December 2022 the consolidated group showed revenue of £31.2m (2021: £26.7m) and a net loss of £27.6m (2021: £13.9m loss) after restructuring related costs of £0.7m (2021: £1.4m) and net finance costs of £6.8m (2021: £8.3m). Adjusted EBITDA for the year which excludes restructuring costs, interest and depreciation/amortisation was a loss of £25.6m (2021: profit of £3.1m) (note 3). Full year revenues were up 17% to £31.2m (2021: £26.7m).

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Group Strategic Report (continued)**  
**For the year ended 31 December 2022**

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**Outlook**

Thredd continues to have a strong competitive advantage based on privileged customer relationships, a proven single platform that simplifies card issuing and transaction processing and our unrivalled industry expertise. These foundational elements position Thredd to take advantage of the outsized growth opportunity in global payments and build a market leadership position by executing the following strategies:-

- Build a world-class management team with a combination of industry veterans and innovators by leveraging the investor group's network, to position Thredd for its next phase growth.
- Implement best-in-class sales operations, management processes and sales disciplines on a global basis to drive growth at scale.
- Leverage Thredd's UK/European market leadership and strong foundation in APAC to accelerate expansion and enter US market with a focus to drive high-quality revenue growth.
- Build on Thredd's proven platform and enhance product feature functionalities focusing on credit and program management capabilities that support material cross sell opportunities into the Thredd customer base; whilst advancing the Thredd goal of becoming an end-to-end fintech and embedded finance enabler.
- Leverage management and investor group shared vision to source and execute M&A that supports a compelling strategic need that supports client demand such as products, services, international expansion; and/or an opportunity that has the potential to change industry dynamics.

**Group Structure**

Details of the group structure can be found on note 20.

**About Thredd**

Thredd Group Limited is the issuer processor enabling many of today's most high-profile fintech innovators and disruptors. It is certified by Mastercard and Visa to process and manage any credit, debit or pre-paid card transaction globally.

Thredd enables the emerging payments industry to deliver breakthrough innovations through a unique combination of proprietary technology, its people and partners.

At the heart of its capability is Thredd Apex, its single global issuer processing platform. Built entirely by its own payment experts, Thredd Apex offers easy integration with Issuers, Fintechs, Programme Managers, card manufacturers and many other service providers.

Approved by the Board on 11 July 2023 and signed on its behalf by:

*Kevin Schultz*

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Kevin James Schultz  
Director and Chief Executive Officer

*Cecil Edwards*

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Cecil Rodwell Edwards  
Director

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Directors' Report**  
**For the year ended 31 December 2022**

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**Directors' Report**

The Directors present their report and the audited company and group financial statements for the year ended 31 December 2022.

**Principal Activities**

The Company's principal activity is that of a holding company, owning companies specialising in the payments processing sector. The Group consists of 4 holding companies and 5 operating entities.

**Incorporation**

The Company was incorporated in the United Kingdom on 19 April 2018 and these financial statements are for the year ended 31 December 2022.

On 26 April 2023, Global Processing Services Group Limited changed its name to Thredd Group Limited.

**Review of Business Results**

During the year, the Company registered a loss before and after taxation of £1.0m (2021: £0.2m). The Group registered a loss before taxation of £33.5m (2021: £12.7m) and a loss after taxation of £27.6m (2021: £13.9m).

**Events After Balance Sheet Date**

To the date of this report, the Directors have not identified any significant post balance sheet events.

**Future Developments**

The Company and the Group envisages entering our next phase of geographic expansion and technology innovation, in the short to medium term, on the back of the most recent investment round funds received in December 2021.

**Going Concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Company is disclosed on the Statement of Financial Position on page 11.

The Directors have reviewed the budget and cash flow forecasts of the Company for the year ended to 31 July 2024 and are confident that they show the Company will have sufficient resources to meet their liabilities as they fall due.

The Directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Reserves and Dividends**

The total comprehensive loss for the year is set out on page 10 and has been transferred to translation reserves. The Directors do not recommend the payment of a dividend (2021: £Nil).

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Directors' Report (continued)**  
**For the year ended 31 December 2022**

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**Directors**

The Directors of the Company who held office during the period and to date were:

Cecil Rodwell Edwards (Appointed on 22<sup>nd</sup> September 2022)  
Kevin James Schultz (Appointed on 22<sup>nd</sup> September 2022)  
Jeffrey Donald Burns (Appointed and resigned on 22<sup>nd</sup> September 2022)  
Joanne Dewar (Resigned on 2<sup>nd</sup> February 2023)  
Richard Hodgson (Resigned on 22<sup>nd</sup> September 2022)  
John Chaplin (Resigned on 20<sup>th</sup> January 2023)

**Political and Charitable Contributions**

During the year, the Group made charitable donations of £2,576. The Company did not make any charitable donations during the year (2021: £Nil).

**Disclosure of Information to the Auditor**

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

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

**Auditor**

Our auditor, KPMG Audit LLC have expressed their willingness to continue in office as per Section 485 of the Companies Act 2006.

Approved by the Board on 11 July 2023 and signed on its behalf by:

*Kevin Schultz*

Kevin James Schultz  
Director and Chief Executive Officer

*Cecil Edwards*

Cecil Rodwell Edwards  
Director

**Registered Address:**

6<sup>th</sup> Floor,  
Victoria House  
Bloomsbury Square  
London  
WC1B 4DA

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Statement of Directors' Responsibilities**  
**For the year ended 31 December 2022**

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**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under that law they have elected to prepare both the Group and the parent company financial statements in accordance with UK-adopted international accounting standards and applicable law.

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

In preparing each of the Group and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with UK-adopted international accounting standards;
- assess the Group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Group or the parent company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the parent company's transactions and disclose with reasonable accuracy at any time the financial position of the parent company and enable them to ensure that its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Independent Auditor's Report**  
**For the year ended 31 December 2022**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THREDD GROUP LIMITED**

**Our opinion**

We have audited the financial statements of Thredd Group Limited (the "Group"), which comprise the consolidated and company statements of financial position as at 31 December 2022, the consolidated and company statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

**In our opinion, the accompanying consolidated financial statements:**

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 December 2022 and of the Group's loss for the year then ended;
- are properly prepared in accordance with UK-adopted international accounting standards; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company and of the Group in accordance with, UK ethical requirements including FRC Ethical Standards. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

**Going concern**

The directors have prepared the consolidated financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease its operations, and as they have concluded that the Group and Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the consolidated financial statements (the "going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Group and the Company's business model and analysed how those risks might affect the Group and Company's financial resources or ability to continue operations over the going concern period.

**Our conclusions based on this work:**

- we consider that the directors' use of the going concern basis of accounting in the preparation of the consolidated financial statements is appropriate; and
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group and the Company will continue in operation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THREDD GROUP LIMITED (CONTINUED)**

**Fraud and breaches of laws and regulations – ability to detect**

**Identifying and responding to risks of material misstatement due to fraud**

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- enquiring of management as to the Group's policies and procedures to prevent and detect fraud as well as enquiring whether management have knowledge of any actual, suspected or alleged fraud;
- reading minutes of meetings of those charged with governance; and
- using analytical procedures to identify any unusual or unexpected relationships.

As required by auditing standards, and taking into account possible incentives or pressures to misstate performance and our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, and the risk that management may be in a position to make inappropriate accounting entries. We did not identify any additional fraud risks.

We performed procedures including:

- identifying journal entries and other adjustments to test based on risk criteria and comparing any identified entries to supporting documentation;
- incorporating an element of unpredictability in our audit procedures; and
- for a sample of revenue transactions recognized, tracing the invoiced amounts to the transaction reports and agreed contracts.

**Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations**

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the consolidated financial statements from our general sector experience and through discussion with management (as required by auditing standards), and discussed with management the policies and procedures regarding compliance with laws and regulations.

The Group is subject to laws and regulations that directly affect the consolidated financial statements including financial reporting legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

The Group is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the consolidated financial statements, for instance through the imposition of litigation or impacts on the Group and the Company's ability to operate. We identified company law as being the area most likely to have such an effect. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THREDD GROUP LIMITED (CONTINUED)**

**Context of the ability of the audit to detect fraud or breaches of law or regulation**

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the consolidated financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the consolidated financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remains a higher risk of non-detection of fraud, as this may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

**The directors' report and strategic report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the consolidated financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our consolidated financial statements audit work, the information therein is materially misstated or inconsistent with the consolidated financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the consolidated financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

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

We have nothing to report in these respects.

**Respective responsibilities**

**Directors' responsibilities**

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the consolidated financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF THREDD GROUP LIMITED (CONTINUED)**

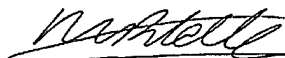
**Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

***The purpose of our audit work and to whom we owe our responsibilities***

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



**Mark Kelly (Senior Statutory Auditor)**

**For and on behalf of KPMG Audit LLC (Statutory Auditor)**

*Chartered Accountants*

Isle of Man

17 July 2023

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Company and Consolidated Statement of Comprehensive Income**  
**For the year ended 31 December 2022**

		Company 2022	Company 2021	Group 2022	Group 2021
	Note	£	£	£	£
Revenue	4	4,784,084	3,844,449	31,212,382	26,713,679
Administrative expenses	3	(4,332,988)	(2,520,098)	(55,717,180)	(28,531,075)
Impairment loss on trade receivables		-	-	(1,536,894)	(1,126,968)
<b>Operating profit/(loss)</b>		<b>451,186</b>	<b>1,324,351</b>	<b>(26,041,692)</b>	<b>(2,944,364)</b>
Restructuring costs	3	(33,000)	(980,159)	(667,892)	(1,435,830)
Finance income	5	4,649,561	2,892,765	114,210	-
Finance costs	5	(6,029,580)	(3,461,941)	(6,926,505)	(8,332,175)
<b>Loss before tax</b>	<b>3</b>	<b>(961,833)</b>	<b>(224,984)</b>	<b>(33,521,879)</b>	<b>(12,712,369)</b>
Income tax (expense)/credit	6	(550)	(932)	5,918,494	(1,181,253)
<b>Loss for the year</b>		<b>(962,383)</b>	<b>(225,916)</b>	<b>(27,603,385)</b>	<b>(13,893,622)</b>
<i>Items that are or may be reclassified subsequently to profit or loss:</i>					
Foreign operations – foreign currency translation differences		-	-	(252,985)	6,036
<b>Other comprehensive income for the year</b>		<b>-</b>	<b>-</b>	<b>(252,985)</b>	<b>6,036</b>
<b>Total comprehensive loss for the year</b>		<b>(962,383)</b>	<b>(225,916)</b>	<b>(27,856,370)</b>	<b>(13,887,586)</b>

All activities are from continuing operations.

The notes on pages 16 to 63 form an integral part of these financial statements.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Company and Consolidated Statement of Financial Position**  
**As at 31 December 2022**

		Company 2022	Company 2021	Group 2022	Group 2021
	Note	£	£	£	£
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property and equipment	8	-	-	904,662	691,686
Right-of-use asset	19	-	-	2,808,395	1,649,180
Intangible assets	9	-	-	34,969,252	35,026,133
Goodwill	10	-	-	47,920,143	47,920,143
Investments in subsidiary	7	10,129,947	10,129,947	-	-
Loans to subsidiary	13	-	530,987	-	-
Deferred tax asset	6	914	1,464	914	-
<b>Total non-current assets</b>		<b>10,130,861</b>	<b>10,662,398</b>	<b>86,603,366</b>	<b>85,287,142</b>
<b>Current assets</b>					
Trade and other receivables	11	71,964,189	80,840,436	8,339,853	7,646,526
Amount due from subsidiary	13	33,528,354	33,528,354	-	-
Cash and cash equivalents	12	246,719	2,727,891	13,855,213	6,579,310
<b>Total current assets</b>		<b>105,739,262</b>	<b>117,096,681</b>	<b>22,195,066</b>	<b>14,225,836</b>
<b>TOTAL ASSETS</b>		<b>115,870,123</b>	<b>127,759,079</b>	<b>108,798,432</b>	<b>99,512,978</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Non-current liabilities</b>					
Lease liability	19	-	-	1,207,365	679,247
Deferred tax liability	6	-	-	1,680,028	6,284,338
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>	<b>2,887,393</b>	<b>6,963,585</b>
<b>Current liabilities</b>					
Lease liability	19	-	-	1,642,752	1,136,879
Trade and other payables	14	54,158,876	65,085,449	93,135,018	52,438,614
<b>Total current liabilities</b>		<b>54,158,876</b>	<b>65,085,449</b>	<b>94,777,770</b>	<b>53,575,493</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Company and Consolidated Statement of Financial Position (continued)**  
**As at 31 December 2022**

		Company 2022	Company 2021	Group 2022	Group 2021
	Note	£	£	£	£
<b>Equity</b>					
Share capital	16	157,932	157,932	157,932	157,932
Share premium	17	61,178,086	61,178,086	61,178,086	61,178,086
Translation reserve		-	-	(241,840)	11,145
Capital contribution reserve		10,129,946	10,129,946	10,129,946	10,129,946
Retained earnings		(9,754,717)	(8,792,334)	(60,090,855)	(32,503,209)
<b>Total equity</b>		<b>61,711,247</b>	<b>62,673,630</b>	<b>11,133,269</b>	<b>38,973,900</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>115,870,123</b>	<b>127,759,079</b>	<b>108,798,432</b>	<b>99,512,978</b>

The financial statements were approved by the Board of Directors on 11 July 2023 and were signed on its behalf by:

*Kevin Schultz*

Kevin James Schultz  
Director

*Cecil Edwards*

Cecil Rodwell Edwards  
Director

The notes on pages 16 to 63 are an integral part of these financial statements

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Company and Consolidated Statement of Changes in Equity**  
**As at 31 December 2022**

	Company 2022					
	Share capital	Share premium	Translation reserve	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance as at 1 January	157,932	61,178,086	-	10,129,946	(8,792,334)	62,673,630
<i>Total comprehensive loss for the period:</i>						
Loss for the period	-	-	-	-	(962,383)	(962,383)
<i>Transactions with owners of the Company:</i>						
Issue of ordinary shares	-	-	-	-	-	-
Capital contribution from parent company	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Balance as at 31 December</b>	<b>157,932</b>	<b>61,178,086</b>	<b>-</b>	<b>10,129,946</b>	<b>(9,754,717)</b>	<b>61,711,247</b>
	Company 2021					
	Share capital	Share premium	Translation reserve	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance as at 1 January	111,839	853,661	-	-	(8,566,418)	(7,600,918)
<i>Total comprehensive loss for the period:</i>						
Loss for the period	-	-	-	-	(225,916)	(225,916)
<i>Transactions with owners of the Company:</i>						
Issue of ordinary shares	46,093	60,324,425	-	-	-	60,370,518
Capital contribution from parent company	-	-	-	10,129,946	-	10,129,946
	46,093	60,324,425	-	10,129,946	-	70,500,464
<b>Balance as at 31 December</b>	<b>157,932</b>	<b>61,178,086</b>	<b>-</b>	<b>10,129,946</b>	<b>(8,792,334)</b>	<b>62,673,630</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Company and Consolidated Statement of Changes in Equity (continued)**  
**As at 31 December 2022**

	Group 2022					
	Share capital	Share premium	Translation reserve	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance as at 1 January	157,932	61,178,086	11,145	10,129,946	(32,503,209)	38,973,900
<i>Total comprehensive loss for the period:</i>						
Loss for the period	-	-	-	-	(27,603,385)	(27,603,385)
Other comprehensive loss for the period	-	-	(252,985)	-	15,739	268,724
	-	-	(252,985)	-	(27,587,646)	(27,840,631)
<i>Transactions with owners of the Company:</i>						
Other reserves	-	-	-	-	-	-
	-	-	-	-	-	-
<b>Balance as at 31 December</b>	<b>157,932</b>	<b>61,178,086</b>	<b>(241,840)</b>	<b>10,129,946</b>	<b>(60,090,855)</b>	<b>11,133,269</b>
	Group 2021					
	Share capital	Share premium	Translation reserve	Capital contribution reserve	Retained earnings	Total equity
	£	£	£	£	£	£
Balance as at 1 January	111,839	853,661	17,181	-	(18,698,276)	(17,715,595)
<i>Total comprehensive loss for the period:</i>						
Loss for the period	-	-	-	-	(13,887,586)	(13,887,586)
Other comprehensive loss for the period	-	-	(6,036)	-	-	(6,036)
	-	-	(6,036)	-	(13,887,586)	(13,893,622)
<i>Transactions with owners of the Company:</i>						
Issue of ordinary shares	46,093	60,324,425	-	-	-	60,370,518
Capital contribution from parent company	-	-	-	10,129,946	-	10,129,946
Other reserves	-	-	-	-	82,653	82,653
	46,093	60,324,425	-	10,129,946	82,653	70,583,117
<b>Balance as at 31 December</b>	<b>157,932</b>	<b>61,178,086</b>	<b>11,145</b>	<b>10,129,946</b>	<b>(32,503,209)</b>	<b>38,973,900</b>

The notes on pages 16 to 63 are an integral part of these financial statements.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Company and Consolidated Statement of Cash Flow**  
**For the year ended 31 December 2022**

	Note	Company		Group	
		2022	2021	2022	2021
		£	£	£	£
<b>Cash flows (used in)/from operating activities:</b>					
Loss for the period before tax		(961,833)	(224,984)	(33,521,879)	(12,712,369)
Interest expense on preference shares	5	-	2,737,316	-	-
Interest expense on loan notes	5	-	660,235	-	-
Net finance cost	5	-	-	6,726,854	7,402,256
Interest expense on leases	5	-	-	85,441	46,625
Amortisation of loan issuance costs	5	-	-	-	883,294
Interest income on loan to subsidiary	5	1,380,019	(2,828,375)	-	-
Foreign exchange losses	3	7,603	2,312	(365,895)	16,008
Impairment loss on trade receivables		-	-	1,536,894	746,048
Depreciation and amortisation	3	-	-	7,414,899	6,044,602
		<b>425,789</b>	<b>346,504</b>	<b>(18,123,686)</b>	<b>2,426,464</b>
<b>Changes in:</b>					
- Trade and other receivables	11	346,175	(33,959)	158,358	(1,128,058)
- Net related party balances		(2,576,862)	36,437,740	34,006,512	46,650,555
- Trade and other payables	14	(676,274)	703,177	(1,138,276)	1,155,857
		<b>(2,481,172)</b>	<b>37,453,462</b>	<b>14,902,908</b>	<b>49,104,818</b>
Taxation refund		-	-	1,485,745	365,852
<b>Net cash (used in)/from operating activities</b>		<b>(2,481,172)</b>	<b>37,453,462</b>	<b>16,388,653</b>	<b>49,470,670</b>
<b>Cash flows from investing activities:</b>					
Capital contribution to subsidiary		-	(10,129,946)	-	-
Payments to acquire property and equipment	8	-	-	(557,398)	(441,854)
Payments to acquire intangible assets	9	-	-	(6,519,016)	(6,831,344)
<b>Net cash used in investing activities</b>		<b>-</b>	<b>(10,129,946)</b>	<b>(7,076,414)</b>	<b>(7,273,198)</b>
<b>Cash flows from financing activities:</b>					
Proceeds from capital contribution from parent company		-	10,129,946	-	10,129,946
Repayment of non-convertible preference shares issued		-	(45,898,038)	-	(45,898,038)
Interest on bank loans paid		-	-	-	(433,209)
Repayment of lease payments	18	-	-	(1,777,408)	(1,280,857)
Repayment of bank loans		-	-	(530,987)	(10,800,000)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(35,768,092)</b>	<b>(2,308,395)</b>	<b>(48,282,158)</b>
<b>Net changes (used in)/from cash and cash equivalents</b>		<b>(2,481,172)</b>	<b>(8,444,576)</b>	<b>7,003,844</b>	<b>(6,084,686)</b>
Effects of movements in exchange rates on cash held		-	-	272,061	(34,118)
Cash and cash equivalents at beginning of period		2,727,891	11,172,467	6,579,308	12,698,114
<b>Cash and cash equivalents at end of period</b>	12	<b>246,719</b>	<b>2,727,891</b>	<b>13,855,213</b>	<b>6,579,310</b>

The notes on pages 16 to 63 form an integral part of these financial statements.

**1. General notes**

**a. Entity information**

**Place of incorporation and principal business**

Thredd Group Limited (the "Company") is a private limited company incorporated and domiciled in the United Kingdom under the Companies Act 2006 (registration number 11319858).

The address of the registered office is 6th Floor, Victoria House, Bloomsbury Square, London, WC1B 4DA.

**b. Basis of preparation**

**i. Statement of compliance**

The financial statements have been prepared and presented in accordance with UK adopted international accounting standards as applicable to an entity incorporated in the United Kingdom under the Companies Act 2006.

**ii. Basis of measurement**

The financial statements have been prepared on the historical cost basis.

**iii. Functional and presentation currency**

The financial statements are presented in Pound Sterling (£), which is the Group's and Company's functional currency.

Transactions denominated in foreign currencies are converted to the functional currency at the rates of exchange ruling on the dates on which the transactions first qualify for recognition. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period. Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income.

**1. General notes (continued)**

**b. Basis of preparation (continued)**

**iv. Use of judgements and estimates**

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

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

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 and in any future periods affected:

There are no critical judgements or estimates that have been utilised in preparing these financial statements.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at year-end that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Note 6 – recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised; and
- Note 13(ii) – measurement of Expected Credit Loss (“ECL”) allowance for trade receivables: key assumptions in determining the weighted-average loss rate.

**1. General notes (continued)**

**b. Basis of preparation (continued)**

**v. Going concern**

The directors continue to have a reasonable expectation that the Group and Company has adequate resources to continue in operation for at least the next 12 months from the date of approval of these financial statements, notwithstanding a loss for the Company and Group for the year then ended of £1.0m (2021: £0.2m) and £27.6m (2021: £13.9m) respectively and net operating cash outflows for the Company.

The Company, as a holding entity, does not undertake any trading activities. The continued operation of the Company as a going concern is inherently tied to the viability of the underlying operating components within the group of which the Company is an intermediate parent. The financial statements of the Company and the Group have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

- A cash flow forecast for the next 12 months from the date of approval of the financial statements prepared by management has indicated that the Company, Group and Auxo Topco Jersey Limited (“the ultimate parent company”) will have sufficient cash assets to be able to meet their respective obligations as and when they are due. The cash forecasts have taken into account the impact of rising inflation impacting expenditure in addition to any potential economic impacts from the ongoing Russia and Ukraine war; and
- The parent company (through the ultimate parent company) has formally indicated that will continue its support for a minimum of 12 months from the date of issuing these financial statements, including not seeking repayment of amounts currently made available for at least 12 months from the date the company’s financial statements are authorised for issue to enable it to meet its financial liabilities as they fall due. The ultimate parent company has sufficient cash assets to provide liquidity support as required and in the quantum required to enable the Company and the Group to meet its obligations as they fall due.

**c. Subsidiaries and basis of consolidation**

The Company has included its subsidiary undertaking in the accounts at cost less any impairment.

The Consolidated Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows include financial statements of the Company and its subsidiary undertakings. Intra-group balances are eliminated fully on consolidation.

**2. Significant accounting policies**

**a. Standards issued but not yet effective**

The Group has adopted the following new standards and amendments to standards, including any consequential amendments to other standards, with a date of initial application of 1 January 2022:

- Amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards—Subsidiary as a First-time Adopter (issued on 12 April 2022);
- Amendment to IFRS 9 Financial Instruments—Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities (issued on 12 April 2022);
- Amendment to IAS 41 Agriculture — Taxation in Fair Value Measurements (issued on 12 April 2022);
- Amendments to IAS 37: Onerous Contracts — Cost of Fulfilling a Contract (issued on 12 April 2022);
- Amendments to IAS 16: Property and Equipment: Proceeds before Intended Use (issued on 12 April 2022); and
- Amendments to References to the Conceptual Framework in IFRS Standards (issued on 12 April 2022).

No significant changes followed the implementation of these standards and amendments.

New standards and amendments to standards, adopted but not yet effective with an initial application of 1 January 2023:

- Adoption of IFRS 17 Insurance Contracts (issued on 17 May 2022);
- Adoption of Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) (issued on 2 December 2022);
- Adoption of Definition of Accounting Estimates (Amendments to IAS 8) (issued on 2 December 2022); and
- Adoption of Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) (issued on 2 December 2022)

No significant changes are anticipated with the implementation of the above standards and amendments.

**2. Significant accounting policies (continued)**

**b. Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. 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.

**i. As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. 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 incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or 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 end of the lease term. In addition, 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 not paid at the commencement date, discounted using the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by obtaining interest rates from Barclays Bank, who provided external debt financing sources to the Group during the year.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments; and
- amounts expected to be payable under a residual value guarantee.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

However, for leases of property the Group has elected not to separate non-lease components and account for the lease and associated non-lease components as a single lease component. The Group has tested its right-to-use assets for impairment on the date of transition and has concluded that there is no indication that the right-to-use assets are impaired.

**2. Significant accounting policies (continued)**

**b. Leases (continued)**

**i. As a lessee (continued)**

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in the statement of comprehensive income if the carrying amount of the right-of-use asset has been reduced to zero.

The Group presents right-of-use assets that do not meet the definition of investment property as a 'right of use asset' and lease liabilities within 'current liabilities' and 'non-current liabilities' in the statement of financial position.

**ii. Short-term leases and leases of low-value assets**

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases less than or equal to 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**c. Investment in subsidiaries**

A subsidiary is an entity which is controlled by the Group. The Group controls an entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the separate financial statements, an investment in a subsidiary is initially measured at cost. After initial recognition, an investment in subsidiary may be carried either under the cost method, that is at cost less any accumulated impairment losses or measured using the equity method. After initial recognition the investment in subsidiary is carried under the cost method.

**d. Property and equipment**

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

**Recognition and measurement**

The cost of an item of property and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably. Property and equipment are initially measured at cost comprising the purchase price, any costs directly attributable to bringing the assets to a working condition for their intended use, and the costs of dismantling and removing the item and restoring the site to which it is located. Subsequent expenditure is capitalised as part of the cost of property and equipment only if it enhances the economic benefits of an asset in excess of the previously assessed standard of performance, or it replaces or restores a component that has been separately depreciated over its useful life.

**2. Significant accounting policies (continued)**

**d. Property and equipment (continued)**

After initial recognition, property and equipment are carried under the cost model, that is at cost less any accumulated depreciation and any accumulated impairment losses, or under the revaluation model, that is at their fair value at the date of the revaluation less any accumulated depreciation and any accumulated impairment losses.

An asset is impaired when its carrying amount is less than its recoverable amount. An impairment test is carried out annually to ensure that no asset value have been overstated.

**Depreciation**

Depreciation is calculated to write down the carrying amount of the asset on a straight-line basis over its expected useful life. The depreciation charge for each period is recognised in the statement of comprehensive income.

The useful lives for each asset class used to determine depreciation used are the following:

Office equipment	4 years
Computer equipment	4 years
Leasehold improvements	10 years
Furniture and fixtures	10 years

**e. Intangible assets and goodwill**

**Goodwill**

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and is not amortised but is tested annually for impairment. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment in the investee.

**Acquired intangible assets**

An acquired intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. An intangible asset is initially measured at cost, comprising its purchase price and any directly attributable cost of preparing the asset for its intended use.

Intangible assets are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the intangible asset using the straight-line method over its expected useful life. Amortisation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised.

Amortisation is based on the asset's useful life for each class of intangible asset and is charged to the statement of comprehensive income. Assets are tested for impairment at least annually.

**2. Significant accounting policies (continued)**

**e. Intangible assets and goodwill (continued)**

**Internally developed intangible assets**

The Group has in house and 3rd party software engineers who work on developing and improving software used in the provision of services to customers.

An internally generated intangible asset is recognised only if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably.

Expenditure on development activities is capitalised if the product or process is technically and commercially feasible and the Group intends to and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Group can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve a plan or design for the production of new or substantially improved products or processes.

The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Internally generated intangible assets are subsequently carried at cost less any accumulated amortisation and any accumulated impairment losses. Amortisation is calculated to write down the carrying amount of the intangible asset using the straight-line method over its expected useful life. Amortisation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale or the date that the asset is derecognised. An internally generated intangible asset serves the customer base by bringing additional functionality, speed, capacity etc. to the platform. This enhances the service delivery and product offering and ensures that the Group can generate more economic benefits from existing and new customers.

An internally generated asset capitalised as part of the core platform is amortised on the same 7 year cycle but from point of bringing that functionality into service.

Amortisation is based on the asset's useful life for each class of intangible asset and is charged to the statement of comprehensive income. Capitalised development costs not yet ready for use are tested for impairment at least annually.

The Group policy is to amortise acquired intangible assets over their useful life. In the instance of the asset acquired in 2019 is being amortised over its useful life of 7 years. Subsequent development of the Operating platform is amortised over 7 years from the point the development is live on the platform as subsequent platform development is about enhancing the existing functionality and capability of the Thredd Operating system to both retain existing clients and attract new clients to Thredd.

**2. Significant accounting policies (continued)**

**e. Intangible assets and goodwill (continued)**

**Internally developed intangible assets (continued)**

The useful lives for each asset class used to determine amortisation used are the following:

Computer software	4 years
Website	4 years
Intellectual property	7 years
Customer relationships	8 years
Customer contracts	26 years

**f. Taxation**

Income tax expense comprises current and deferred tax and is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is recognised using the balance sheet liability method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**Income taxes**

Income tax expense comprises current tax and is recognised in profit or loss. Current tax is based on the taxable profit for the period, as determined in accordance with tax laws, and measured using tax rates, which have been enacted or substantively enacted by the balance sheet date.

**2. Significant accounting policies (continued)**

**g. Financial instruments**

Non-derivative financial instruments comprise of trade receivables, other receivables, loans and amounts due to and from related parties, loans, loan notes, non-convertible preference shares, trade payables and other payables.

Non-derivative financial instruments are recognised initially at fair value in line with IFRS 9. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the company's contractual rights to the cash flows from the financial assets expire or if the company transfers the financial asset to another party without retaining control of substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the company commits itself to purchase or sell the asset. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

**i. Trade/other receivables and amounts due from related parties**

Trade/other receivables and amounts due from related parties are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses.

**ii. Trade and other payables**

Trade and other payables consist of trade payables, accruals, employee pensions and amounts due to parent and other related parties. Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

**iii. Cash and cash equivalents**

Cash and cash equivalents comprise cash balances with bank. Any bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

**iv. Bank loans and amounts due to group companies**

Bank loans and amounts due to group companies are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method and are stated at their nominal value.

**2. Significant accounting policies (continued)**

**h. Impairment of assets**

**i) Financial assets**

The Group recognises loss allowances for expected credit losses ("ECLs") on financial assets measured at *amortised cost*.

The Group measures loss allowances at an amount equal to lifetime ECLs except for the following, which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 90 days past due.

The Group considers a financial asset to be in default when: the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or the financial asset is more than 90 days past due. The Group considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Group considers this to be Baa3 or higher per CreditSafe.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

**2. Significant accounting policies (continued)**

**h. Impairment of assets (continued)**

**i) Financial assets (continued)**

**Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

Given that the Group's trade receivables all have credit terms less than 1 year; they do not include a financing component. This deems the simplified approach to be the required method of impairing the Group's trade receivables.

**Credit-impaired financial assets**

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

**ii) Non-financial assets**

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years.

**2. Significant accounting policies (continued)**

**h. Impairment of assets (continued)**

**ii) Non-financial assets (continued)**

Impairment losses of continuing operations are recognised in the statement of comprehensive income in expense categories consistent with the function of the impaired asset.

For the Company's non-financial assets, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Goodwill is tested for impairment annually as at 31 December and whenever circumstances indicate that the carrying value may be impaired (see Note 10). Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested for impairment annually as at 31 December at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

The Cash Generating Unit (CGU) to which the Goodwill is allocated to for impairment testing has been defined as the Thredd IOM group, which comprises Global Processing Services Limited and Thredd (UK) Limited, from which Goodwill arose from its acquisition.

**2. Significant accounting policies (continued)**

**i. Revenue recognition**

**Rendering of services**

Revenue from the provision of services is recognised when the performance obligations are satisfied as stated in the terms of the contracts with customers. The revenue is measured based on the allocation of the price to the performance obligations.

The Group's revenue is derived from new client setup fees, transaction processing fees and other ancillary services fees. Each of the different streams contains different performance obligations as follows:

**Recurring revenues**

**i. Management fee recharges**

The performance obligation is to recoup management services provided by related entities in making such services available. Revenue is recognised monthly in arrears.

**ii. Transaction fees**

The performance obligation is to process a transaction for the customer. Revenue is recognised when transactions are processed.

**iii. Ancillary fees**

There are three separate performance obligations within ancillary fees as follows:

- a. The annual license fee which is recognised over the term of the contract;
- b. The fixed monthly fee payable which is recognised monthly; and
- c. The variable/transaction-based fee recognised as and when the transaction the fee relates to occurs.

**Re-occurring revenues**

**iv. Set-up fees**

The performance obligation is to set up the customer on the platform. The revenue is recognised over time for setup fees because this is how the performance obligation is satisfied.

**v. Termination fees**

The performance obligation is to mutually agree a termination with a client. Revenue is immediately recognised when client contracts are mutually terminated.

There are no undue complications included in determining and allocating the transaction prices amongst the above revenue streams as these are clearly stated in the contract with the customer and are not bundled together.

**2. Significant accounting policies (continued)**

**j. Borrowing costs and loan issuance costs**

Borrowing costs include those costs that are directly attributable to borrowings from a bank and related party. Borrowing costs are recognised as an expense in profit or loss in the period in which they are incurred using the effective interest method. Borrowing costs associated with the issuance of the Company's loans are capitalised and amortised over the life of the loan.

**k. Finance costs/income**

Financing expenses include interest income on loan to subsidiary, interest on bank loan, interest on loan notes, interest on leases, interest on loan notes and finance charges on non-convertible preference shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the income statement (see foreign currency accounting policy).

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial time to be prepared for use, are capitalised as part of the cost of that asset.

Financing income comprises interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in the statement of comprehensive income as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

**l. Expenses**

Expenses are recognized on an accrual basis.

**l. Operating profit or loss**

Operating profit is the result generated from the continuing principal revenue-producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, restructuring costs and income taxes.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Detailed schedules at Company level (unaudited)**  
**For the year ended 31 December 2022**

**3. Loss before tax**

**a. Administrative expenses**

Loss before tax is presented after charging the following:

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Auditor's remuneration	21,573	26,600	76,804	82,686
Commission paid	(745)	-	135,223	-
Donations	-	-	2,576	1,716
Director's fee	-	28,261	12,144	41,419
Depreciation and amortisation	-	-	7,414,899	6,123,953
Foreign exchange losses	7,603	2,310	(365,895)	16,008
Intercompany interest	238	2,600	(62,422)	41,446
Legal and professional fees	1,144,327	100,412	2,783,516	1,051,363
Management expense	-	-	4,458,203	-
Marketing costs	18,754	7,838	2,980,502	783,709
Miscellaneous expenses	1,312,001	302,214	3,395,539	554,843
Office rent	-	-	1,230,301	91,268
Salaries and wages	1,094,922	1,649,680	15,508,274	10,256,860
Employee pensions	54,768	121,073	1,692,833	885,696
Employer's share of social security contributions	362,894	164,937	2,406,954	1,376,612
Other staff costs	316,062	106,935	3,537,859	1,815,827
Software and other related expenses	501	7,238	10,509,870	5,407,669
<b>Total</b>	<b>4,332,898</b>	<b>2,520,098</b>	<b>55,717,180</b>	<b>28,531,075</b>

**b. Restructuring costs**

Restructuring costs this year relate to a shared vision to accelerate expansion by entering the US market with a focus to drive high-quality revenue growth source and also to execute M&A activity that supports a compelling strategic need. These are in addition to residual fees related to the December 2021 growth investment co-led by Advent International through Advent Tech and affiliate Sunley House Capital and Viking Global Investors. These are not associated with the usual operating activities and relate to specific one-off event(s).

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**3. Loss before tax (continued)**

**c. Staff costs**

Staff costs incurred during the year are analysed as follows:

	<b>Company 2022 £</b>	<b>Company 2021 £</b>	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Salaries and wages	1,094,922	1,649,680	15,508,274	10,256,860
Employer's share of social security contributions	362,894	164,937	2,406,954	1,376,612
Employee pensions	54,768	121,073	1,692,833	885,696
Other staff cost	316,062	106,935	3,537,859	1,815,827
<b>Total</b>	<b>1,828,646</b>	<b>2,042,625</b>	<b>23,145,920</b>	<b>14,334,995</b>

Certain Directors received salaries from the Company and the holding company, Auxo Topco Jersey Limited.

Directors' emoluments incurred during the period are analysed as follows:

	<b>Company 2022 £</b>	<b>Company 2021 £</b>	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Salaries and wages	756,129	1,186,938	1,023,221	1,186,938
Employer's share of social security contributions	83,170	53,598	83,170	53,598
Employee pensions	30,134	19,420	30,134	19,420
<b>Total</b>	<b>869,433</b>	<b>1,259,956</b>	<b>1,136,525</b>	<b>1,259,956</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**3. Loss before tax (continued)**

**d. Number of employees**

The number of persons employed by the Group and Company at the year end was as follows:

	<b>Company 2022 No</b>	<b>Company 2021 No</b>	<b>Group 2022 No</b>	<b>Group 2021 No.</b>
Operational employees	3	7	217	201

**e. Transaction with key management personnel**

	<b>Company 2022 £</b>	<b>Company 2021 £</b>	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Short-term employee benefits	1,407,299	1,936,168	1,484,430	2,130,826

Compensation of the Company's key management personnel include salaries, non-cash benefits and contributions to a post-employment defined benefit plan.

**f. EBITDA reconciliation**

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
Loss for the period	(27,856,370)	(13,887,586)
<b>Add back:</b>		
Taxation	(5,918,494)	1,181,253
Lease expense	85,441	8,332,176
Restructuring costs	667,892	1,435,830
Depreciation and amortisation	7,414,899	6,044,602
<b>EBITDA</b>	<b>(25,606,632)</b>	<b>3,106,275</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**4. Revenue from contracts with customers**

**a. Disaggregation of revenue**

In the following table, revenue is disaggregated by major product/service lines. The timing of revenue recognition is different depending on the service line and this is outlined in note 2i to the financial statements.

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Management fees recharges	4,784,084	3,844,449	-	-
Set-up fees*	-	-	2,668,223	2,830,876
Transaction fees**	-	-	20,290,734	17,704,535
Termination revenue	-	-	56,611	329,500
Ancillary fees	-	-	8,196,814	5,848,768
<b>Total</b>	<b>4,784,084</b>	<b>3,844,449</b>	<b>31,212,382</b>	<b>26,713,679</b>

\* Set up fees include initial and subsequent set up fees for additional services.

\*\* Ancillary fees include transaction based and annual license fees.

**b. Contract balances**

The following table provides information about trade receivables and contract liabilities from contracts with customers.

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Trade receivables (Note 11)	-	-	4,610,682	5,053,654
Contract liability (Note 14)	-	-	(342,275)	(348,722)
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,268,407</b>	<b>4,704,932</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**5. Net finance costs**

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Interest on preference shares	-	2,737,316	-	2,737,316
Interest on bank loan	-	-	-	433,208
Interest on loan from subsidiary	6,029,580	64,390	6,841,064	-
Interest on Dunedin loan notes	-	-	-	3,571,497
Interest on loan notes	-	660,235	-	660,235
Interest on lease liabilities	-	-	85,441	46,625
Amortisation of loan issuance costs	-	-	-	883,294
<b>Total finance costs</b>	<b>6,029,580</b>	<b>3,461,941</b>	<b>6,926,505</b>	<b>8,332,175</b>
Interest income on loan to subsidiary	<b>(4,649,561)</b>	<b>(2,892,765)</b>	<b>(114,210)</b>	-
<b>Net finance costs</b>	<b>1,380,019</b>	<b>569,176</b>	<b>6,812,295</b>	<b>8,332,175</b>

**6. Income tax charge/(credit)**

**a) Analysis of (credit)/charge for the year**

**i. Profit and loss account**

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
<b>Current tax credit</b>				
Changes in estimates related to prior periods related to international entity	-	-	-	5,449
Changes in estimates related to prior periods	-	-	(1,313,269)	(1,485,430)
<b>Total current tax credit</b>	<b>-</b>	<b>-</b>	<b>(1,313,269)</b>	<b>(1,479,981)</b>
<b>Deferred tax charge/(credit)</b>				
Origination and reversal of timing differences	418	1,689	(5,060,058)	(173,228)
Effect of changes in tax rates	-	-	1,108,497	1,364,424
Changes in estimates related to prior periods	132	(757)	(653,664)	1,470,038
<b>Total deferred tax expense/(credit)</b>	<b>550</b>	<b>932</b>	<b>(4,605,225)</b>	<b>2,661,234</b>
<b>Total tax expense/(credit) to profit and loss</b>	<b>550</b>	<b>932</b>	<b>(5,918,494)</b>	<b>1,181,253</b>

The reasons for the difference between actual tax charge for the period and the standard rate of corporation tax in the United Kingdom applied to profits for the period are as follows:

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**6. Income tax charge/(credit) (continued)**

**a) Analysis of credit for the year (continued)**

**i. Profit and loss account (continued)**

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Loss before tax	(961,833)	(224,984)	(33,521,879)	(12,712,369)
Taxation	(550)	(932)	5,918,494	(1,181,253)
Loss after tax	<b>(962,383)</b>	<b>(225,916)</b>	<b>(27,603,385)</b>	<b>(13,893,622)</b>
Tax using the Company's domestic tax rate of 19% (2021: 19%)	<b>(182,748)</b>	(42,747)	<b>(5,755,022)</b>	(2,408,059)
Expenses not deductible for tax purposes	<b>22,288</b>	832,190	<b>224,435</b>	2,159,761
Fixed asset difference	-	-	<b>26,293</b>	(16,540)
Non-taxable income	-	-	<b>(82,970)</b>	-
Deferred tax not provided	<b>160,877</b>	-	<b>1,625,905</b>	717,776
Remeasurement of deferred tax for changes in tax rates	<b>133</b>	(352)	<b>(816,399)</b>	1,534,696
Adjustments to tax in respect of prior periods	-	-	<b>(1,313,269)</b>	(1,485,430)
Adjustment for under provision in prior periods related to international entity	-	-	-	5,449
Adjustments to tax in respect of prior periods – deferred tax	-	-	<b>1,108,497</b>	1,145,555
Group relief claimed	-	(788,159)	<b>1,484,290</b>	(471,955)
Losses recognised at group level	-	-	<b>(2,420,254)</b>	-
<b>Total tax expense/(credit) to profit and loss</b>	<b>550</b>	<b>932</b>	<b>(5,918,494)</b>	<b>1,181,253</b>

Deferred tax assets have not been recognised in respect of the following item, because it is not probable that future taxable profit will be available against which the Group can use the benefits therefrom:

	Company 2022 £	Company 2022 £	Company 2021 £	Company 2021 £
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	<b>846,721</b>	<b>160,877</b>	-	-
	Group 2022 £	Group 2022 £	Group 2021 £	Group 2021 £
	Gross amount	Tax effect	Gross amount	Tax effect
Tax losses	<b>8,557,440</b>	<b>1,625,906</b>	<b>3,777,768</b>	<b>717,776</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**6. Income tax charge/(credit) (continued)**

**a) Analysis of credit for the year (continued)**

**ii. Current tax assets and liabilities**

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
<b>Current tax assets</b>				
Corporation tax receivable	-	-	1,313,269	1,485,430

**iii. Deferred tax asset/(liability)**

Deferred tax is calculated in full on temporary differences under the liability method using a tax rate of 25%, for deferred tax (2021: 25%).

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Opening balance	1,464	2,396	(6,284,339)	(3,705,759)
Deferred tax (charge)/credit in P/L for the period	(550)	(932)	4,605,225	(2,661,234)
Movement in year	-	-	-	82,655
At 31 December	914	1,464	(1,679,114)	(6,284,338)
<b>Balance sheet presentation</b>				
Deferred tax asset	914	1,464	914	-
Deferred tax liability			- (1,680,028)	(6,284,338)
	914	1,464	(1,679,114)	(6,284,338)

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**7. Investment in subsidiary**

The Company owns 100% of the shares of Thredd Midco Limited (formerly GPS Midco Limited) as follows:

<b>Name</b>	<b>Class of Share</b>	<b>Holding</b>	<b>Registered address</b>
Thredd Midco Limited	Ordinary	100%	6 <sup>th</sup> Floor, Victoria House, Bloomsbury Square, London, WC1B 4DA

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
Opening balance	<b>10,129,947</b>	1
Capital contribution to subsidiary	-	10,129,946
<b>Cost as at 31 December</b>	<b>10,129,947</b>	<b>10,129,947</b>

The Company indirectly owns 100% shares of the following entities:

<b>Name</b>	<b>Class of Share</b>	<b>Holding</b>	<b>Registered address</b>
Thredd Finco Limited (formerly GPS Finco Limited)	Ordinary	100%	6 <sup>th</sup> Floor, Victoria House, Bloomsbury Square, London, WC1B 4DA
Thredd Bidco Limited (formerly GPS Bidco Limited)	Ordinary	100%	6 <sup>th</sup> Floor, Victoria House, Bloomsbury Square, London, WC1B 4DA
Global Processing Services Limited	Ordinary	100%	2 <sup>nd</sup> Floor, St Mary's Court, 20 Hill Street, Douglas, Isle of Man, IM1 1EU.
Thredd (UK) Limited	Ordinary	100%	6 <sup>th</sup> Floor, Victoria House, Bloomsbury Square, London, WC1B 4DA
Thredd (Singapore) PTE Limited	Ordinary	100%	16 Raffles Quay, #33-03 Hong Leong Building, Singapore, 048581.
Thredd (Australia) PTY Limited	Ordinary	100%	The Wynyard Hub (Stone & Chalk) Level 4, 11 York Street, Sydney, NSW 2000.
Apex Processing Services FZ-LLC	Ordinary	100%	EO 10, Ground Floor, Building 1, Dubai, United Arab Emirates.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**8. Property and equipment**

	Group 2022				Total £
	Furniture & fixtures £	Office equipment £	Computer equipment £	Leasehold improvements £	
<b>Cost</b>					
Balance as at 1 January 2021	29,573	36,075	1,665,883	8,785	1,740,316
Additions	164,772	11,138	265,944	-	441,854
Balance as at 31 December 2021	194,345	47,213	1,931,827	8,785	2,182,170
Balance as at 1 January 2022	194,345	47,213	1,931,827	8,785	2,182,170
Additions	171,234	49	386,115	-	557,398
Balance as at 31 December 2022	365,579	47,262	2,317,942	8,785	2,739,568
<b>Depreciation</b>					
Balance as at 1 January 2021	(6,594)	(16,633)	(1,106,224)	(2,174)	(1,131,625)
Charge for the period	(11,166)	(9,414)	(331,646)	(6,611)	(358,837)
Effects of foreign exchange revaluations	-	15	(37)	-	(22)
Balance as at 31 December 2021	(17,760)	(26,032)	(1,437,907)	(8,785)	(1,490,484)
Balance as at 1 January 2022	(17,760)	(26,033)	(1,437,907)	(8,785)	(1,490,485)
Charge for the period	(26,253)	(10,205)	(306,443)	-	(342,901)
Effects of foreign exchange revaluations	-	(24)	(1,496)	-	(1,521)
Balance as at 31 December 2022	(44,013)	(36,262)	(1,745,846)	(8,785)	(1,834,907)
Net book value as at 31 December 2022	321,566	11,000	572,096	-	904,662
Net book value as at 31 December 2021	176,585	21,181	493,920	-	691,686

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**9. Intangible assets**

	Group 2022						
	DEVELOPED	ACQUIRED					Total £
	Platform £	Computer software £	Website £	Intellectual property £	Customer contracts £	Customer relationships £	
<b>Cost</b>							
Balance as at 1 January 2021	12,841,555	1,531,106	20,601	9,769,852	16,900,000	700,000	41,763,114
Additions	6,602,075	229,269	-	-	-	-	6,831,344
Balance as at 31 December 2021	19,443,630	1,760,375	20,601	9,769,852	16,900,000	700,000	48,594,458
Balance as at 1 January 2022	19,443,630	1,760,375	20,601	9,769,852	16,900,000	700,000	48,594,458
Additions	-	26,250	-	6,492,766	-	-	6,519,016
Balance as at 31 December 2022	19,443,630	1,786,625	20,601	16,262,618	16,900,000	700,000	55,113,474
<b>Amortisation</b>							
Balance as at 1 January 2021	(1,797,917)	(873,008)	(19,848)	(4,038,385)	(1,656,164)	(222,945)	(8,608,267)
Charge for the period	(2,319,741)	(458,115)	(753)	(1,411,517)	(689,723)	(80,209)	(4,906,615)
Balance as at 31 December 2021	(4,117,658)	(1,331,123)	(20,601)	(5,449,902)	(2,345,887)	(303,154)	(13,568,325)
Balance as at 1 January 2022	(4,177,658)	(1,331,124)	(20,601)	(5,449,902)	(2,345,887)	(303,154)	(13,568,326)
Charge for the period	(3,240,604)	(319,839)	-	(1,888,787)	(1,126,666)	-	(6,575,896)
Balance as at 31 December 2022	(7,358,262)	(1,650,963)	(20,601)	(7,338,689)	(3,472,553)	(303,154)	(20,144,222)
<b>Net book value as at 31 December 2022</b>	<b>12,085,368</b>	<b>135,662</b>	<b>-</b>	<b>8,923,929</b>	<b>13,427,447</b>	<b>396,846</b>	<b>34,969,252</b>
Net book value as at 31 December 2021	15,325,972	429,252	-	4,319,950	14,554,113	396,846	35,026,133

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**10. Goodwill**

The movements in the net book value of goodwill are as follows:

	<b>Group 2022 £</b>	<b>Group 2021 £</b>
<b>Cost</b>		
Opening and closing balances as at 31 December	<b>47,920,143</b>	<b>47,920,143</b>

**Impairment testing**

The Group performs goodwill asset impairment tests at least annually or whenever events or changes in circumstances indicate that the carrying value of goodwill might not be recoverable. Intangible assets with a finite useful life are also reviewed in light of events or changes in circumstances that might indicate that the carrying value might not be recoverable.

As the Group has determined that it is not possible to allocate goodwill and intangible assets to individual Cash Generating Units ("CGU") on a reasonable basis, the Group has monitored goodwill at the operating Thredd Group Limited and its subsidiaries level which is deemed as being only one operating CGU. The fair value measurement was categorised as level 3 fair value based on the inputs and the valuation technique used. The recoverable amount of this CGU was based on fair value less costs of disposal, estimated a revenue multiple market approach.

The key assumptions used in the estimation of the recoverable amount are set below. The values assigned to the key assumptions represent management's assessment of future trends in the relevant industries and have been based on historical data from both external and external sources:

Go forward revenue projection (£)	37.20m
Revenue multiple	9.76x

The estimated recoverable amount of the CGU exceeded its carrying amount by approximately £12.40m. Management has identified that a reasonably possible change in the key assumption below could cause the carrying amount to exceed the recoverable amount. The following table shows the amount by which this assumption would need to change individually for the estimated recoverable amount to be equal to the carrying amount:

**Change required for carrying amount to equal recoverable amount:**

Revenue multiple	8.18x
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**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**11. Trade and other receivables**

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Trade receivables	-	-	4,160,682	5,053,654
Contract asset	346,510	-	-	-
Prepayments	95,287	41,359	2,060,827	1,036,982
VAT receivable	-	141,008	336,027	53,709
Corporation tax receivable (see Note 6)	-	-	1,313,270	1,485,430
Other receivables	-	334	19,047	16,751
Amount due from subsidiaries	71,522,392	80,657,735	-	-
<b>Total</b>	<b>71,964,189</b>	<b>80,840,436</b>	<b>8,339,853</b>	<b>7,646,526</b>

The amount due from the parent and group entities are unsecured, with interest of 8.5% p.a. on intercompany balances and repayable on demand.

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in note 17.

The carrying value of receivables approximates their fair value.

**12. Cash and cash equivalents**

Cash and cash equivalents comprise of cash held on hand and at bank:

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Bank balances	246,719	2,727,891	13,855,213	6,579,310
<b>Total cash and cash equivalents</b>	<b>246,719</b>	<b>2,727,891</b>	<b>13,855,213</b>	<b>6,579,310</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**13. Loans to subsidiary**

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost. Amounts due to the parent and group entities are unsecured, with interest of 8.5% p.a. on intercompany balances and repayable on demand.

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Loan to subsidiary – interest bearing	-	530,987	-	-
Amount due from subsidiary	<b>33,528,354</b>	<b>33,528,354</b>	-	-

*Terms and debt repayment schedule:*

	Currency	Nominal interest rate	Year of maturity	Face value 2022 £	Carrying amount 2022 £
Loan to subsidiary - interest bearing	GBP	8%	2025	-	-
Amount due from subsidiary	GBP	8.5%	n/a	<b>33,528,354</b>	<b>33,528,354</b>

	Currency	Nominal interest rate	Year of maturity	Face value 2021 £	Carrying amount 2021 £
Loan to subsidiary - interest bearing	GBP	8%	2025	415,772	530,987
Amount due from subsidiary – interest free	GBP	0%	n/a	33,528,354	33,528,354

The amounts due from subsidiaries relate to services provided by the Company to support the operations of the Group and consultancy fees. These are unsecured, with interest of 8.5% p.a. on intercompany balances and have no specific repayment terms.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**14. Trade and other payables**

	<b>Company</b> <b>2022</b> £	<b>Company</b> <b>2021</b> £	<b>Group</b> <b>2022</b> £	<b>Group</b> <b>2021</b> £
Trade payables	33,078	66,452	649,263	1,204,470
Accruals	283,078	787,920	4,379,510	2,947,079
Other payables	-	650,449	-	650,449
Payroll related liabilities	66,790	59,241	1,202,200	1,134,820
Contract liabilities	-	-	342,275	348,722
Amount due to subsidiary	582,105	17,368,313	-	-
Amount due to parent company	53,193,825	46,153,074	86,561,770	46,153,074
<b>Total</b>	<b>54,158,876</b>	<b>65,085,449</b>	<b>93,135,018</b>	<b>52,438,614</b>

The contract liabilities primarily relates to the advance consideration received from customers for set-up fees for which revenue is recognised over time. The amount of £348,722 included as contract liabilities at 31 December 2021 has been recognised as revenue in 2022 (2021: £493,377).

The amount due to the parent and group entities are unsecured, with interest of 8.5% p.a. on intercompany balances and repayable on demand. The carrying value of trade and other payables approximates their fair value.

**15. Share capital**

	<b>Company</b> <b>2022</b> £	<b>Company</b> <b>2021</b> £	<b>Group</b> <b>2022</b> £	<b>Group</b> <b>2021</b> £
<b>Ordinary shares</b>				
Opening balance	157,932	111,839	111,839	111,839
Issued for cash	-	46,093	-	46,093
<b>Closing balance</b>	<b>157,932</b>	<b>157,932</b>	<b>111,839</b>	<b>157,932</b>
			<b>Company</b> <b>2022</b> £	<b>Group</b> <b>2022</b> £
<b>Authorised</b>				
415,772 Class A shares at par value of 12p			49,893	49,893
434,228 Ordinary shares at par value of 14p			60,792	60,792
326,769 Ordinary shares at par value of 14p			45,747	45,747
150,000 Class B shares at par value of 1p			1,500	1,500
<b>Issued and fully paid up</b>				
415,772 Class A shares at par value of 12p			49,893	49,893
434,228 Ordinary shares at par value of 14p			60,792	60,792
326,769 Ordinary shares at par value of 14p			45,747	45,747
150,000 Class B shares at par value of 1p			1,500	1,500
			<b>157,932</b>	<b>157,932</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**15. Share capital (continued)**

	Company 2021 £	Group 2021 £
<b>Authorised</b>		
415,772 Class A shares at par value of 12p	49,893	49,893
434,228 Ordinary shares at par value of 14p	60,792	60,792
326,769 Ordinary shares at par value of 14p	45,747	45,747
150,000 Class B shares at par value of 1p	1,500	1,500
<b>Issued and fully paid up</b>		
415,772 Class A shares at par value of 12p	49,893	49,893
434,228 Ordinary shares at par value of 14p	60,792	60,792
326,769 Ordinary shares at par value of 14p	45,747	45,747
150,000 Class B shares at par value of 1p	1,500	1,500
	<b>157,932</b>	<b>157,932</b>

Holders of the Ordinary shares, Class A and Class B shares have voting rights, one vote per share, and are entitled to dividends as declared from time to time.

**16. Share premium and reserves**

**a) Share premium**

	Company 2022 £	Group 2022 £
<b>Issued and fully paid up</b>		
415,772 Class A shares at premium of 88p	365,879	365,879
19,444 Class A shares at premium of 86p	16,722	16,722
414,784 Ordinary shares at premium of 86p	356,714	356,714
237,325 Ordinary shares at premium of £201.36	47,786,719	47,786,719
38,330 Ordinary shares at premium of £126.82	4,861,025	4,861,025
14,463 Ordinary shares at premium of £139.53	2,018,069	2,018,069
1,432 Ordinary shares at premium of £139.57	199,862	199,862
35,219 Ordinary shares at premium of £153.39	5,402,171	5,402,171
34,500 Class B shares at premium of £1.64	56,580	56,580
115,500 Class B shares at premium of 99p	114,345	114,345
	<b>61,178,086</b>	<b>61,178,086</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

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**16. Share premium and reserves (continued)**

**a) Share premium (continued)**

	<b>Company</b>	<b>Group</b>
	<b>2021</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
<b>Issued and fully paid up</b>		
415,772 Class A shares at premium of 88p	365,879	365,879
19,444 Class A shares at premium of 86p	16,722	16,722
414,784 Ordinary shares at premium of 86p	356,714	356,714
237,325 Ordinary shares at premium of £201.36	47,786,719	47,786,719
38,330 Ordinary shares at premium of £126.82	4,861,025	4,861,025
14,463 Ordinary shares at premium of £139.53	2,018,069	2,018,069
1,432 Ordinary shares at premium of £139.57	199,862	199,862
35,219 Ordinary shares at premium of £153.39	5,402,171	5,402,171
34,500 Class B shares at premium of £1.64	56,580	56,580
115,500 Class B shares at premium of 99p	114,345	114,345
	<b>61,178,086</b>	<b>61,178,086</b>

**b) Translation reserve**

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations.

**17. Financial risk management**

The Company has exposure to the following risks from its use of financial instruments.

- a) Liquidity risk
- b) Credit risk
- c) Market risk

**a) Liquidity risk**

This note discloses information about the Company's and the Group's exposure to each of the above risks, the Company's and the Group's objectives, policies and processes for measuring and managing risk, and the Company's and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements. The Directors have overall responsibility for the establishment and oversight of the Company's and the Group's risk management framework.

Liquidity risk is the risk that Thredd Group Limited will encounter difficulty in meeting its short-term obligations associated with financial liabilities.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**a) Liquidity risk (continued)**

Liquidity needs are monitored by Thredd Group Limited to ensure it has sufficient funds to meet its liabilities when due, under normal and unexpected conditions, without incurring unacceptable losses or breaches in borrowing limits or covenants. Liquidity is managed by monitoring forecasted and actual cash flows, maintaining sufficient funds to meet expected operational expenses and matching maturity profiles of financial assets and liabilities.

The Company and the Group's approach to managing negative liquidity is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company or the Group's reputation. The Group has a credit control function and utilises the Credit Safe platform to monitor any potential future liquidity risk forthcoming. The Group also has access to Barclays Corporate credit facilities, if required.

The following tables show the Company's and the Group's remaining and contractual maturity for its non-derivative financial liabilities and assets with agreed repayment periods. The tables are based on the undiscounted cash flows of financial liabilities and assets on the earliest date the Company and the Group can be expected to pay or receive.

	<b>Company 2022</b>		
	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial liabilities</b>			
Amounts due to subsidiary	(582,105)	-	(582,105)
Amount due to parent company	-	(53,193,825)	(53,193,825)
Accruals	(283,078)	-	(283,078)
Other payables	(4,013)	-	(4,013)
Trade payables	(33,078)	-	(33,078)
Pensions payable	(3,658)	-	(3,658)
Payroll related liabilities	(63,132)	-	(63,132)
Lease liabilities	-	-	-
	<b>(969,064)</b>	<b>(53,193,825)</b>	<b>(54,162,889)</b>
<b>Financial assets</b>			
Amounts due from subsidiaries	71,522,392	-	71,522,392
Other receivables	-	-	-
Cash and cash equivalents	246,719	-	246,719
	<b>71,769,111</b>	<b>-</b>	<b>71,769,111</b>
<b>Liquidity risk exposure</b>	<b>70,800,047</b>	<b>(53,193,825)</b>	<b>17,606,222</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**a) Liquidity risk (continued)**

	<b>Company 2021</b>		
	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial liabilities</b>			
Amounts due to subsidiary	(17,368,313)	-	(17,368,313)
Amount due to parent company	-	(46,153,074)	(46,153,074)
Accruals	(787,920)	-	(787,920)
Other payables	(650,449)	-	(650,449)
Trade payables	(66,452)	-	-
Pensions payable	(5,856)	-	(5,856)
Payroll related liabilities	(53,385)	-	(53,385)
Lease liabilities	-	-	-
	<b>(18,932,375)</b>	<b>(46,153,074)</b>	<b>(65,085,449)</b>
<b>Financial assets</b>			
Amounts due from subsidiaries	80,657,735	-	80,657,735
Other receivables	334	-	334
Cash and cash equivalents	2,727,891	-	2,727,891
	<b>83,385,960</b>	<b>-</b>	<b>83,385,960</b>
<b>Liquidity risk exposure</b>	<b>64,453,585</b>	<b>(46,153,074)</b>	<b>18,300,511</b>
	<b>Group 2022</b>		
	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial liabilities</b>			
Trade payables	(649,263)	-	(649,263)
Accruals	(4,379,510)	-	(4,379,510)
Amount due to group entities	-	(86,561,770)	(86,561,770)
Other payables	-	-	-
Pensions payable	(157,122)	-	(157,122)
Payroll related liabilities	(1,045,088)	-	(1,045,088)
Lease liabilities	(2,850,117)	(1,207,365)	(2,850,117)
	<b>(7,873,725)</b>	<b>(87,769,135)</b>	<b>(95,642,860)</b>
<b>Financial assets</b>			
Trade receivables (net of impairment allowance)	4,610,682	-	4,610,682
Other receivables	19,047	-	19,047
Cash and cash equivalents	13,855,213	-	13,855,213
	<b>18,484,942</b>	<b>-</b>	<b>18,484,942</b>
<b>Liquidity risk exposure</b>	<b>10,611,217</b>	<b>(87,082,149)</b>	<b>(77,157,918)</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**a) Liquidity risk (continued)**

	<b>Group 2021</b>		
	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial liabilities</b>			
Trade payables	(1,204,470)	-	(1,204,470)
Accruals	(2,947,079)	-	(2,947,079)
Amount due to group entities	-	(46,153,074)	(46,153,074)
Loan notes	-	-	-
Other payables	(650,449)	-	(650,449)
Pensions payable	(86,924)	-	(86,924)
Payroll related liabilities	(1,047,896)	-	(1,047,896)
Lease liabilities	(1,816,126)	(679,247)	(1,816,126)
	<u>(7,073,697)</u>	<u>(46,832,321)</u>	<u>(53,906,018)</u>
<b>Financial assets</b>			
Trade receivables (net of impairment allowance)	5,053,654	-	5,053,654
Other receivables	16,751	-	16,751
Cash and cash equivalents	6,579,310	-	6,579,310
	<u>11,649,715</u>	<u>-</u>	<u>11,649,715</u>
<b>Liquidity risk exposure</b>	<u>4,576,018</u>	<u>(46,832,321)</u>	<u>(42,256,303)</u>

**b) Credit risk**

Credit risk is the risk of the financial loss to Thredd Group Limited if the counterparty fails to meet its obligation. Credit risk arises from Thredd Group Limited's operating activities from trade receivables and financing activities from cash and cash equivalents, deposits with banks and financial institutions.

Credit risk from trade and other receivables is minimised by establishing credit policies such as determining and monitoring customer credit limits, requiring credit approvals, and the monitoring of customer credit risks by grouping customers according to their credit characteristics. Other monitoring procedures are in place to recover overdue accounts, to ensure minimal dependencies on a small number of customers, and to assess impairment. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, outsources from Credit Safe, financial statements, credit agency information, industry information, and in some cases bank references. The Group is also closely monitoring the economic environment when considering forward looking information.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**b) Credit risk (continued)**

The Group's bankers are Nedbank and Barclays who both have a Moody's rating of Baa3 (2021: Baa3) and the Directors accept the rating as satisfactory. The Group uses an allowance matrix to measure the expected credit losses of trade receivables from individual customers, which comprise a very large number of small balances.

The following tables provides information about the exposure to credit risk and expected credit losses for trade receivables and contract assets from individual customers as at 31 December 2022:

	<b>Company 2022</b>		
	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due from subsidiaries	-	105,050,746	105,050,746
Cash and cash equivalents	246,719	-	246,719
Contract asset	346,510	-	346,510
	<b>593,229</b>	<b>105,050,746</b>	<b>105,643,975</b>
	<b>Company 2021</b>		
	<b>Less than 1 year</b>	<b>1 to 5 years</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Amounts due from subsidiaries	-	114,186,089	114,186,089
Other receivables	334	-	334
Cash at bank	2,727,891	-	2,727,891
	<b>2,728,225</b>	<b>114,186,089</b>	<b>116,914,314</b>

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**b) Credit risk (continued)**

	<b>Group 2022</b>	
	<b>Less than 1 year £</b>	<b>Total £</b>
Trade receivables	5,784,996	5,784,996
Impairment allowance	(1,174,314)	(1,174,314)
Net trade receivables	4,610,682	4,610,682
Cash and cash equivalents	13,855,213	13,855,213
Other receivables	19,047	19,047
	<b>18,484,942</b>	<b>18,484,942</b>
	<b>Group 2021</b>	
	<b>Less than 1 year £</b>	<b>Total £</b>
Trade receivables	6,773,172	6,773,172
Impairment allowance	(1,719,518)	(1,719,518)
Net trade receivables	5,053,654	5,053,654
Cash and cash equivalents	6,579,310	6,579,310
Other receivables	16,751	16,751
	<b>11,649,715</b>	<b>11,649,715</b>

Thredd Group Limited (Formerly Global Processing Services Group Limited)  
Notes to the Financial Statements (continued)  
For the year ended 31 December 2022

17. Financial risk management (continued)

b) Credit risk (continued)

Expected credit loss assessment

The following table provides information about the exposure to credit risk and ECLS for trade receivables for corporate customers as at 31 December 2022.

	COMPANY 2022		
	Weighted-average loss rate	Gross carrying amount	Loss allowance
	%	£	£
Current (not past due)	6.834%	-	-
1-30 days past due	6.834%	-	-
31-60 days past due	6.834%	-	-
61-90 days past due	6.834%	-	-
More than 90 days past due	6.834%	-	-
		-	-
	COMPANY 2021		
	Weighted-average loss rate	Gross carrying amount	Loss allowance
	%	£	£
Current (not past due)	1.190%	-	-
1-30 days past due	1.190%	-	-
31-60 days past due	1.190%	-	-
61-90 days past due	1.190%	-	-
More than 90 days past due	1.190%	-	-
		-	-
	GROUP 2022		
	Weighted-average loss rate	Gross carrying amount	Loss allowance
	%	£	£
Current (not past due)	11.161%	3,078,474	343,601
1-30 days past due	11.474%	1,492,083	171,208
31-60 days past due	24.310%	692,943	168,452
61-90 days past due	83.564%	185,214	154,771
More than 90 days past due	100.000%	336,282	336,282
		5,784,996	1,174,314

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**b) Credit risk (continued)**

**Expected credit loss assessment (continued)**

	GROUP 2021		
	Weighted-average loss rate %	Gross carrying amount £	Loss allowance £
Current (not past due)	2.013%	3,026,815	60,945
1-30 days past due	3.543%	1,343,550	47,595
31-60 days past due	16.617%	372,923	61,970
61-90 days past due	19.595%	399,055	78,197
More than 90 days past due	90.188%	1,630,829	1,470,811
		<b>6,773,172</b>	<b>1,719,518</b>

Loss rates are based on actual credit loss experience over the Group for the year ended 31 December 2022.

**Movements in the allowance for impairment in respect of trade receivables**

The movement in the allowance for impairment in respect of trade receivables during the year was as follows.

	Company	Company	Group	Group
	2022 £	2021 £	2022 £	2021 £
Balance at 1 January	-	-	<b>1,719,518</b>	144,616
Net remeasurement of loss allowance	-	-	<b>(545,204)</b>	1,574,902
<b>Balance at 31 December</b>	-	-	<b>1,174,314</b>	<b>1,719,518</b>

**c) Market risk**

Market risk is the risk that changes in market prices, through foreign exchanges rates and interest rates will affect the Company and the Group income. The objective of the market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**c) Market risk (continued)**

**i) Currency risk**

The Group is exposed to currency risk on revenues, purchases and cash. There are contracts with suppliers in Emirati Dirham (AED), Euro (EUR), US Dollar (USD), Singapore Dollar (SGD) and Australian Dollar (AUD).

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period as follows:

	<b>GROUP</b>			
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>Liabilities</b>	<b>Liabilities</b>	<b>Assets</b>	<b>Assets</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
US Dollar	<b>62,838</b>	4,406	<b>815,761</b>	457,560
United Arab Emirates Dirham	<b>1,231</b>	2,433	<b>4,632</b>	1,500
Euro	<b>639,877</b>	27,086	<b>1,863,601</b>	1,524,400
Singapore Dollar	-	4,519	<b>90,534</b>	210,046
Australian Dollar	<b>1,173</b>	1,544	<b>100,303</b>	152,275
<b>Total</b>	<b>705,119</b>	39,988	<b>2,874,831</b>	2,345,781

The Group is mainly exposed to the AED, Euro, US Dollar and Australian Dollar.

The following table details the Group's sensitivity to a 10% decrease in the pound sterling against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management and personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 10% change in foreign currency rates. A positive number below indicates an increase in profit when the pound weakens 10% against the relevant currency.

For a 10% strengthening of the pound sterling against the relevant currency, there would be an equal and opposite impact on the profit.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**c) Market risk (continued)**

**i) Currency risk (continued)**

	2022 US Dollar impact £	2022 Euro impact £	2022 AED impact £	2022 AUD impact £	2022 SGD impact £
Cash and cash equivalents	±38,422	±76,102	±463	±1,973	±9,053
Trade receivables	±43,154	±110,258	-	±8,057	-
Trade payables	±(6,284)	±(63,988)	±(123)	±(117)	-
<b>Total</b>	<b>±75,292</b>	<b>±122,372</b>	<b>±340</b>	<b>±9,913</b>	<b>±9,053</b>

	2021 US Dollar impact £	2021 Euro impact £	2021 AED impact £	2021 AUD impact £	2021 SGD impact £
Cash and cash equivalents	±20,021	±68,773	±150	±12,258	±21,005
Trade receivables	±25,735	±83,667	-	±2,969	-
Trade payables	±(441)	±(2,709)	±(243)	±(154)	±(452)
<b>Total</b>	<b>±45,315</b>	<b>±149,731</b>	<b>±93</b>	<b>±15,073</b>	<b>±20,553</b>

**d) Interest rate risk**

Interest rate risk is the risk that changes in market interest rates will cause fluctuations to the fair values and cash flows of the Company's financial instrument holdings.

The interest rate profile of the Company's interest-bearing financial instruments as reported to the management of the Company is as follows.

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Financial assets	17,606,222	83,385,960	18,484,942	11,649,714
Financial liabilities	(54,162,889)	(65,085,450)	(95,642,860)	(53,906,018)
	<b>(36,556,667)</b>	<b>18,300,510</b>	<b>(77,157,918)</b>	<b>(42,256,304)</b>

A reasonably possible change of 1% in interest rates at the reporting period date would have increased (decreased) profit or loss by the amounts shown below. The analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**17. Financial risk management (continued)**

**d) Interest rate risk (continued)**

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Financial assets	±176,062	±833,860	±184,849	±116,497
Financial liabilities	±(541,629)	± (650,855)	±(956,429)	± (539,060)
	±(365,567)	±183,005	±(771,580)	±(422,563)

**18. Leases**

The Group leases office facility spaces in London. The office lease at Holborn in London is replaced by a new lease during the year which expires in 2024. Lease payments are renegotiated on every renewal to reflect market rentals. The London leases have the option to renew beyond the respective expiry dates. Lease agreements are renegotiated on every renewal to reflect market rentals. The UK office leases were entered into in July 2022. The property leases contain extension options exercisable by the Company up to one year before the end of the non-cancellable contract period.

The office lease in Newcastle and Singapore expired during the year.

**a) Right-of-use assets**

Right-of-use assets relate to leased properties that do not meet the definition of investment property are presented on the statement of financial position as Right-of-use assets.

Non-cancellable operating lease rentals are payable as follows:

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Opening balance at 1 January	-	-	1,649,180	427,258
Depreciation charge for the year	-	-	(239,750)	(858,500)
Additions to right of use assets	-	-	1,398,869	2,081,961
Currency revaluation	-	-	97	(1,539)
Closing balance at 31 December	-	-	2,808,396	1,649,180

**b) Amounts recognised in profit or loss**

	Company 2022 £	Company 2021 £	Group 2022 £	Group 2021 £
Interest on lease liabilities	-	-	85,441	46,625
Expenses relating to short-term leases	-	-	(210,667)	88,710

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**18. Leases (continued)**

**c) Amounts recognised in statement of cash flows**

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Total cash outflow for leases	-	-	<b>(1,777,408)</b>	<b>(1,280,857)</b>

**d) Lease liability**

The property leases contain extension options exercisable by the Group up to one year before the end of the non-cancellable contract period. Where practicable, the Group seeks to include contract extension options in new leases to provide operation flexibility. The extension options held are exercisable only by the Group and not the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the option if there is a significant event or significant changes in circumstances within its controls.

The Group recognized £85,441 (2021: £46,625) in the statement of comprehensive income in respect of lease interests during the year ended 31 December 2022.

This note provides information about the contractual terms of the Group's lease arrangements, which are discounted using the Group's incremental borrowing rate at 31 December 2022. The incremental borrowing rate applied is 4.25 % (2021: 4.51%). For more information about the Group and the Company's exposure to interest rate and foreign currency risk, see Note 18. Information about leases for which the Group is a lessee are presented below:

	<b>Company</b>	<b>Company</b>	<b>Group</b>	<b>Group</b>
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Non-current liabilities</b>				
Lease liabilities – Newcastle office	-	-	-	-
Lease liabilities – London office	-	-	<b>1,207,365</b>	<b>679,247</b>
Lease liabilities – Singapore office	-	-	-	-
<b>Total</b>	-	-	<b>1,207,365</b>	<b>679,247</b>
<b>Current liabilities</b>				
Lease liabilities – Newcastle office	-	-	-	<b>87,012</b>
Lease liabilities – London office	-	-	<b>1,642,752</b>	<b>1,038,769</b>
Lease liabilities – Singapore office	-	-	-	<b>11,098</b>
<b>Total</b>	-	-	<b>1,642,752</b>	<b>1,136,879</b>
<b>Total lease liabilities</b>	-	-	<b>2,850,117</b>	<b>1,816,126</b>

**19. Ultimate controlling party**

The Company's entire share capital is held by Auxo Bottomco Jersey Limited. The ultimate controlling party of the Company is Auxo Topco Jersey Limited, which its registered address is 47 Esplanade, St. Helier, Jersey, JE1 0BD.

**20. Related party transactions**

On 14 December 2021, co-led by growth investors Advent International through Advent Tech (being a fund managed and/or advised by Advent International), Sunley House Capital (an affiliate of Advent International) and Viking Global Investors, joined an over US\$300m initial investment round, alongside Temasek the global investment company headquartered in Singapore and MissionOG, a US-based growth equity firm. This investment was made through a newly formed entity Auxo Topco Jersey Ltd and a couple of newly formed subsidiaries, one of which acquired the entire share capital of "The Thredd Group" and its subsidiary Thredd (UK) Ltd. Subsequently, this has resulted in a change in the overall group structure as at the aforementioned date resulting in Auxo Topco Jersey becoming the ultimate parent of the Thredd Group.

The ultimate key shareholders of the Company are:

- Advent International and funds managed by Advent International hold significant influence of the Group through AI Auxo (Luxembourg) S.a.rl.; and
- Viking Global Investors who trade under Viking Global Opportunities (Aggregator) LP and Viking Global Opportunities Illiquid Investments Sub-Master LP are funds holding a significant influence of the Group.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

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**20. Related party transactions (continued)**

The Company considers the following group companies as related:

- Auxo Topco Jersey Limited is a Jersey based holding company and is the ultimate parent entity.
- Auxo Midco Jersey Limited is a Jersey based holding company and a subsidiary of Auxo Topco Jersey Limited.
- Auxo Bottomco Jersey Limited is a Jersey based holding company and a subsidiary of Auxo Midco Jersey Limited.
- Thredd Group Limited (formerly Global Processing Services Group Limited) is a UK based holding company which is a subsidiary of Auxo Bottomco Jersey Limited and also is the parent entity of the Thredd Group.
- Thredd Midco Limited (formerly GPS Midco Limited) is a UK based holding company and a subsidiary of Thredd Group Limited.
- Thredd Finco Limited (formerly GPS Finco Limited) is a UK based holding company and a subsidiary of Thredd Midco Limited.
- Thredd Bidco Limited (formerly GPS Bidco Limited) is a UK based holding company and a subsidiary of Thredd Finco Limited.
- Global Processing Services Limited is an Isle of Man based payments processing company and an immediate parent of the company. It is a subsidiary of Thredd Bidco Limited.
- Thredd (Singapore) PTE Limited (formerly Global Processing Services (Singapore) PTE Limited) is a Singapore based service company and a subsidiary of Thredd Bidco Limited.
- Apex Processing Services FZ-LLC is a Dubai based service company and a subsidiary of Thredd Bidco Limited.
- Thredd (Australia) PTY Limited (formerly Global Processing Services (Australia) PTY Limited) is an Australian based service company and a subsidiary of Thredd Bidco Limited.
- Thredd US LLC (formerly Global Processing Services US LLC) is an American based service company and a subsidiary of Thredd Bidco Limited which is formed on 9 November 2022 and there is no operation in 2022.
- Thredd LLC (formerly Global Processing Services LLC) is a Japanese based service company and a subsidiary of Thredd Bidco Limited which is incorporated on 20 February 2023.

Further the Company considers the following companies as related as follows:

- Boston Limited are the previous external accountants and maintain their role as a corporate service provider to Thredd Group Limited. Alexander McNee who is an employee of Boston Limited is a director of Global Processing Services Limited.
- Fullstack Advisory maintain a role as a corporate service provider to Thredd Group Limited. Vincent Wai Chun Cheng who is an employee of Fullstack Advisory with an Australian residential address is an appointed director of Thredd (Australia) PTY Ltd.
- Hawksford Singapore PTE Limited maintain a role as a corporate service provider to Thredd Group Limited. Sally-Ann Elizabeth Tinkler who is an employee of Hawksford Singapore PTE Limited with a Singapore residential address is an appointed director of Thredd (Singapore) PTE Ltd.
- Corporate Business Services maintain a role as a corporate service provider to Apex Processing Services FZ-LLC. Ayman Edris Mohd Sharef Alawadhi who is an employee of Apex Processing Services FZ-LLC with a UAE residential address is the general manager of Apex Processing Services FZ-LLC.

Further details can be found in the below table on pages 60 to 63.

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**20. Related party transactions (continued)**

**Trading transactions**

During the current financial year the Company entered into the following transactions with related parties:

Related party	Related party relationship	Type of transaction	Payment terms	Management recharges	Interest income	Interest expense	Amounts owed by related parties	Amounts owed to related parties
				2022	2022	2022	2022	2022
				£	£	£	£	£
Auxo Topco Jersey Limited	Ultimate Parent	Other related party payables	No fixed repayment terms	-	(55,917)	4,220,428	-	(53,193,825)
Thredd Midco Limited	Subsidiary	Funding loan	Repayment in 2025	-	(1,418,812)	-	-	-
Thredd Midco Limited	Subsidiary	Funding loan	No fixed repayment terms	-	-	-	33,528,354	-
Thredd Midco Limited	Subsidiary	Other related party transaction	No fixed repayment terms	-	-	-	18,641,702	-
Thredd Finco Limited	Group company	Other related party transaction	No fixed repayment terms	-	(482)	-	6,156	-
Thredd Bidco Limited	Group company	Other related party transaction	No fixed repayment terms	-	-	25,790	35,265,634	-
Thredd Singapore Pte Limited	Group company	Other related party transaction	No fixed repayment terms	-	(25)	40,837	-	(524,506)
Thredd Australia Limited	Group company	Other related party transaction	No fixed repayment terms	-	-	1,970	-	(25,149)
Apex Processing Services FZ-LLC	Group company	Other related party transaction	No fixed repayment terms	-	(37,499)	8,481	-	(32,450)
Thredd (UK) Limited	Group company	Other related party transaction	No fixed repayment terms	(2,392,042)	(2,532,374)	1,308,003	15,271,288	-
Global Processing Services Limited	Group company	Other related party transaction	No fixed repayment terms	(2,392,042)	(604,452)	424,071	2,337,613	-
Craig Dewar	Significant influence	Preference shares	Repaid in 2022	-	-	-	-	-
Anthony Kerr	Significant influence	Preference shares	Repaid in 2022	-	-	-	-	-
Craig Dewar	Significant influence	Loan Notes	Convertible in 2022	-	-	-	-	-
Anthony Kerr	Significant influence	Loan notes	Convertible in 2022	-	-	-	-	-
Dunedin	Significant influence	Loan notes	Convertible in 2022	-	-	-	-	-

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**20. Related party transactions (continued)**

**Trading transactions (continued)**

During the prior financial year the Company entered into the following transactions with related parties:

Related party	Related party relationship	Type of transaction	Payment terms	Managem	Interest	Interest	Amounts	Amounts
				ent recharges	income	expense	owed by related parties	owed to related parties
				2021	2021	2021	2021	2021
				£	£	£	£	£
Auxo Topco Jersey Limited	Ultimate Parent	Other related party payables	No fixed repayment terms	-	-	-	-	(45,466,088)
Thredd Midco Limited	Subsidiary	Funding loan	Repayment in 2025	-	(30,467)	-	530,987	-
Thredd Midco Limited	Subsidiary	Funding loan	No fixed repayment terms	-	-	-	33,528,354	-
Thredd Midco Limited	Subsidiary	Other related party transaction	No fixed repayment terms	-	-	-	50,210,942	-
Thredd Finco Limited	Group company	Other related party transaction	No fixed repayment terms	-	-	-	1,575	-
Thredd Bidco Limited	Group company	Other related party transaction	No fixed repayment terms	-	-	-	1,828,712	-
Thredd Singapore Pte Limited	Group company	Other related party transaction	No fixed repayment terms	-	-	3,638	-	(76,398)
Apex Processing Services FZ-LLC	Group company	Other related party transaction	No fixed repayment terms	-	-	1,222	-	(25,653)
Thredd (UK) Limited	Group company	Other related party transaction	No fixed repayment terms	-	-	-	9,989,252	-
Global Processing Services Limited	Group company	Other related party transaction	No fixed repayment terms	3,844,449	-	59,531	672,071	-
Craig Dewar	Significant influence	Non-convertible preference shares	Repaid in 2021	-	-	1,167,754	-	-
Anthony Kerr	Significant influence	Non-convertible preference shares	Repaid in 2021	-	-	1,339,382	-	-
Craig Dewar	Significant influence	Loan Notes	Convertible in 2021	-	-	69,785	-	-
Anthony Kerr	Significant influence	Loan notes	Convertible in 2021	-	-	628,400	-	-
Dunedin	Significant influence	Loan notes	Convertible in 2021	-	-	333,646	-	-

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**20. Related party transactions (continued)**

**Trading transactions (continued)**

During the current financial year the Group entered into the following transactions with related parties:

Related party	Related party relationship	Type of transaction	Payment terms	GROUP 2022			
				Interest income	Interest expense	Purchases of services	Amounts owed to related parties
				2022 £	2022 £	2022 £	2022 £
Dunedin	Significant influence	Funding loan notes	Repayment in 2022	-	-	-	-
Dunedin	Significant influence	Interest on Funding loan notes	Repayment in 2022	-	-	-	-
Craig Dewar	Significant influence	Non-convertible preference shares	Repayment in 2022	-	-	-	-
Anthony Kerr	Significant influence	Non-convertible preference shares	Repayment in 2022	-	-	-	-
Craig Dewar	Significant influence	Loan notes	Convertible in 2022	-	-	-	-
Anthony Kerr	Significant influence	Loan notes	Convertible in 2022	-	-	-	-
Dunedin	Significant influence	Loan notes	Convertible in 2022	-	-	-	-
Boston Limited	Common director	Corporate service provider	30 days from invoice	-	-	-	-
Hawksford Singapore PTE Limited	Common director	Corporate service provider	30 days from invoice	-	-	-	-
Fullstack Advisory	Common director	Corporate service provider	30 days from invoice	-	-	-	-
Auxo Topco Jersey Limited	Ultimate parent	Non-interest bearing	No fixed repayment terms	-	-	-	(686,986)
Auxo Topco Jersey Limited	Ultimate parent	Other related party	No fixed repayment terms	(114,210)	6,841,064	-	(85,874,784)

**Thredd Group Limited (Formerly Global Processing Services Group Limited)**  
**Notes to the Financial Statements (continued)**  
**For the year ended 31 December 2022**

**20. Related party transactions (continued)**

**Trading transactions (continued)**

During the prior financial year the Group entered into the following transactions with related parties:

GROUP 2021							
Related party	Related party relationship	Type of transaction	Payment terms	Interest expense	Purchase of services	Amounts owed by related parties	Amounts owed to related parties
				2021	2021	2021	2021
				£	£	£	£
Dunedin	Significant influence	Funding loan notes	Repayment in 2021	-	-	-	-
Dunedin	Significant influence	Interest on Funding loan notes	Repayment in 2021	3,571,497	-	-	-
Craig Dewar	Significant influence	Non-convertible preference shares	Repayment in 2021	1,167,754	-	-	-
Anthony Kerr	Significant influence	Non-convertible preference shares	Repayment in 2021	1,339,382	-	-	-
Craig Dewar	Significant influence	Loan notes	Convertible in 2021	69,785	-	-	-
Anthony Kerr	Significant influence	Loan notes	Convertible in 2021	628,400	-	-	-
Dunedin	Significant influence	Loan notes	Convertible in 2021	333,646	-	-	-
Boston Limited	Common director	Corporate service provider	30 days from invoice	-	58,835	-	-
Hawksford Singapore PTE Limited	Common director	Corporate service provider	30 days from invoice	-	9,049	-	-
Fullstack Advisory	Common director	Corporate service provider	30 days from invoice	-	2,564	-	-

**21. Subsequent events**

There were no significant subsequent events that require disclosure.