

Company number: 10354575 (England and Wales)

**FENIX INTERNATIONAL LIMITED**  
**ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**FENIX INTERNATIONAL LIMITED**

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**FENIX INTERNATIONAL LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	Mr L Radvinsky Mr L Taylor
<b>Company secretary</b>	OHS Secretaries Limited
<b>Registered office</b>	9 <sup>th</sup> Floor 107 Cheapside London United Kingdom EC2V 6DN
<b>Registered number</b>	10354575
<b>Auditor</b>	Gravita Audit II Limited 66 Prescott Street London E1 8NN

## FENIX INTERNATIONAL LIMITED

### STRATEGIC REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2023

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The Directors present the Strategic Report of Fenix International Limited (the 'Company') and its subsidiaries (the 'Group') for the year ended 30 November 2023.

#### Strategic Management

The Group operates the social media platform OnlyFans.com. OnlyFans' mission is to empower content creators to own their full potential by building the safest social media platform and providing unparalleled opportunities to our user community. The Group achieves this by providing creators of digital content (Creators) with a safe platform to share and monetise their content with their subscribers (Fans). The Group's subscription-based business model was founded on the premise that Creators should financially benefit from the content they produce and this remains central to the Group's strategy. Creators earn 80 percent of all Fan payments made on the platform, which means that Creators make \$4 for every \$1 retained by OnlyFans. The media content on OnlyFans.com can only be shared or accessed by registered users who are over 18 years old and who have successfully completed the Creator or Fan onboarding process.

The Group continues to invest in the scaling and development of the platform and product development to better serve Creators and Fans. Nearly a million new Creators and over 50 million new Fans joined the platform during this reporting period.

The Group is committed to building the safest digital media platform in the world while maximising the freedom of Creators and Fans to control and monetise the lawful content they produce and view on OnlyFans. OnlyFans' Safety & Transparency Center (<https://onlyfans.com/transparency-center>) gives stakeholders visibility into how OnlyFans keeps its community safe and provides an overview of OnlyFans' key safety and transparency measures. The Group continues to enhance its best in class safety controls by developing and deploying state of the art technology to assist its human-led content moderation process. The Group has also focused on partnering with industry leading third parties to ensure it is well placed to identify, and control for, emerging risks associated with user generated content. OnlyFans continues to build its legal, risk and compliance teams to ensure compliance with global legal and regulatory changes which impact all social media platforms.

During this reporting period, the Group has continued investing in OFTV (OF.TV). OFTV is an on-demand video streaming platform and app from OnlyFans which features content which is developed by Creators independently or in partnership with OnlyFans. OFTV hosts only safe-for-work videos and content, demonstrating the diverse range of Creators on the OnlyFans platform including fitness, cooking, comedy, music and reality TV. OFTV is available to watch, for free on Android, iOS, Apple TV, Roku, FireTV, Android TV, and Samsung Smart TVs. OnlyFans has also begun to explore opportunities to license OFTV content to other platforms.

As part of its brand development strategy OnlyFans has continued to invest in third party partnerships including sponsoring emerging and established Creators with a focus on sports and entertainment. This furthers the Group's strategy supporting Creators from a variety of genres to connect with their Fans and monetise their content. This has resulted in greater brand visibility on both social and traditional media and has enhanced OnlyFans' reputation as a foundational part of the wider Creator economy.

The Group anticipates that its commitment to being 'Creator first' and providing a safe social media platform focused on maximising the freedom of Creators and Fans to control and monetise the lawful content they produce and view on OnlyFans. This will provide a strong foundation to continue to drive revenue growth, profitability and brand awareness in the coming years.

**FENIX INTERNATIONAL LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**Fair Review of the Business**

**Business Performance and Position**

In the financial year ended 30 November 2023, OnlyFans recorded increased growth and profitability. This reflects both the platform growth, in terms of number of Creators and Fans, as well as growth in existing Creators' earnings.

Gross payments made through the OnlyFans platform increased by \$1.0bn during this reporting period from \$5.6bn in 2022 to \$6.6bn in 2023. Gross payments represent payments made by Fans net of applicable sales taxes, refunds and deferred income.

The Group's revenue increased by \$217m during this reporting period from \$1,090m in 2022 to \$1,307m in 2023. As a result, The Group's profit increased during the year, with profit before tax of \$658m during this reporting period compared to \$525m in 2022.

**Non-financial - Key Performance Indicators**

As a platform we have continued to grow our user base on both the Creator and Fan side. Since we were founded in 2016, we have seen year on year growth in both the total number of Creator accounts and the total number of Fan accounts. Total account numbers represent the number of accounts created on OnlyFans, which have not subsequently been deleted by the user or deactivated by the platform.

	2023	2022	Growth
Total number of Creator accounts	4,118,000	3,182,000	29%
Total number of Fan accounts	305,066,000	238,845,000	28%

**Funding and Financing**

The performance in the year ended 30 November 2023 has resulted in a strengthening of the Group's financial position. The Group has no external financing and ensures sufficient working capital levels to continue the investment in the OnlyFans platform, processes and the strategy of providing the safest social media platform.

**Description of Principal Risk Factors**

**Operational and Business Risk Factors**

Competition for Creators and platform users. As the Creator economy continues to grow, there is an increased focus from traditional social media platforms on attracting Creators to their platforms. The Group can combat this risk by continuing to take a Creator first and safety focused approach to business decisions earning Creator loyalty and trust.

**FENIX INTERNATIONAL LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**Description of Principal Risk Factors (continued)**

**Operational and Business Risk Factors (continued)**

Adoption of subscription model by other platforms. Many traditional social media platforms are adopting paid features. The Group will continue to maintain its leadership position in the Creator economy by virtue of its revenue sharing model and by continuing to develop new features to support our growing user base of Creators and Fans.

Continuous evolution of our best-in-class approach to trust and safety and content moderation. The Group's commitment to building the safest social media platform demands the continuous evolution of its trust and safety measures. Scaling and innovating in this area is critical and requires significant financial resources. The Group will continue to invest significant time and resources to ensure we can meet this commitment.

Maintaining and promoting our brand outside of traditional verticals. The Group has made significant inroads in promoting its brand globally and is focused on ensuring a better public understanding of the nature of the OnlyFans platform and its diverse Creator base while not alienating current Creators. The Group will remain focused on dedicating appropriate resources to marketing and brand awareness, particularly in new markets and in the promotion of OFTV content.

Hiring, retaining and motivating highly skilled personnel. As the Group continues to develop its operations and platform, it is imperative to retain key personnel, and to invest in hiring new highly skilled personnel to address the risks and opportunities faced by the Group.

Interoperability of our products and services across third-party services and systems. The Group has developed the majority of its technology stack in house but does rely on certain key third-party service providers and systems. The Group addresses this risk by maintaining close relationships with key third party providers and investing in business partnerships.

Actual or perceived security breaches, incidents or vulnerabilities as well as errors, vulnerabilities or defects in our software and in products of third-party providers. As a leading technology platform, cyber security remains a top priority for the Group. Continuous monitoring of the Group's environment and developing bespoke solutions to address security issues as they emerge will continue to be necessary.

Media interest in OnlyFans. The Group continues to garner significant media attention due to its novel business model, inclusive content policy and the success of many Creators. The Group will continue to develop its public and government relations strategy to address misconceptions regarding the Group as reported in the media.

Catastrophic events and interruptions by man-made problems. As with all organizations, the Group is subject to the risk of unforeseen catastrophic events.

**FENIX INTERNATIONAL LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**Principal Risks and Uncertainties**

**Intellectual Property and Technology**

Developing and scaling our existing technology and infrastructure. As an online business, the Group is reliant on information technology, and we have increased our investment in this area. In addition, we have increased our resourcing within customer support and content monitoring.

Any failure to protect our intellectual property rights. As the Group continues to grow and scale, it is imperative that we take steps to protect our intellectual property rights. It is our general practice to enter into confidentiality agreements with our employees, contractors, and third parties, in order to limit access to, and disclosure and use of, our confidential information and proprietary technology. The Group also relies on international, federal, state and common law rights and contractual restrictions to help protect our intellectual property.

**Regulatory and Legal**

Complex and evolving international laws and regulations. The Group operates in an area which is subject to fast paced change and significant regulatory attention. The law in this area is complex and evolving and the Group addresses this risk by building its in-house capabilities along with external counsel, as well as building strong relationships and partnering with the regulators and NGO's such as OFCOM, NCMEC, the IWF, the Canadian Center for Child Protection, and others.

Regulatory investigations and adverse settlements. The Group is not presently subject to any regulatory investigations. The Group is regulated by OFCOM under the Video Sharing Platform regime and the Online Safety Act. OFCOM will continue to regulate the Group under the Online Safety Act framework. We maintain a continuous dialogue with OFCOM to ensure regulatory compliance. The Group continues to maintain open and cooperative dialogues with various international regulators and law enforcement.

Lawsuits or liability. The Group is a target for opportunistic litigation claims, and in particular class actions in the USA. The Group will continue to treat all litigation claims seriously and to vigorously defend them where appropriate.

**Financial**

Going Concern. The Group is profitable, cash generative with no external funding. The Directors ensure adequate working capital is retained in the business to enable the delivery of Group Strategy and protect against foreign exchange or credit risk.

Payment Infrastructure Risks. As the Group operates globally it is reliant on key relationships with financial partners to ensure seamless flow of funds, from Fans to Creators. Any interruption to this flow would have a material impact on the business. The Group's commitment to best-in-class trust and safety and content moderation, mitigates the perceived risks for our financial partners. The Group also maintains a vast financial network to ensure operational continuity and continues to take an innovative approach to 'Creator first' payment methods.

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**FENIX INTERNATIONAL LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**Principal Risks and Uncertainties (continued)**

**Financial (continued)**

International Tax Risk. As an international business the Group continually review regulatory tax regimes associated with online business within individual countries. The Group has expert counsel to assist in more complex areas.

Foreign Exchange Risk. The Group's exposure to Foreign Exchange Risk is limited to the payment of Taxes in foreign currency and a small proportion of administrative costs. The Directors monitor these Foreign Exchange requirements to ensure any risk is mitigated.

Credit Risk. The Group closely monitors the financial health of our Payment processors and Payment service providers all of whom are regulated by their own country regulators. The Group also has effective Anti-Fraud controls to reduce the existence of payment fraud on the Platform.

**Other Information and Explanations**

**Further Developments**

Voluntary Independent Monitorship. The Group is committed to making OnlyFans the safest digital media platform in the world. In addition to its robust policies and procedures the Group continued to appoint an independent third party "Monitor", to assess and validate the design, implementation, and effectiveness of our compliance program. For more information on this market leading initiative please see <https://onlyfans.com/transparency-center/commitment>.

Safety Partnerships. The Group continues to work with a variety of charities, NGOs and external third parties to ensure it maintains its market leading approach to safety. During this reporting period this has included partnering with the Internet Watch Foundation, Suojellaan Lapsia, NCMEC, ICMEC, Te Protejo, the Child Rescue Coalition, the Lucy Faithfull Foundation, Resolver, and StopNCII.org.



**FENIX INTERNATIONAL LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**Section 172 (1) statement**

Under s172 of the Companies Act 2006 directors of UK companies have a duty to promote the success of their company for the benefit of the members as a whole and, in doing so, have regard to:

- The likely consequences of any decision in the long term;
- The interests of the company's employees;
- The need to foster the company's business relationships with suppliers, customers and others;
- The impact of the company's operations on the community and the environment;
- The desirability of the company maintaining a reputation for high standards of business conduct; and
- The need to act fairly between members of the company.

The Directors of Fenix International Limited consider the following areas to be of key importance in their fulfilment of this duty:

- Carrying out detailed planning and forecasting to ensure ongoing financial safety of the business;
- Monitoring the business plan in order to control deviation and achieve continued growth;
- Seeking opportunities, by finding new locations to grow the business for the benefit of current and future employees, customers and suppliers as well as the wider UK economy;
- Supervising the overall strategy of the Company and maintaining the highest standards of integrity and honesty in the Company's dealing with employees, suppliers, the general public and local and national government; and
- Ensuring that we are vigilant in reducing the environmental impact of our business.

On behalf of the Board



**Mr L Taylor**

Director

5 APRIL 2024

## **FENIX INTERNATIONAL LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 30 NOVEMBER 2023**

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The Directors present their annual report and the consolidated financial statements of the Group for the year ended 30 November 2023.

#### **Principal activities**

The principal activity of the Company and Group continued to be the provision of OnlyFans, an online platform which enables Creators to monetise their digital content by engaging directly with their Fans.

#### **Results and dividends**

The results for the year are set out on page 15.

Ordinary dividends were declared and paid by the Company of \$472,000,000 (2022: \$338,000,000). The Directors do not recommend payment of a further dividend.

#### **Directors**

The Directors who served the Group during the year and up to the date of signature of these accounts were as follows:

Mr L Radvinsky

Mr L Taylor

#### **Qualifying third party indemnity provisions**

The Company has made qualifying third-party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### **Research and development**

The Group continues to invest in the scaling and development of the platform and product development to better serve the Creator community, and to enhance its best-in-class safety controls. Further detail of the Group's research and development can be found in the Strategic Report.

#### **Supplier payment policy**

The Group's current policy concerning the payment of trade creditors is to follow the CBI'S Prompt Payers Code (copies are available from CBI, Centre Point, 103 New Oxford Street, London, WC1A 1DU).

The Group's current policy concerning the payment of trade creditors is to:

- Settle the terms of payment with suppliers when agreeing the terms of each transaction;
- Ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- Pay in accordance with the Company's contractual and other legal obligations.

Trade creditors of the Group at the year end were equivalent to 10 days purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Energy and carbon report**

As the Group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

**FENIX INTERNATIONAL LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**Going concern**

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

**Events after the reporting date**

Subsequent to the year end the following dividends were declared:

- 29 December 2023, \$29 per Ordinary share totalling \$29,000,000.
- 26 January 2024, \$43 per Ordinary share totalling \$43,000,000.
- 26 February 2024, \$40 per Ordinary share totalling \$40,000,000.
- 29 March 2024, \$47 per Ordinary share totalling \$47,000,000.

**Auditor**

The auditor, Gravita Audit II Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

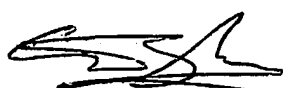
**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

**Strategic report**

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's Strategic Report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of future developments.

On behalf of the Board



**Mr L Taylor**  
Director

5 APRIL 2024

**FENIX INTERNATIONAL LIMITED**

**DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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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. The Directors have elected under Company law to prepare the Group financial statements in accordance with UK-adopted International Accounting Standards and have elected under Company law to prepare the Company financial statements in accordance with UK-adopted International Accounting Standards and applicable law.

The Group and Company financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position of the Group and Company and the financial performance of the Group. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with UK-adopted International Accounting Standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

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

## **FENIX INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FENIX INTERNATIONAL LIMITED**

#### **FOR THE YEAR ENDED 30 NOVEMBER 2023**

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##### **Opinion**

We have audited the financial statements of Fenix International Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 November 2023 which comprise the group statement of comprehensive income, the group and parent company statement of financial position, the group and parent company statement of changes in equity, the group and parent company statement of cash flows and the group and parent company notes to the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards.

##### **In our opinion:**

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 30 November 2023 and of the group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

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

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

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

## **FENIX INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FENIX INTERNATIONAL LIMITED (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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#### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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

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

In the light of the knowledge and understanding of the group and parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

#### **Responsibilities of directors**

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

## **FENIX INTERNATIONAL LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FENIX INTERNATIONAL LIMITED (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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

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

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

We ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations. The laws and regulations applicable to the company were identified through discussions with the director and other management, and from our commercial knowledge and experience of the company. Of these laws and regulations, we focused on those that we considered may have a direct material effect on the financial statements or the operations of the company, The Companies Act 2006, taxation legislation, data protection, anti-bribery, anti-money-laundering, employment, environmental and health and safety legislation. The extent of compliance with these laws and regulations identified above was assessed through making enquiries of management and inspecting legal correspondence. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's remuneration policies.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence relevant regulators and the company's legal advisors.

**FENIX INTERNATIONAL LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FENIX INTERNATIONAL LIMITED  
(CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the director and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

**Use of our report**

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

  
**Paul Woosey (Senior Statutory Auditor)**  
For and on behalf of Gravita Audit II Limited

9<sup>th</sup> April 2024

**Chartered Accountants**  
**Statutory Auditor**

66 Prescott Street  
London  
E1 8NN



**FENIX INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**AS AT 30 NOVEMBER 2023**

	Notes	2023 \$000	2022 \$000
Gross Site Volume		<u>6,629,945</u>	<u>5,550,076</u>
Revenue	4	1,306,696	1,089,839
Cost of sales		(487,984)	(412,530)
<b>Gross profit</b>		<u>818,712</u>	<u>677,309</u>
Administrative expenses		(169,474)	(144,097)
<b>Operating profit</b>		<u>649,238</u>	<u>533,212</u>
Other gains and losses	8	7,030	(8,455)
Finance income	9	1,663	261
<b>Profit on ordinary activities before taxation</b>		<u>657,931</u>	<u>525,018</u>
Taxation charge for the year	10	(172,455)	(121,290)
<b>Profit and total comprehensive income for the year</b>		<u>485,476</u>	<u>403,728</u>
<b>Profit and total comprehensive income for the year attributable to:</b>			
Owners of the parent company		485,618	403,735
Non-controlling interest		(142)	(7)
		<u>485,476</u>	<u>403,728</u>

The profit and total comprehensive income for the year ended 30 November 2023 derives wholly from continuing operations.

The notes on pages 21 to 48 are an integral part of these financial statements.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

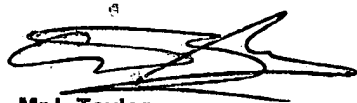
AS AT 30 NOVEMBER 2023

	Notes	2023 \$000	2022 \$000
<b>Assets</b>			
<b>Non-current assets</b>			
Other intangible assets	12	18,387	11,434
Property, plant and equipment	13	542	923
<b>Total non-current assets</b>		<b>18,929</b>	<b>12,357</b>
<b>Current assets</b>			
Trade and other receivables	15	115,196	122,405
Derivative financial instruments	16	397	-
Current tax recoverable		-	15,502
Cash and cash equivalents		678,404	562,878
<b>Total current assets</b>		<b>793,997</b>	<b>700,785</b>
<b>Total assets</b>		<b>812,926</b>	<b>713,142</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	(600,429)	(528,637)
Contract liabilities	18	(22,589)	(23,337)
Current tax liabilities		(52,091)	(36,449)
Lease liabilities	19	(367)	(390)
<b>Total current liabilities</b>		<b>(675,476)</b>	<b>(588,813)</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	(267)	(622)
Deferred tax liabilities	20	(17)	(17)
<b>Total non-current liabilities</b>		<b>(284)</b>	<b>(639)</b>
<b>Total liabilities</b>		<b>(675,760)</b>	<b>(589,452)</b>
<b>Net assets</b>		<b>137,166</b>	<b>123,690</b>
<b>Equity</b>			
Share capital	22	1,290	1,290
Retained earnings	23	136,025	122,407
<b>Equity attributable to owners of the parent company</b>		<b>137,315</b>	<b>123,697</b>
Non-controlling interest		(149)	(7)
<b>Total equity</b>		<b>137,166</b>	<b>123,690</b>

The notes on pages 21 to 48 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on ..... and are signed on its behalf by:

5 APRIL 2024



Mr L Taylor  
Director

## COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2023

	Notes	2023 \$000	2022 \$000
<b>Assets</b>			
<b>Non-current assets</b>			
Other intangible assets	12	18,387	11,434
Property, plant and equipment	13	161	379
Investments	14	3	2
<b>Total non-current assets</b>		<b>18,551</b>	<b>11,815</b>
<b>Current assets</b>			
Trade and other receivables	15	477,543	396,977
Derivative financial instruments	16	397	-
Current tax recoverable		-	15,502
Cash and cash equivalents		359,863	309,262
<b>Total current assets</b>		<b>837,803</b>	<b>721,741</b>
<b>Total assets</b>		<b>856,354</b>	<b>733,556</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	17	(698,711)	(583,083)
Contract liabilities	18	(22,589)	(23,337)
Current tax liabilities		(49,579)	(32,893)
Lease liabilities	19	(166)	(289)
<b>Total current liabilities</b>		<b>(771,045)</b>	<b>(639,602)</b>
<b>Non-current liabilities</b>			
Lease liabilities	19	-	(102)
Deferred tax liabilities	20	(17)	(17)
<b>Total non-current liabilities</b>		<b>(17)</b>	<b>(119)</b>
<b>Total liabilities</b>		<b>(771,062)</b>	<b>(639,721)</b>
<b>Net assets</b>		<b>85,292</b>	<b>93,835</b>
<b>Equity</b>			
Share capital	22	1,290	1,290
Retained earnings	23	84,002	92,545
<b>Total equity</b>		<b>85,292</b>	<b>93,835</b>

As permitted by s408 Companies Act 2006, the Company has not presented its own statement of comprehensive income and related notes. The Company's profit and total comprehensive income for the year ended 30 November 2023 was \$463,457,000 (2022: \$391,214,000).

The notes on pages 21 to 48 are an integral part of these financial statements.

These financial statements were approved by the Board of Directors and authorised for issue on 5 APRIL 2024 and are signed on its behalf by:



Mr L Taylor  
Director

**FENIX INTERNATIONAL LIMITED**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

	Share capital \$000	Retained earnings \$000	Total attributable to owners of the parent \$000	Non- controlling interest \$000	Total equity \$000
<b>Balance at 1 December 2021</b>	<b>1,290</b>	<b>56,672</b>	<b>57,962</b>	<b>-</b>	<b>57,962</b>
Profit and total comprehensive income for the financial year	-	403,735	403,735	(7)	403,728
Dividends ( <i>Note 11</i> )	-	(338,000)	(338,000)	-	(338,000)
<b>Balance at 30 November 2022</b>	<b><u>1,290</u></b>	<b><u>122,407</u></b>	<b><u>123,697</u></b>	<b><u>(7)</u></b>	<b><u>123,690</u></b>
Profit and total comprehensive income for the financial year	-	485,618	485,618	(142)	485,476
Dividends ( <i>Note 11</i> )	-	(472,000)	(472,000)	-	(472,000)
<b>Balance at 30 November 2023</b>	<b><u>1,290</u></b>	<b><u>136,025</u></b>	<b><u>137,315</u></b>	<b><u>(149)</u></b>	<b><u>137,166</u></b>

**FENIX INTERNATIONAL LIMITED****COMPANY STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 NOVEMBER 2023**

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	<b>Share capital</b>	<b>Retained</b>	<b>Total equity</b>
	<b>\$000</b>	<b>earnings</b>	<b>\$000</b>
		<b>\$000</b>	<b>\$000</b>
<b>Balance at 1 December 2021</b>	<b>1,290</b>	<b>39,331</b>	<b>40,621</b>
Profit and total comprehensive income for the financial year	-	391,214	391,214
Dividends ( <i>Note 11</i> )	-	(338,000)	(338,000)
<b>Balance at 30 November 2022</b>	<u><b>1,290</b></u>	<u><b>92,545</b></u>	<u><b>93,835</b></u>
Profit and total comprehensive income for the financial year	-	463,457	463,457
Dividends ( <i>Note 11</i> )	-	(472,000)	(472,000)
<b>Balance at 30 November 2023</b>	<u><b>1,290</b></u>	<u><b>84,002</b></u>	<u><b>85,292</b></u>

**FENIX INTERNATIONAL LIMITED**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

	<b>Group 2023 \$000</b>	<b>Group 2022 \$000</b>
<b>Cash flow from operating activities</b>		
Profit after taxation	485,476	403,728
<b>Adjustments for:</b>		
Income tax expense	172,455	121,290
Investment income	(1,663)	(261)
Revaluation of cryptocurrency assets	(6,953)	8,455
Depreciation of property, plant and equipment	435	333
Other gains and losses	(7)	(12)
<b>Changes in working capital:</b>		
Decrease/(increase) in trade and other receivables	7,192	(7,317)
Increase in derivative financial instruments	(397)	-
Increase in trade and other payables	68,029	84,089
(Decrease)/increase in contract liabilities	(748)	748
<b>Cash flows from operating activities</b>	<b><u>723,819</u></b>	<b><u>611,053</u></b>
Income taxes paid	(137,529)	(110,745)
<b>Net cash inflow from operating activities</b>	<b><u>586,290</u></b>	<b><u>500,308</u></b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	-	(19,889)
Purchase of property, plant and equipment	(47)	(44)
Interest received	1,663	261
<b>Net cash inflow/(outflow) from investing activities</b>	<b><u>1,616</u></b>	<b><u>(19,672)</u></b>
<b>Cash flows from financing activities</b>		
Repayment of lease liabilities	(380)	(45)
Dividends paid to equity shareholders	(472,000)	(338,000)
<b>Net cash (outflow) from financing activities</b>	<b><u>(472,380)</u></b>	<b><u>(338,045)</u></b>
<b>Net increase in cash and cash equivalents</b>	<b><u>115,526</u></b>	<b><u>142,591</u></b>
Cash and cash equivalents at beginning of year	562,878	420,287
<b>Cash and cash equivalents at end of year</b>	<b><u>678,404</u></b>	<b><u>562,878</u></b>

## **FENIX INTERNATIONAL LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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#### **1. GENERAL INFORMATION**

Fenix International Limited ("the Company") is a private company limited by shares incorporated in England and Wales. Its registered office and principal place of business is 9<sup>th</sup> Floor, 107 Cheapside, London, United Kingdom, EC2V 6DN, and its company number is 10354575.

The group ("the Group") consists of Fenix International Limited and all of its subsidiaries.

The Group's principal activities and nature of its operations are disclosed in the Directors' Report.

#### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

##### **2.1. BASIS OF PREPARATION**

These consolidated financial statements have been prepared in accordance with UK-adopted International Accounting Standards ("IFRS") and applicable law.

The financial statements have been prepared on the historical cost basis except for the re-measurement of certain other intangible assets and financial instruments that are measured at fair value at the end of each reporting year.

The consolidated financial statements comprise a statement of comprehensive income, a statement of financial position, a statement of changes in equity, a statement of cash flows, and notes. Income and expenses, and other comprehensive income are recognised in the statement of comprehensive income. Transactions with the owners of the Group in their capacity as owners are recognised in the statement of changes in equity.

The Group presents the statement of profit or loss using the classification by function of expenses. The Group believes this method provides more useful information to the users of its financial statements as it better reflects the way operations are run from a business point of view. The statement of financial position format is based on a current / non-current distinction.

The Company financial statements have been prepared in accordance with FRS 101: Reduced Disclosure Framework ("FRS 101").

##### *Transition to FRS 101*

The previous financial statements for the Company were prepared under UK-adopted International Accounting Standards ("IFRS"). There were no material adjustments arising from the adoption of FRS 101, and therefore no reconciliations of equity at 1 December 2022 or 30 November 2023, or of profit for the year ended 30 November 2023, have been presented.

## 2.1. BASIS OF PREPARATION (CONTINUED)

The following exemptions from the requirements of IFRS have been applied in the preparation of the Company financial statements and, where relevant, equivalent disclosures have been made in the Group accounts of the parent, in accordance with FRS 101:

- Presentation of a Statement of Cash Flows and related notes;
- Revenue disclosures, including:
  - Disaggregated and total revenue from contracts with customers;
  - Explanation of significant changes in contract assets and liabilities;
  - Description of when performance obligations are satisfied, significant payment terms, and the nature of goods and services to be transferred;
  - Aggregate transaction price allocated to unsatisfied performance obligations and when revenue is expected to be recognised;
  - Significant judgements in determining the amount and timing of revenue recognition and the amount of capitalised costs to obtain or fulfil a contract;
  - Methods used to recognise revenue over time, determine transaction price and amounts allocated to performance obligations and determine amortisation of capitalised cost to obtain or fulfil a contract;
  - Comparative period reconciliations for the carrying amounts of property, plant and equipment and intangible assets;
- Disclosure of key management personnel compensation, and amounts incurred for the provision of key management personnel services by a separate management entity;
- Related party disclosures for transactions with the parent or wholly owned members of the group;
- Financial instrument disclosures, including:
  - Carrying amounts and fair values of financial instruments by category and information about the nature and extent of risks arising on financial instruments;
  - Income, expenses, gains and losses on financial instruments;
  - Information about financial instruments measured at fair value through profit or loss, including the impact of credit risk, and about compound financial instruments;
  - Information about financial instruments that have been reclassified, derecognised, transferred or offset;
  - Details of credit losses, collateral, loan defaults or breaches;
  - Details of hedging relationships and the effect of hedge accounting on profit or loss, other comprehensive income and equity;
- For financial instruments measured at fair value:
  - Valuation techniques (including inputs used to measure fair value, sensitivity of fair values to unobservable inputs and the impact of credit risk on the fair value), classification within the fair value hierarchy (Levels 1, 2 & 3) and changes thereto, and a description of the valuation process (if Level 3);
  - Level 3 fair value gains/losses relating to assets held at the year-end;
  - If highest and best use of a non-current asset differs from its current use;
- Lessee maturity analysis of lease liabilities;
- Disclosure of the objectives, policies and processes for managing capital;
- Disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date.



## 2.2. STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following relevant new standards, amendments to standards and interpretations have been issued, but are only effective for financial periods beginning on 1 January 2023, and have therefore not been early adopted:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current - Deferral of Effective Date (effective 1 January 2023);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective 1 January 2023);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective 1 January 2023);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective 1 January 2023);
- Amendments to IFRS 16 related to Lease Liability in a Sale and Leaseback (effective 1 January 2024).

The Directors do not expect the adoption of these standards to have a material impact in future periods.

## 2.3. BASIS OF CONSOLIDATION

The Group financial statements consolidate those of the parent Company and all of its subsidiaries as at 30 November 2023. All subsidiaries have a reporting date of 30 November.

All transactions and balances between Group companies are eliminated on consolidation, including unrealised gains and losses on transactions between Group companies. Where unrealised losses on intra-group asset sales are reversed on consolidation, the underlying asset is also tested for impairment from a Group perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

The Group attributes the total comprehensive income or loss of subsidiaries between the owners of the parent and the non-controlling interests based on their respective ownership interests.

## 2.4. GOING CONCERN

The Directors have at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for a period of at least 12 months from the date of signing these financial statements. Thus the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

## 2.5. FOREIGN AND FUNCTIONAL CURRENCIES

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which it operates ('the functional currency'). The functional currency of the Group is the US Dollar (\$). The financial statements are presented in US Dollars, this being the currency of the primary economic environment of the Group. Monetary amounts in these financial statements are rounded to the nearest \$1,000.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Non-monetary items are not retranslated. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

On consolidation, assets and liabilities of foreign operations are translated into \$ at year-end exchange rates. The results of foreign operations are translated into \$ at average rates of exchange for the year. Exchange differences arising on translating net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

## 2.6. REVENUE

Revenue is recognised in accordance with IFRS 15 Revenue from Contracts with Customers, by applying the following steps:

- identification of the contract, or contracts, with a customer;
- identification of the performance obligations in the contracts;
- determination of the transaction price;
- allocation of the transaction price to the performance obligations in the contract; and
- recognition of revenue when, or as, the Company satisfies a performance obligation.

The Group recognises revenue from the following major sources:

- Subscription based revenue
- Non-subscription based revenue

The Group derives its income from the operation of an online platform for Content Creators to provide monetised content to their Fans, from which the Group receives a fee. The majority of gross receipts are collected by the Group until they are forwarded onto the Content Creators. The transactions objective is to facilitate a transaction between Content Creators and their Fans, for which the Group earns a fee. Management has determined that this transaction results in a principal-agent relationship. As a result, the Group is considered the agent, and therefore, the revenue is recorded on a net basis. Consequently, the portion of the gross amount billed to end users that is remitted to Content Creators is not reflected as revenue. Fan payments can be segregated between subscription and non-subscription payments.

### ***Subscription based revenue***

Subscription payments consist of transactions where the Group facilitates Creators providing content to Fans for a period of time. Payments received at the reporting date which relate to subscriptions that are ongoing after the year end are deferred and classified as contract liabilities. The revenue related to subscription payments is recognised over time consistent with the duration of the Fans access to the Creator content. Payment service providers collect payment from Fans prior to content access.

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**2.6. REVENUE (CONTINUED)**

In instances where the timing of revenue recognition differs from the timing of invoicing, the Group has elected the practical expedient to not adjust revenue for any effects of significant financing components, as the subscriptions are less than one year in duration.

***Non-subscription based revenue***

Non-subscription based payments consist of one time transactions such as messaging and access to content, that the Group facilitates between the Fans and the Creators. Revenue from non-subscription payments are recognised when the transaction occurs. Payment service providers collect payment from the Fan immediately prior to the content access.

The only variable consideration associated with the performance obligation are refunds and chargebacks, which are recorded net of revenue.

***Gross site volume***

In order to provide the user of the financial statements further understanding of the business market, the gross value of all sales transactions is shown as a memorandum to the consolidated statement of comprehensive income.

Gross site volume does not represent statutory turnover in accordance with IFRS 15. The Group is acting as an agent in its arrangement between Fans and Creators.

Gross site volume represents the price at which products or services have been transacted through the business platform exclusive of any associated sales taxes. Group revenue is the agency fee applied on those transactions.

Revenues are recorded net of sales tax, value added tax ("VAT"), and usage-based taxes.

***Contract liabilities***

Contract liabilities represents amounts received from customers for subscriptions that are ongoing after the fiscal year end. The amounts are deferred and recognised over the term of the agreements (less than one year) on a straight-line basis.

***Liability to users***

Liability to users, included in other payables, consist of amounts payable to users of the online platform. Liabilities are attributable to two types of users: Content Creators and Fans.

Content Creator amounts represent the element of gross receipts payable to Content Creators at year-end. Fans have the ability to make payments on the platform from a prepaid wallet. The Group reduces the liability for the Fan wallets when Fans make payments from their wallets.

***Cost of sales***

Cost of sales represents payments for hosting, website maintenance, and payment transaction fees.

## FENIX INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

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#### 2.7. BUSINESS COMBINATIONS

The acquisition method of accounting is used to account for business combinations by the Group. The consideration transferred for the acquisition of a subsidiary undertaking is the fair values of the assets transferred and the liabilities incurred by the Group. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill arises where the fair value of consideration given for a business exceeds the fair value of such assets, liabilities and contingent liabilities. If this is less than the fair value of the net assets of the subsidiary in the case of a bargain purchase, the difference is recognised directly in the statement of comprehensive income. Goodwill arising on acquisitions is capitalised with an indefinite useful life and tested annually for impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ('cash generating units'). Goodwill is allocated to the cash generating units that are expected to benefit from the business combination.

#### 2.8. GOODWILL AND OTHER INTANGIBLE ASSETS

##### ***Goodwill***

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recorded. Goodwill is carried at cost less accumulated impairment losses. Goodwill arising on acquisitions is capitalised with an indefinite useful life and tested annually for impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows ('cash generating units'). Goodwill is allocated to the cash generating units that are expected to benefit from the business combination.

##### ***Other intangible assets***

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the Group and the cost or value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the Group.

Intangible assets consist solely of cryptocurrency assets. The Group's cryptocurrency assets are initially recognised at cost, and subsequently measured at fair value through other comprehensive income. Impairment losses are recognised in profit or loss in the year in which the impairment occurs. Any subsequent gains are then recognised in profit or loss to the extent of any previous impairment losses, and once previous impairment losses have been offset in profit or loss, gains are recognised in other comprehensive income and accumulated in equity under the heading 'revaluation surplus'.

The Group determines the fair value of its cryptocurrency assets in accordance with IFRS 13 Fair Value Measurement based on quoted prices on active cryptocurrency exchanges. The Group performs an analysis at each reporting year end to identify whether events or changes in circumstances, principally decreases in quoted prices on active exchanges, indicate the possibility of impairment.

The Group's cryptocurrency assets are deemed to have an indefinite useful life.

## 2.9. PROPERTY, PLANT AND EQUIPMENT

Tangible fixed assets are initially measured at cost, and subsequently measured at cost, less accumulated depreciation and provision for any impairment. Depreciation is recognised to write down the cost of assets less their estimated residual values. The following useful lives are applied:

Leasehold land and buildings	- Depreciated over life of lease period
Fixtures and fittings	- 3 years straight line
Computers	- 3 years straight line

Material residual value estimates and estimates of useful life are updated as required, but at least annually.

Gains or losses arising on the disposal of property, plant and equipment are determined as the difference between the sale proceeds and the carrying amount of the assets and are recognised in the statement of comprehensive income.

## 2.10. IMPAIRMENT TESTING OF GOODWILL, OTHER INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT

For impairment assessment purposes, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of a related business combination and represent the lowest level within the Group at which management monitors goodwill.

Cash-generating units to which goodwill has been allocated (determined by the Group's management as equivalent to its operating segments) are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's (or cash-generating unit's) carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal and value-in-use. To determine the value-in-use, management estimates expected future cash flows from each cash-generating unit and determines a suitable discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Group's latest approved budget, adjusted as necessary to exclude the effects of future reorganisations and asset enhancements. Discount factors are determined individually for each cash-generating unit and reflect current market assessments of the time value of money and asset-specific risk factors.

Impairment losses for cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist. An impairment loss is reversed if the asset's or cash-generating unit's recoverable amount exceeds its carrying amount.

## 2.11. INVESTMENTS

Investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The carrying values of fixed asset investments are reviewed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

## 2.12. FINANCIAL INSTRUMENTS

### *Financial assets*

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

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

### *Financial assets at fair value through profit or loss*

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

### *Financial assets held at amortised cost*

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

### *Financial assets at fair value through other comprehensive income*

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

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

## FENIX INTERNATIONAL LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 30 NOVEMBER 2023

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#### 2.12. FINANCIAL INSTRUMENTS (CONTINUED)

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

##### *Impairment of financial assets*

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

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

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

##### *Financial liabilities*

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

##### *Other financial liabilities*

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

##### *Derecognition of financial liabilities*

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

#### 2.13. EQUITY INSTRUMENTS

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

#### 2.14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand and deposits held at call with banks.

## 2.15. LEASES

On commencement of a contract (or part of a contract) which gives the Group the right to use an asset for a period of time in exchange for consideration, the Group recognises a right-of-use asset and a lease liability unless the lease qualifies as a 'short-term' lease or a 'low-value' lease.

### *Short-term leases*

Where the lease term is twelve months or less and the lease does not contain an option to purchase the leased asset, lease payments are recognised as an expense on a straight-line basis over the lease term.

### *Leases of low-value assets*

Leases where the underlying asset is 'low-value', lease payments are recognised as an expense on a straight-line basis over the lease term.

### *Initial and subsequent measurement of the right-of-use asset*

A right-of-use asset is recognised at commencement of the lease and initially measured at the amount of the lease liability, plus any incremental costs of obtaining the lease and any lease payments made at or before the leased asset is available for use by the Group.

The right-of-use asset is subsequently measured at cost less accumulated depreciation and any accumulated impairment losses. The depreciation methods applied are as follows:

Right-of-use assets    On a straight-line basis over the shorter of the lease term and the useful life

The right-of-use asset is adjusted for any re-measurement of the lease liability and lease modifications.

### *Initial measurement of the lease liability*

The lease liability is initially measured at the present value of the lease payments during the lease term discounted using the interest rate implicit in the lease, or the incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined.

The lease term is the non-cancellable period of the lease plus extension periods that the Group is reasonably certain to exercise and termination periods that the Group is reasonably certain not to exercise.

### *Subsequent measurement of the lease liability*

The lease liability is subsequently increased for a constant periodic rate of interest on the remaining balance of the lease liability and reduced for lease payments. Interest on the lease liability is recognised in profit or loss.

Variable lease payments not included in the measurement of the lease liability as they are not dependent on an index or rate, are recognised in profit or loss in the period in which the event or condition that triggers those payments occurs.

### *Remeasurement of the lease liability*

The lease liability is adjusted for changes arising from the original terms and conditions of the lease that change the lease term, the Company's assessment of its option to purchase the leased asset, the amount expected to be payable under a residual value guarantee and/or changes in lease payments due to a change in an index or rate. The adjustment to the lease liability is recognised when the change takes effect and is adjusted against the right-of-use asset, unless the carrying amount of the right-of-use asset is reduced to nil, when any further adjustment is recognised in profit or loss.

Adjustments to the lease payments arising from a change in the lease term or the lessee's assessment of its option to purchase the leased asset are discounted using a revised discount rate. The revised discount rate is calculated as the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee's incremental borrowing rate at the date of reassessment.

Changes to the amounts expected to be payable under a residual value guarantee and changes to lease payments due to a change in an index or rate are recognised when the change takes effect and are discounted at the original discount rate unless the change is due to a change in floating interest rates, when the discount rate is revised to reflect the changes in interest rate.



## 2.15. LEASES (CONTINUED)

### *Lease modifications*

A lease modification is a change that was not part of the original terms and conditions of the lease and is accounted for as a separate lease if it increases the scope of the lease by adding the right to use one or more additional assets with a commensurate adjustment to the payments under the lease.

For a lease modification not accounted for as a separate lease, the lease liability is adjusted for the revised lease payments, discounted using a revised discount rate. The revised discount rate use is the interest rate implicit in the lease for the remainder of the lease term, or if that rate cannot be readily determined, the lessee company's incremental borrowing rate at the date of the modification.

Where the lease modification decreases the scope of the lease, the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. Any difference between the adjustment to the lease liability and the adjustment to the right-of-use asset is recognised in profit or loss.

For all other lease modifications, the adjustment to the lease liability is recognised as an adjustment to the right-of-use asset.

## 2.16. INCOME TAXES

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

### *Deferred tax*

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the financial statements, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt within equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**2.17. PENSIONS**

The Group operates a defined contribution plan for its employees. The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

**2.18. EMPLOYMENT BENEFITS**

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

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

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

**3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

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

***Judgements***

In the course of preparing the financial statements, judgements have been made in the process of applying the accounting policies. The Directors do not consider these judgements to have a material impact on the carrying amounts of assets and liabilities recognised in the financial statements.

***Estimates***

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

The estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- Revenue recognition – provision of future chargebacks expected to be incurred, using historical experience, credit quality of customers, and current economic conditions (see note 15).
- Income taxes – provisions for income taxed in various jurisdictions (see note 10).

**4. REVENUE**

An analysis of the Group's revenue is as follows:

	<b>2023</b>	<b>2022</b>
<b>Revenue by class of business</b>	<b>\$000</b>	<b>\$000</b>
Subscription based revenue – recognised over time	540,895	522,147
Non-subscription based revenue – recognised point-in-time	765,801	567,692
	<u>1,306,696</u>	<u>1,089,839</u>

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**4. REVENUE (CONTINUED)**

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
<b>Revenue by geographical location</b>		
USA	863,341	732,699
UK and Europe	229,357	159,800
Rest of World	213,998	197,340
	<u>1,306,696</u>	<u>1,089,839</u>

**5. EMPLOYEES**

The average monthly number of employees (including Directors) employed by the Group and Company during the year was:

	<b>Group 2023 No.</b>	<b>Group 2022 No.</b>	<b>Company 2023 No.</b>	<b>Company 2022 No.</b>
Directors	1	1	1	1
Administrative	41	51	34	46
	<u>42</u>	<u>52</u>	<u>35</u>	<u>47</u>

The aggregate payroll costs (including Directors' remuneration) were as follows:

	<b>Group 2023 \$000</b>	<b>Group 2022 \$000</b>	<b>Company 2023 \$000</b>	<b>Company 2022 \$000</b>
Wages and salaries	25,164	31,595	13,634	22,249
Social security costs	2,319	3,839	2,068	3,839
Pension costs – defined contribution	189	176	125	154
	<u>27,672</u>	<u>35,610</u>	<u>15,827</u>	<u>26,242</u>

**6. DIRECTORS' REMUNERATION**

The Directors' aggregate emoluments in respect of qualifying services were:

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Remuneration for qualifying services	4,747	3,492
Compensation for loss of office	-	6,389
	<u>4,747</u>	<u>9,881</u>

The number of directors to whom retirement benefits accrued under defined contribution schemes was nil (2022: nil).

**FENIX INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**6. DIRECTORS' REMUNERATION (CONTINUED)**

Remuneration attributable to the highest paid director during the year amounted to:

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Remuneration for qualifying services	<u>4,747</u>	<u>6,414</u>

Dividends totalling \$472,000,000 (2022: \$338,000,000) were declared in respect of shares held by a company director.

**7. OPERATING PROFIT**

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Operating profit is stated after charging/(crediting):		
Foreign exchange loss/(gain)	4,579	(2,977)
Platform development costs	11,546	7,164
Fees payable to the company's auditor for the audit of the company's financial statements	86	85
Depreciation on owned assets	78	93
Depreciation on right-of-use assets	<u>357</u>	<u>240</u>

**8. OTHER GAINS AND LOSSES**

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Revaluation of cryptocurrency assets	6,953	(8,455)
Fair value gain on derivative financial instruments	77	-
	<u>7,030</u>	<u>(8,455)</u>

**9. INVESTMENT INCOME**

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
<b>Financial instruments measured at amortised cost</b>		
Bank deposits	1,663	208
Other interest income on financial assets	-	53
	<u>1,663</u>	<u>261</u>

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**10. TAXATION**

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
<b>Current tax</b>		
UK corporation tax	148,826	98,381
Foreign taxes	23,629	22,921
<b>Total current tax charge</b>	<u>172,455</u>	<u>121,302</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>-</u>	<u>(12)</u>
<b>Total tax charge</b>	<u>172,455</u>	<u>121,290</u>

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Profit on ordinary activities before taxation	<u>657,931</u>	<u>525,018</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 23% (2022: 19%).	151,324	99,753
Effects of:		
Expenses not deductible for tax purposes	1,050	4,336
Adjustment in respect of prior years	(1,837)	(1,102)
Effect of overseas tax rates	1,879	2,134
Foreign exchange differences	969	(636)
Provisions for other jurisdictions	17,737	15,689
UK Digital Services Tax	<u>1,333</u>	<u>1,116</u>
<b>Taxation charge for the year</b>	<u>172,455</u>	<u>121,290</u>

**Factors that may affect future tax charges**

In the budget on 3 March 2021, the UK government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax assets and liabilities at 30 November 2023 have been measured using these newly enacted rates. The percentage of 23% applied to profit before taxation in the reconciliation above is the average rate for the year using actual rates pro-rated for the period that they were effective.

**11. DIVIDENDS**

Amounts recognised as distributions:	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
	<b>Per share</b>	<b>Total</b>	<b>Per share</b>	<b>Total</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Final dividend paid	<u>472.00</u>	<u>472,000</u>	<u>338.00</u>	<u>338,000</u>

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**12. GOODWILL AND OTHER INTANGIBLE ASSETS**

Group	Goodwill \$000	Other intangible assets \$000	Total \$000
<b>Cost</b>			
At 1 December 2021	31,453	-	31,453
Additions – separately acquired	-	19,889	19,889
<b>At 30 November 2022</b>	<u>31,453</u>	<u>19,889</u>	<u>51,342</u>
Additions – separately acquired	-	-	-
<b>At 30 November 2023</b>	<u>31,453</u>	<u>19,889</u>	<u>51,342</u>
<b>Amortisation and impairment</b>			
At 1 December 2021	31,453	-	31,453
Impairment loss	-	8,455	8,455
<b>At 30 November 2022</b>	<u>31,453</u>	<u>8,455</u>	<u>39,908</u>
Revaluation	-	(6,953)	(6,953)
<b>At 30 November 2023</b>	<u>31,453</u>	<u>1,502</u>	<u>32,955</u>
<b>Carrying amount at 30 November 2023</b>	<u>-</u>	<u>18,387</u>	<u>18,387</u>
<b>Carrying amount at 30 November 2022</b>	<u>-</u>	<u>11,434</u>	<u>11,434</u>

During the prior year, the Group diversified part of its working capital into cryptocurrency (“Ethereum” or “ETH”). There are no limitations or restrictions on the Group’s ability to sell the cryptocurrency assets. The asset has been revalued to its fair value as at the year end.

**FENIX INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**12. GOODWILL AND OTHER INTANGIBLE ASSETS (CONTINUED)**

<b>Company</b>	<b>Other intangible assets \$000</b>
<b>Cost</b>	
At 30 November 2022	19,889
Additions - separately acquired	-
<b>At 30 November 2023</b>	<u>19,889</u>
<b>Amortisation and impairment</b>	
At 30 November 2022	8,455
Revaluation	(6,953)
<b>At 30 November 2023</b>	<u>1,502</u>
<b>Carrying amount at 30 November 2023</b>	<u>18,387</u>
<b>Carrying amount at 30 November 2022</b>	<u>11,434</u>

Other intangible assets with a carrying value of \$18,386,000 (2022: \$11,434,000) are included at their fair value at 30 November 2023. If these assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would be \$19,889,000 (2022: \$19,889,000).

Amortisation and impairment relates to revaluations and is included in other gains and losses in the consolidated statement of comprehensive income.

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**13. PROPERTY, PLANT AND EQUIPMENT**

<b>Group</b>	<b>Leasehold land and buildings \$000</b>	<b>Fixtures and fittings \$000</b>	<b>Computers \$000</b>	<b>Total \$000</b>
<b>Cost</b>				
At 1 December 2021	390	90	168	648
Additions – owned assets	-	-	44	44
Additions – right-of-use assets	852	-	-	852
<b>At 30 November 2022</b>	<b>1,242</b>	<b>90</b>	<b>212</b>	<b>1,544</b>
Additions – owned assets	-	-	47	47
Additions – right-of-use assets	9	-	-	9
Disposals	-	(1)	(88)	(89)
<b>At 30 November 2023</b>	<b>1,251</b>	<b>89</b>	<b>171</b>	<b>1,511</b>
<b>Depreciation and impairment</b>				
At 1 December 2021	184	42	62	288
Charge for the year	240	24	69	333
<b>At 30 November 2022</b>	<b>424</b>	<b>66</b>	<b>131</b>	<b>621</b>
Charge for the year	357	21	57	435
Disposals	-	-	(87)	(87)
<b>At 30 November 2023</b>	<b>781</b>	<b>87</b>	<b>101</b>	<b>969</b>
<b>Carrying amount at 30 November 2023</b>	<b>470</b>	<b>2</b>	<b>70</b>	<b>542</b>
<b>Carrying amount at 30 November 2022</b>	<b>818</b>	<b>24</b>	<b>81</b>	<b>923</b>



FENIX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

13. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Leasehold land and buildings \$000	Fixtures and fittings \$000	Computers \$000	Total \$000
<b>Cost</b>				
At 30 November 2022	626	90	210	926
Additions – owned assets	-	-	47	47
Disposals	-	-	(88)	(88)
<b>At 30 November 2023</b>	<b>626</b>	<b>90</b>	<b>169</b>	<b>885</b>
<b>Depreciation and impairment</b>				
At 30 November 2022	352	66	129	547
Charge for the year	186	21	57	264
Disposals	-	-	(87)	(87)
<b>At 30 November 2023</b>	<b>538</b>	<b>87</b>	<b>99</b>	<b>724</b>
<b>Carrying amount at 30 November 2023</b>	<b>88</b>	<b>3</b>	<b>70</b>	<b>161</b>
<b>Carrying amount at 30 November 2022</b>	<b>274</b>	<b>24</b>	<b>81</b>	<b>379</b>

The depreciation charge is included within administrative expenses in the statement of comprehensive income.

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

	Group 2023 \$000	Group 2022 \$000	Company 2023 \$000	Company 2022 \$000
<b>Right-of-use assets</b>				
<b>Net values</b>				
Leasehold land and buildings	470	818	88	274
<b>Depreciation charge for the year</b>				
Leasehold land and buildings	357	240	186	168

**FENIX INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**14. INVESTMENTS**

<b>Company</b>	<b>2023 \$000</b>	<b>2022 \$000</b>
<b>Investments in subsidiaries</b>	<u>3</u>	<u>2</u>
<b>Movement in non-current investments</b>		
		<b>Shares in group undertakings \$000</b>
<b>Cost</b>		
At 1 December 2021		1
Additions		<u>1</u>
<b>At 30 November 2022</b>		<b>2</b>
Additions		<u>1</u>
<b>At 30 November 2023</b>		<u><b>3</b></u>
<b>Carrying amount</b>		
At 30 November 2023		<u>3</u>
At 30 November 2022		<u><b>2</b></u>

Set out below are details of the subsidiaries held by the Company as at 30 November 2023:

<b>Name of subsidiary</b>	<b>Registered office address</b>	<b>Class of share capital</b>	<b>Proportion of ownership interests held by the Group at year end</b>
Fenix Internet LLC	501 Silverside Road, Suite 87, Wilmington, New Castle, 19809	Ordinary	100% (direct)
Delivery Code Limited	9th Floor, 107 Cheapside, London, United Kingdom, EC2V 6DN	Ordinary	100% (direct)
Fenix US INC	501 Silverside Road, Suite 87, Wilmington, New Castle, 19809	Ordinary	100% (direct)
HPS Poland Spółka z ograniczoną odpowiedzialnością	ul. Dworska 23 lok. 37, 30- 314 Krakow	Ordinary	75% (direct)
OF World LLC	501 Silverside Road, Suite 87, County of New Castle, Wilmington, 19809.	Ordinary	100% (direct)

OF World LLC was incorporated on 16 June 2023.

Delivery Code Limited (08662491), has claimed the audit exemption under Companies Act 2006 Section 479A with respect to its year ended 30 November 2023. The Company has given a statement of guarantee under Companies Act Section 479C, to guarantee all outstanding liabilities to which the subsidiary company is subject as at 30 November 2023.

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**15. TRADE AND OTHER RECEIVABLES**

	Group 2023 \$000	Group 2022 \$000	Company 2023 \$000	Company 2022 \$000
Amounts due from Payment Service Providers	111,221	118,599	111,221	118,599
Less: provisions	<u>(4,938)</u>	<u>(5,223)</u>	<u>(4,938)</u>	<u>(5,223)</u>
Trade receivables	106,283	113,376	106,283	113,376
Amounts owed by fellow group undertakings	-	-	362,650	274,917
Amounts owed by related parties	-	3,396	-	3,396
Other receivables	2,232	2,159	1,929	1,814
Prepayments	<u>6,681</u>	<u>3,474</u>	<u>6,681</u>	<u>3,474</u>
<b>Total</b>	<u><b>115,196</b></u>	<u><b>122,405</b></u>	<u><b>477,543</b></u>	<u><b>396,977</b></u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**16. DERIVATIVE FINANCIAL INSTRUMENTS**

Derivative financial instruments consist of the following:

Group and Company	2023 \$000	2022 \$000
Derivative financial asset	<u>397</u>	<u>-</u>
	<u>397</u>	<u>-</u>

Derivative financial instruments relate to foreign exchange forward contracts. For further information on fair value measurement of financial instruments, see note 25.

**17. TRADE AND OTHER PAYABLES**

	Group 2023 \$000	As restated Group 2022 \$000	Company 2023 \$000	Company 2022 \$000
<b>Current</b>				
Trade payables	19,706	18,863	19,550	18,589
Amounts owed to fellow group undertakings	-	-	103,328	59,470
Amounts owed to related parties	200	6,877	200	6,877
Social security and other taxation	122,780	107,526	122,780	107,526
Other payables	424,360	361,999	424,352	361,999
Accruals	<u>33,383</u>	<u>33,372</u>	<u>28,501</u>	<u>28,622</u>
	<u><b>600,429</b></u>	<u><b>528,637</b></u>	<u><b>698,711</b></u>	<u><b>583,083</b></u>

Trade and other payables comparatives have been restated in line with the 2022 signed financial statements.

Other payables includes the liability to users of \$424,087,000 (2022: \$361,740,000).

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

**18. CONTRACT LIABILITIES**

(a) Contract balances

	Group 2023 \$000	Group 2022 \$000	Company 2023 \$000	Company 2022 \$000
Contract liabilities	<u>(22,589)</u>	<u>(23,337)</u>	<u>(22,589)</u>	<u>(23,337)</u>

Contract liabilities relate to consideration received from customers in advance of the performance obligation being satisfied.

All contract liabilities are expected to be settled within 12 months from the reporting date.

The significant changes in contract liabilities are presented below:

	Group 2023 \$000	Group 2022 \$000	Company 2023 \$000	Company 2022 \$000
Revenue recognised in the year that was included in the opening contract liability	<u>23,337</u>	<u>22,589</u>	<u>23,337</u>	<u>22,589</u>

(b) Transaction price allocated to the remaining performance obligations.

Revenue allocated to performance obligations that are unsatisfied or partly unsatisfied at the year end amounting to \$22,589,000, arising from subscription deferrals, will be recognised in revenue within the next 12 months.

All consideration from contracts with customers is included in the analysis above.

Obligations in respect of monthly recurring revenue will be partly satisfied monthly until there exists no further obligation to provide services to the customer.

(c) Contract costs

The Group does not have any costs of obtaining or costs of fulfilling a contract that meet the criteria for capitalisation under IFRS 15.

**19. LEASE LIABILITIES**

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

	Group 2023 \$000	Group 2022 \$000	Company 2023 \$000	Company 2022 \$000
Current liabilities	367	390	166	289
Non-current liabilities	<u>267</u>	<u>622</u>	<u>-</u>	<u>102</u>
<b>Total</b>	<u><b>634</b></u>	<u><b>1,012</b></u>	<u><b>166</b></u>	<u><b>391</b></u>

FENIX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

19. LEASE LIABILITIES (CONTINUED)

Amounts recognised in profit or loss include the following:	Group 2023 \$000	Group 2022 \$000	Company 2023 \$000	Company 2022 \$000
Interest on lease liabilities	<u>46</u>	<u>53</u>	<u>17</u>	<u>13</u>

*Maturity analysis of lease liabilities*

The maturity of the gross contractual undiscounted cash flows due on the Group's lease liabilities is set out below based on the period between 30 November and the contractual maturity date.

	Within 6 months \$000	6 months to 1 year \$000	1 to 5 years \$000	Over 5 years \$000	Total At 30 November 2023 \$000
Property leases	<u>227</u>	<u>140</u>	<u>285</u>	<u>-</u>	<u>652</u>

	Within 6 months \$000	6 months to 1 year \$000	1 to 5 years \$000	Over 5 years \$000	Total At 30 November 2022 \$000
Property leases	<u>255</u>	<u>256</u>	<u>590</u>	<u>-</u>	<u>1,101</u>

20. DEFERRED TAX

Group and Company	Liabilities	
	2023 \$000	2022 \$000
Accelerated capital allowances At 30 November	<u>17</u>	<u>17</u>
	<u>17</u>	<u>17</u>
Movements in deferred tax:		
Group and Company	2023 \$000	2022 \$000
At 1 December	17	29
Charge to profit or loss	-	(12)
At 30 November	<u>17</u>	<u>17</u>

**FENIX INTERNATIONAL LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**21. RETIREMENT BENEFIT SCHEMES**

<b>Defined contribution schemes</b>	<b>2023</b>	<b>2022</b>
	<b>\$000</b>	<b>\$000</b>
Charge to profit or loss in respect of defined contribution schemes	<u>189</u>	<u>176</u>

The Group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Contributions totalling \$18,000 (2022: \$11,000) were payable to the fund at the year end and are included in other payables.

**22. SHARE CAPITAL**

Allotted, issued and fully paid share capital:

	2023	2023	2022	2022
	Number	\$000	Number	\$000
<b>Ordinary share capital</b>				
<i>Issued and fully paid</i>				
Ordinary shares of \$1.29 each	<u>1,000,000</u>	<u>1,290</u>	<u>1,000,000</u>	<u>1,290</u>

The Company's Ordinary shares each have full rights in the Company with respect to voting, dividends and distributions.

**23. RESERVES**

*Retained earnings*

Cumulative profit and loss net of distribution to owners.

**24. FINANCIAL INSTRUMENTS**

Financial instruments are initially measured at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

**Financial risk management and management of capital**

The Group has exposure to the following risks arising from financial instruments:

- credit risk;
- liquidity risk;
- market risk.

**Credit risk**

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Group to concentrations of credit risk consist principally of cash and cash equivalents, and payment service provider receivables. The Group manages its credit risk associated with cash concentrations by concentrating its cash deposits in high-quality financial institutions and by periodically evaluating the credit quality of the primary financial institutions holding such deposits. The Group does not have any off-balance-sheet credit exposure related to its customers or payment service providers.

**FENIX INTERNATIONAL LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2023**

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**24. FINANCIAL INSTRUMENTS (CONTINUED)**

The Group considers the probability of default on initial recognition of an asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information.

Impairments of financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. The Directors do not consider these judgements to have a material impact on the carrying amounts of financial assets recognised in the financial statements.

**Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's objective when managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group has significant cash balances and no borrowings and therefore liquidity is not deemed a risk. Cash flow forecasts are prepared on an ongoing basis to monitor liquidity.

As at 30 November 2023, the Group's non-derivative financial liabilities have contractual maturities (including interest payments where applicable) as summarised below:

	<b>Within 6 months \$000</b>	<b>Current 6-12 months \$000</b>	<b>Non-current 1-5 years \$000</b>	<b>Later than 5 years \$000</b>
Trade and other payables	<u>600,429</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Market risk**

Market risk is the risk that changes in market prices – e.g. foreign exchange rates, interest rates and equity prices – will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return. The Group uses derivatives to manage market risks. From time to time, the Group enters into forward contracts to manage the exposure on contracts with forecasted transactions denominated in non-functional currencies and to manage the risk of transaction gains and losses associated with assets and liabilities denominated in currencies other than the functional currency ("FX forward contracts").

**Risk management objectives and policies**

The Group's Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management objectives and policies. The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate controls and to monitor risks. Further detail of the Group's principal risks and controls are set out in the Strategic Report.

FENIX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

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24. FINANCIAL INSTRUMENTS (CONTINUED)

**Financial assets and liabilities**

The IFRS 9 categories of financial assets and liabilities included in the Group statement of financial position are all held at amortised cost other than derivative financial assets, which are held at fair value through profit and loss.

25. FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Due to the short-term nature of the financial instruments included in current assets and liabilities in the consolidated statement of financial position, the carrying values are considered to be representative of their respective fair values.

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

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

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

Level 3: unobservable inputs for the asset or liability.

The following table shows the levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis at 30 November 2023 and 30 November 2022:

	Level 1	Level 2	Level 3	Total
	\$000	\$000	\$000	\$000
<b>30 November 2023</b>				
<i>Financial assets</i>				
Foreign exchange contract	-	397	-	397
	<u>-</u>	<u>397</u>	<u>-</u>	<u>397</u>
<b>30 November 2022</b>				
<i>Financial assets</i>				
Foreign exchange contract	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Measurement of fair value of financial instruments**

Foreign exchange forward contracts are valued using models based on observable market inputs such as forward and spot currency exchange rates on a recurring basis. Based on these inputs, foreign exchange forward contracts are classified within Level 2 of the valuation hierarchy.

Cryptocurrency assets are measured at fair value on a recurring basis. The fair value of cryptocurrency assets is determined using quoted prices for identical securities from active markets. These valuations should be in line with market practice and therefore can be based on bid prices.

26. CAPITAL RISK MANAGEMENT

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



FENIX INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2023

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27. RELATED PARTY TRANSACTIONS

Group

Transactions with key management personnel

	2023 \$000	2022 \$000
Short-term employee benefits	<u>5,441</u>	<u>9,881</u>

The entities below are related parties of the Group. The transactions during the financial year and balances as at 30 November with these related parties were as follows:

*Platform monthly server storage costs*

Included in amounts owed to related parties is an amount of \$nil (2022: \$21,000) in relation to platform monthly server storage costs.

*Media backup services*

Amounts charged by related parties include payments for media backup services. In 2023 the costs were \$2,400,000 (2022: \$2,400,000).

Included in amounts owed to related parties is an amount of \$200,000 (2022: \$200,000) relating to payment of media backup services for Fenix International Limited.

*Payment management services*

Included in amounts owed by related parties is an amount of \$nil (2022: \$3,396,000), and included in amounts owed to related parties is an amount of \$nil (2022: \$6,636,000), in relation to payment management services.

*Legal services*

Amounts charged by related parties include legal fees. In 2023 the costs were \$nil (2022: \$240,000).

Included in amounts owed to related parties is an amount of \$nil (2022: \$20,000).

<b>Amounts owed by related parties - current</b>	<b>2023 \$000</b>	<b>2022 \$000</b>
Related parties by virtue of common director	<u>-</u>	<u>3,396</u>
<b>Amounts owed to related parties - current</b>	<b>2023 \$000</b>	<b>2022 \$000</b>
Related parties by virtue of common director	<u>200</u>	<u>6,877</u>

None of the transactions incorporate special terms and conditions and no guarantees were given or received. Outstanding balances are usually settled in cash. Transactions in the year related to the ordinary course of trade.

**28. FINANCIAL COMMITMENTS, GUARANTEES AND CONTINGENT LIABILITIES**

**Legal:**

The Company is subject to various ongoing legal proceedings, claims and tax inquiries and investigations arising in the ordinary course of its business and the Company may in the future be subject to additional legal proceedings and disputes. Management believes that these types of proceedings are common within the field that the Company operates and that the ultimate resolutions of these matters will not have a material adverse effect upon the Company's financial position, results or operations.

**Sales Tax and VAT:**

As of 30 November 2023 and 2022, the total of the Company's sales tax, VAT liability and provisions were approximately \$122,780,000 and \$107,500,000, respectively. This includes sales tax and VAT amounts collected that were not due to be remitted of approximately \$62,760,000 and \$57,900,000 as of 30 November 2023 and 2022 respectively.

The Company started collecting sales taxes and VAT in the UK and Europe from 1 July 2020 and continued the application globally where required through to the current year. As part of the process the Company has reviewed its historic obligations for global sales tax and VAT.

The Company has during the year entered into a guarantee with its subsidiary Delivery Code Limited under S479C of the Companies Act 2006 meaning that Delivery Code Limited (08662491) is exempt from audit under S479A of the Companies Act 2006.

**29. EVENTS AFTER THE REPORTING DATE**

Subsequent to the year end the following dividends were declared:

- 29 December 2023, \$29 per Ordinary share totalling \$29,000,000.
- 26 January 2024, \$43 per Ordinary share totalling \$43,000,000.
- 26 February 2024, \$40 per Ordinary share totalling \$40,000,000.
- 29 March 2024, \$47 per Ordinary share totalling \$47,000,000.

**30. CONTROLLING PARTY**

The ultimate controlling party is deemed to be L Radvinsky by virtue of his majority shareholding.