Registered number: 07110878

WORLDREMIT LTD.

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

WORLDREMIT LTD.

Annual report and consolidated financial statements for the year ended 31 December 2016

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DIRECTORS AND PROFESSIONAL ADVISORS

BOARD OF DIRECTORS	Jonathan Addis Ismail Ahmed Hendrik Nelis John Rosenberg Catherine Wines
COMPANY SECRETARY	Catherine Wines
REGISTERED NUMBER	07110878
REGISTERED OFFICE	WorldRemit Ltd. 62 Buckingham Gate London SW1E 6AJ
INDEPENDENT AUDITORS	PricewaterhouseCoopers LLP 1 Embankment Place London WC2N 6RH

WORLDREMIT LTD.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

REVIEW OF THE BUSINESS

The directors present their strategic report for WorldRemit Ltd. (the "Company") and its subsidiaries (together the "Group").

Major shareholders supporting the Group's growth include Accel Partners and Technology Crossover Ventures. The Group also has working capital facilities with Silicon Valley Bank and TriplePoint Capital. The Group ended 2016 with £18.9m of total equity, £28.7m of cash and cash equivalents and £9.1m of undrawn working capital facilities.

The Board believes that the Group is well placed both financially and operationally to continue its growth in 2017.

PRINCIPAL ACTIVITIES

The Group provides an online service that lets people send international money transfers to family and friends, using a smartphone, tablet or computer. Payments are made using debit card, credit cards or bank transfer. It is a convenient, low-cost alternative to traditional money transfer companies that use high street agents and typically charge higher fees. Money can be received on a mobile money wallet, by cash pickup or bank deposit. The Group also offers the ability to send a mobile airtime top-up to prepaid phones. The Group service is available to senders in over 50 countries. Transfers can be sent to more than 140 destinations across Europe, Asia, Africa, Australia and the Americas.

The Group has built a global network of relationships with financial institutions, mobile telecommunication companies and other business partners - connected via our proprietary technology platform - which enables almost instantaneous payment to recipients.

The Company is authorised and regulated by the Financial Conduct Authority (FCA) under the Payment Service Regulations 2009 for the provision of payment services, under registration number 574642, effective as of 13 June 2012. Additionally, the subsidiary companies hold active money transfer licences or authorisations in countries where money transfer services are provided.

KEY PERFORMANCE INDICATORS AND FUTURE DEVELOPMENTS

WorldRemit has delivered strong growth since its inception and this continued through 2016. Our two key performance indicators, Revenues and Number of Transactions, continue to trend positively into 2017.

KPIs	2014	2015	2016
Transactions (number)	1.9m	3.5m	5.4m
Revenue (£m)	15.2m	26.8m	41.1m
Employees (number)	135	198	324

The Group continued to invest in its products, services and operations during 2016 and expects to continue increasing investment for 2017. The Board considers the Group to be strongly capitalised at the end of 2016 and well positioned for continued growth into 2017.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group faces operational and financial risks in the ordinary course of its business, the most important of which we have summarised below. These risks are managed on both a Group-wide and local basis. The Board reviews and agrees policies for managing the key financial risks, summarised in note 3 to the financial statements.

Strategic risk: The Group's strategy is to become a leading player in the global remittance market. The strategic risk can arise from the uncertainty and untapped opportunities embedded in that strategic intent and how well they are executed. The Board meets regularly to review the Group's strategy, progress in delivery thereof and any necessary changes thereto. Management operates and manages changes to the business in accordance with that strategy.

Reputational risk: Customer confidence in our brand and the ability to provide fast, reliable transfer and payment services are critical to the Group's success. The Group is investing substantial resources in building and protecting its brand including operating a strong compliance orientated culture.

Regulatory risk: The business of the Company and its subsidiaries are regulated by governments and governmental bodies (including FCA in the UK) in the countries within which it operates across the globe. We, along with our payment processors and receive country correspondents, are subject to an extensive set of legal and regulatory requirements, including licensing and reporting requirements. We have put in place systems and controls to minimise the risk that we breach applicable regulations or laws. Breaches may result in regulatory actions, interference with our ability to transfer money reliably, attempts to seize transaction funds, or restrict our payment processors or disbursement partners' ability to transfer money. The Group mitigates this regulatory risk by ensuring a strong compliance culture throughout all levels of the business, investing in appropriate systems, controls and training.

Operational risk: The Group considers its main business operational risks to be corridor risk (i.e. ability to process funds from send country to receive country) and transactional loss risk (i.e. the risk that the cost of completing an individual remittance exceeds the revenue earned by the Group on that remittance). Corridor risk is managed by selecting and working with appropriate partners at both the send and receive end of each corridor coupled with a high focus on compliance and strong operational controls. Transactional loss risk is managed by transactional controls, regular monitoring and reporting of revenues, costs and margins by corridor as well as by send and receive markets with appropriate actions being taken when necessary.

Competitive risk: The markets in which we compete are highly competitive and are highly fragmented. The largest players in our market are The Western Union Company and MoneyGram International, Inc. We also compete against smaller, country-specific competitors, banks and informal person-to-person money transfer service providers. Our market is evolving quickly with new competitors and new products entering and competition intensifying. To compete successfully we will need to continue to enhance our products & services, technology, marketing and customer services as well as increase our financial resources.

Foreign exchange risk: We deliver customer remittances from the send currency in the send country to the receive currency in the receive country. In most cases the delivery occurs within a matter of minutes of sending. To enable payment in the receive currency in the receive country we generally prefund the receive correspondents one to two days in advance in accordance with expected volumes. We prefund those correspondents using our own resources and working capital facilities from third parties topped up in due course by send funds. We are exposed to exchange risk during this process which we mitigate by speed of delivery between send and receive, efficient forecasting and timely conversion of send currencies into expected receive currencies.

Being an international business we also have assets and liabilities denominated in currencies other than our sterling reporting currency which are subject to exchange rate risk.

Credit risk: The Company prefunds many of the receive country correspondents to enable them to meet expected demand. The Company carefully manages the amounts which are prefunded and regularly reviews the financial strength of these correspondents. However, a financial failure by a correspondent would likely result in financial loss for the Company.

WORLDREMIT LTD.

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016 (CONTINUED)

Liquidity risk; The liquidity risk the Group faces is if it has insufficient cash to meet its day to day obligations as they fall due. The Group addresses this risk through a combination of proactive treasury activities, shareholder funds and third party working capital finance facilities.

This report was approved by the board and signed on its behalf on 13 April 2017.

Ismail Ahmed, Director

WORLDREMIT LTD.

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The results for the year ended 31 December 2016, together with the comparative figures for the year ended 31 December 2015, have been prepared under International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

RESEARCH AND DEVELOPMENT

The Group will continue to invest in financial software development and innovation in its products. During the year the Group capitalised £3.4m (2015: £3.9m) of software development costs.

EMPLOYEES

The Group attaches importance to good communications and relations with employees. Meetings are actively held to fulfil the objectives on a frequent basis. All employees are kept up to date with developments in the Group and financial factors expected to affect the Group performance.

DONATIONS

The Group did not have any material charitable donations for the year ended 31 December 2016 (2015 £nil).

FUTURE OUTLOOK

The directors are confident of the future performance of the Company and its subsidiaries. The Group continues to deliver strong revenue growth and increase its customer base. Further details are disclosed above on page 3.

GOING CONCERN

In adopting the going concern basis for preparing the financial statements, the directors have considered the business activities as set out in the Strategic Report as well as the Group's principal risks and uncertainties. Based on the Group's cash flow forecasts and projections, the Board is satisfied that the Group will be able to operate within the level of its facilities for the foreseeable future. For this reason, the Group continues to adopt the going concern basis in preparing its financial statements.

DIVIDENDS

The directors do not propose the payment of a dividend (2015 £nil).

DIRECTORS

The Directors of the Company during the year and up to the date of approval of these financial statements were:

Jonathan Addis
Ismail Ahmed
Hendrik Nelis
John Rosenberg
Catherine Wines

WORLDREMIT LTD.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with IFRSs as adopted by the European Union. 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 these 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 applicable IFRS standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company and the Group will continue in business.

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

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP are expected to be reappointed by resolution of the shareholders at the general meeting.

This report was approved by the board and signed on its behalf on 13 April 2017.

Ismail Ahmed, Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDREMIT LTD.

REPORT ON THE FINANCIAL STATEMENTS

Our opinion
In our opinion, WorldRemit Ltd.'s group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2016 and of the group's and the company's loss and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited
The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the consolidated and company statement of financial position as at 31 December 2016;
- the consolidated and company income statement and statement of comprehensive income for the year then ended;
- the consolidated and company statement of cash flows for the year then ended;
- the consolidated and company statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is IFRSs as adopted by the European Union, and applicable law.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Strategic Report and the Directors' report for the financial 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.

In addition, in light of the knowledge and understanding of the group, the company and their environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' report. We have nothing to report in this respect.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Adequacy of accounting records and information and explanations received
Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WORLDREMIT LTD. (CONTINUED)

Directors' remuneration
Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS AND THE AUDIT

Our responsibilities and those of the directors
As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Group's and the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' report, we consider whether those reports include the disclosures required by applicable legal requirements.

Adri Loubser

Adri Loubser (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
13 April 2017

WORLDREMIT LTD.

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Revenue	4	41,054,489	26,812,849
Cost of sales	5	(16,782,556)	(11,541,711)
Gross profit		24,271,933	15,271,138
Administrative expenses	5	(37,871,660)	(34,515,862)
Operating loss before depreciation, amortisation and share based payments		(10,212,814)	(18,123,572)
Depreciation	12	(664,284)	(310,249)
Amortisation	11	(1,940,423)	(726,958)
Share based payments	21	(782,206)	(83,945)
Operating loss on ordinary activities before interest and taxes		(13,599,727)	(19,244,724)
Finance income	7	4,975	34,470
Finance costs	7	(1,797,695)	(248,298)
Loss before income tax		(15,392,447)	(19,458,552)
Income tax credit	10	186,380	1,302,542
Loss for the year attributable to equity shareholders		(15,206,067)	(18,156,010)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

		2016 £	2015 £
Loss for the year		(15,206,067)	(18,156,010)
Other comprehensive income/(loss)			
Currency translation differences	20	646,560	(59,458)
Total comprehensive loss attributable to equity holders		(14,559,507)	(18,215,468)

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

WORLDREMIT LTD.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 £	31 December 2015 £	1 January 2015 £
Assets				
Non-current assets				
Intangible assets	11	7,896,137	6,049,169	2,027,412
Property, plant and equipment	12	2,165,437	2,401,230	214,176
Deferred tax assets	10	673,231	505,322	-
		10,734,805	8,955,721	2,241,588
Current assets				
Trade and other receivables	15	18,851,834	21,221,682	9,755,128
Cash and cash equivalents	16	28,730,808	16,058,462	7,935,768
		47,582,642	37,280,144	17,690,896
Total assets		58,317,447	46,235,865	19,932,484
Liabilities				
Current liabilities				
Trade and other payables	17	24,146,590	9,433,533	6,458,299
		24,146,590	9,433,533	6,458,299
Non-current liabilities				
Deferred tax liabilities	10	549,963	465,740	-
Other non-current liabilities	18	14,695,680	4,185,904	1,217,907
		15,245,643	4,651,644	1,217,907
Total liabilities		39,392,233	14,085,177	7,676,206
Net assets		18,925,214	32,150,688	12,256,278
Equity				
Share capital	19	2,472	2,446	2,133
Share premium	19	62,830,912	62,830,912	25,193,451
Accumulated losses		(46,926,363)	(31,720,295)	(13,604,284)
Other reserves	20	3,018,193	1,037,625	664,978
Total equity		18,925,214	32,150,688	12,256,278

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

These financial statements on pages 10 to 13 were approved by the Board of Directors and signed on its behalf on 13 April 2017 by

Ismail Ahmed, Director

WORLDREMIT LTD.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Share capital £	Share premium £	Other reserves £	Accumulated losses £	Total equity £
Balance at 1 January 2015		2,133	25,193,451	664,978	(13,604,284)	12,256,278
Comprehensive loss						
Loss for the year		-	-	-	(18,156,010)	(18,156,010)
Prior year IFRS adjustment		-	-	-	40,000	40,000
Total comprehensive loss		-	-	-	(18,116,010)	(18,116,010)
Other comprehensive income/(loss)						
Equity conversion reserve	20	-	-	348,161	-	348,161
Currency translation differences	20	-	-	(59,458)	-	(59,458)
Total other comprehensive income/(loss)		-	-	288,703	-	288,703
Total comprehensive income/(loss)		-	-	288,703	(18,116,010)	(17,827,306)
Transactions with shareholders						
Share based payments	21	-	-	83,945	-	83,945
Proceeds from shares issued	19	313	37,637,461	-	-	37,637,774
Total transactions with shareholders		313	37,637,461	83,945	-	37,721,718
Balance at 31 December 2015 and at 1 January 2016		2,446	62,830,912	1,037,625	(31,720,295)	32,150,688
Comprehensive loss						
Loss for the year		-	-	-	(15,206,067)	(15,206,067)
Total comprehensive loss		-	-	-	(15,206,067)	(15,206,067)
Other comprehensive income						
Equity conversion reserve	20	-	-	551,802	-	551,802
Currency translation differences	20	-	-	646,560	-	646,560
Total other comprehensive income		-	-	1,198,362	-	1,198,362
Total comprehensive income/(loss)		-	-	1,198,362	(15,206,067)	(14,007,705)
Transaction with shareholders						
Share based payments	21	-	-	782,206	-	782,206
Proceeds from shares issued	19	26	-	-	-	26
Total transactions with shareholders		26	-	782,206	-	782,232
Balance at 31 December 2016		2,472	62,830,912	3,018,193	(46,926,363)	18,925,214

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

WORLDREMIT LTD.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Cash generated from/(used in) operations	14	7,322,200	(25,117,609)
Interest paid		(1,229,275)	(79,715)
Income taxes paid		(355,291)	(12,113)
Net cash generated from/(used in) operating activities		5,737,634	(25,209,437)
Cash flows from investing activities			
Additions to property, plant and equipment	12	(474,660)	(2,501,197)
Additions to intangible assets	11	(3,807,755)	(4,748,715)
Interest income	7	4,975	34,470
Proceeds from sale of property, plant and equipment		-	1,260
Net cash used in investing activities		(4,277,440)	(7,214,182)
Cash from financing activities			
Proceeds from non-current liabilities	18	10,509,776	2,967,997
Proceeds from share related transactions	19	26	37,637,774
Net cash generated from financing activities		10,509,802	40,605,771
Net increase in cash and cash equivalents		11,969,996	8,182,152
Cash and cash equivalents at 1 January	16	16,058,462	7,935,768
Effect of exchange rate changes on cash and cash equivalents		702,350	(59,458)
Cash and cash equivalents at 31 December	16	28,730,808	16,058,462

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

COMPANY INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Revenue		33,851,806	22,737,939
Cost of sales	5	(7,941,280)	(6,423,416)
Gross profit		25,910,526	16,314,523
Administrative expenses	5	(39,972,000)	(36,176,553)
Operating loss before depreciation, amortisation and share based payments		(10,999,233)	(18,910,879)
Depreciation	12	(455,063)	(190,436)
Amortisation	11	(1,824,972)	(676,770)
Share based payments	21	(782,206)	(83,945)
Operating loss on ordinary activities before interest and taxes		(14,061,474)	(19,862,030)
Finance income	7	4,797	32,681
Finance costs	7	(1,797,695)	(248,298)
Loss before income tax		(15,854,372)	(20,077,647)
Income tax credit	10	345,037	1,440,245
Loss for the year attributable to equity shareholders		(15,509,335)	(18,637,402)

COMPANY STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Loss for the year		(15,509,335)	(18,637,402)
Other comprehensive loss			
Currency translation differences	20	(52,318)	-
Total comprehensive loss attributable to equity holders		(15,561,653)	(18,637,402)

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

WORLDREMIT LTD.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	31 December 2016 £	31 December 2015 £	1 January 2015 £
Assets				
Non-current assets				
Intangible assets	11	7,485,665	5,644,004	1,708,014
Property, plant and equipment	12	1,844,238	1,968,760	213,411
Deferred tax assets	10	549,963	465,740	-
Investments	13	3,643,377	3,084,884	3,084,884
		13,523,243	11,163,388	5,006,309
Current assets				
Trade and other receivables	15	21,104,803	23,083,466	10,108,879
Cash and cash equivalents	16	21,776,450	11,611,891	5,400,328
		42,881,253	34,695,357	15,509,207
Total assets		56,404,496	45,858,745	20,515,516
Liabilities				
Current liabilities				
Trade and other payables	17	22,936,150	8,756,778	6,319,764
		22,936,150	8,756,778	6,319,764
Non-current liabilities				
Deferred tax liabilities	10	549,963	465,740	-
Other non-current liabilities	18	14,695,680	4,185,904	1,217,907
		15,245,643	4,651,644	1,217,907
Total liabilities		38,181,793	13,408,422	7,537,671
Net assets		18,222,703	32,450,323	12,977,845
Equity				
Share capital	19	2,472	2,446	2,133
Share premium	19	62,830,912	62,830,912	25,193,451
Accumulated losses		(47,116,213)	(31,606,877)	(13,009,476)
Other reserves	20	2,505,532	1,223,842	791,737
Total equity		18,222,703	32,450,323	12,977,845

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

These financial statements on pages 14 to 17 were approved by the Board of Directors and signed on its behalf on 13 April 2017 by

Ismail Ahmed, Director

WORLDREMIT LTD.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	Share capital £	Share premium £	Other reserves £	Accumulated losses £	Total equity £
Balance at 1 January 2015		2,133	25,193,451	791,737	(13,009,476)	12,977,845
Comprehensive loss						
Loss for the year		-	-	-	(18,637,402)	(18,637,402)
Prior year IFRS adjustment		-	-	-	40,000	40,000
Total comprehensive loss		-	-	-	(18,597,402)	(18,597,402)
Other comprehensive income						
Equity conversion reserve	20	-	-	348,161	-	348,161
Total other comprehensive income		-	-	348,161	-	348,161
Total comprehensive income/(loss)		-	-	348,161	(18,597,402)	(18,249,241)
Transactions with shareholders						
Share based payments	21	-	-	83,945	-	83,945
Shares allotted	19	312	37,637,461	-	-	37,637,774
Total transactions with shareholders		312	37,637,461	83,945	-	37,721,719
Balance at 31 December 2015 and at 1 January 2016		2,446	62,830,912	1,223,842	(31,606,877)	32,450,323
Comprehensive loss						
Loss for the year		-	-	-	(15,509,335)	(15,509,335)
Total comprehensive loss		-	-	-	(15,509,335)	(15,509,335)
Other comprehensive income/(loss)						
Equity conversion reserve	20	-	-	551,802	-	551,802
Currency translation differences		-	-	(52,318)	-	(52,318)
Total other comprehensive income/(loss)		-	-	499,484	-	499,484
Total comprehensive income/ (loss)		-	-	499,484	(15,509,335)	(15,009,851)
Transactions with shareholders						
Share based payments	21	-	-	782,206	-	782,206
Shares allotted	19	26	-	-	-	26
Total transactions with shareholders		26	-	782,206	-	782,232
Balance at 31 December 2016		2,472	62,830,912	2,505,532	(47,116,213)	18,222,703

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

WORLDREMIT LTD.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Cash generated from/(used in) operations	14	4,944,433	(27,785,997)
Interest paid		(1,229,274)	(79,715)
Income taxes paid		(4,963)	-
Net cash generated from/(used in) operating activities		3,710,196	(27,865,712)
Cash flows from investing activities			
Additions to property, plant and equipment	12	(334,616)	(1,949,677)
Additions to intangible assets	11	(3,666,633)	(4,612,760)
Interest received	7	4,797	32,681
Proceeds from sale of property, plant and equipment		-	1,260
Net cash used in investing activities		(3,996,452)	(6,528,496)
Cash from financing activities			
Proceeds from non-current liabilities	18	10,509,776	2,967,997
Proceeds from share related transactions	19	26	37,637,774
Net cash generated from financing activities		10,509,802	40,605,771
Net increase in cash and cash equivalents		10,223,546	6,211,563
Cash and cash equivalents at 1 January	16	11,611,891	5,400,328
Effect of exchange rate changes on cash and cash equivalents		(58,987)	-
Cash and cash equivalents at 31 December	16	21,776,450	11,611,891

The accompanying notes on pages 18 to 42 form an integral part of these financial statements.

1. GENERAL INFORMATION

The Company is incorporated and domiciled in the United Kingdom under the Companies Act 2006. The address of the registered office is 62 Buckingham Gate, London, SW1E 6AJ. The principal activities of the Company and its subsidiaries ('the Group") are disclosed in the Strategic report.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

2.1 BASIS OF PRESENTATION

The consolidated financial statements of the Group have been prepared in accordance with IFRSs as adopted by the European Union, IFRS Interpretations Committee ("IFRS IC") interpretations and the Companies Act 2006 applicable to the companies reporting under IFRSs. The financial statements are presented in Pounds Sterling and have been prepared under the historical cost convention. Accounting policies have been applied consistently, other than where new policies have been adopted.

2.2 GOING CONCERN

The financial statements presented within have been prepared on a going concern basis.

2.2.1 Changes in accounting policy and disclosures

(a) New and amended standards adopted by the Group

Amendments to IAS 16 Property, Plant and Equipment

The IASB has clarified that a depreciation method based on revenue is not an appropriate method in determining a pattern in which the asset's future economic benefits are consumed. The amendments are effective for accounting periods beginning on or after 1 January 2016. The Company adopted IAS 16 effective 1 January 2016.

Amendments to IAS 38 Intangible Assets

The amendments clarify the suitability of using a revenue-based method of amortisation for intangible assets. The amendments are similar to those made to IAS 16, however, the amendments to IAS 38 include a rebuttable presumption that an amortisation method based on revenue generated is not appropriate. The Company adopted IAS 38 effective 1 January 2016.

There are no other IFRSs or IFRIC interpretations that are effective for the first time for the financial year beginning on or after 1 January 2016 that would be expected to have a material impact on the Group.

(b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 January 2016 and not early adopted

IFRS 7 Financial Instruments: Disclosures

IFRS 7 addresses the disclosure requirements relating to the significance of financial instruments to an entity and the nature and extent of risks associated with those financial instruments. Additional hedge accounting disclosures will be required when IFRS 9 becomes effective. The Group is yet to assess the full impact of the standard.

IFRS 9 Financial Instruments

IFRS 9 addresses the classification and measurement of financial assets and will replace IAS 39. The Standard is effective for accounting periods commencing on or after 1 January 2018, subject to adoption by the European Union. The Group is yet to assess the full impact of the standard.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

IFRS 15 Revenue from Contracts with Customers

The Standard sets out at what point and how revenue is recognised and requires enhanced disclosures. Revenue contracts should be recognised in accordance with a single, principles based five-step plan. The Standard is effective for accounting periods beginning on or after 1 January 2018. The Group is yet to assess the full impact of the standard.

IFRS 16 Leases

The Standard assesses the use of off-balance sheet leases, bringing most lessee leases on-balance sheet and eliminating the distinction between operating and finance leases, leaving lessor accounting largely unchanged. The Standard is effective for periods beginning on or after 1 January 2019. The Group is yet to assess the full impact of the standard.

Amendments to IAS 7 Statement of Cash Flows

The amendments aim to increase disclosure the financing activities of an entity. The evaluation of changes in liabilities requires disclosure of changes in financing cash flow, changes in control of subsidiaries or other business, the effect of foreign exchange rates and changes in fair value. The amendments are effective for accounting periods beginning on or after 1 January 2017. The Group is yet to fully assess the impact of the standard.

Amendments to IFRS 2 Clarifications of classification and measurement of share based payment transactions

The amendments clarify the effects of vesting conditions on measurement of performance-related cash-settled share-based payment transactions. The requirement specifies that cash-settled share-based payments shall follow the same approach used for equity-settled share-based payments. The amendments also clarify the classification of share-based payment transactions with net settlement features and the modification of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for accounting periods beginning on or after 1 January 2018. The Group is yet to fully assess the impact of the standard.

Amendments to IAS 12 Income Taxes

The amendments clarify the recognition of deferred tax assets for unrealised losses. The amendments clarify that unrealised losses on debt instruments give rise to deductible temporary differences regardless of whether the carrying amount of the debt instrument is recovered by sale or through use. Assessments of deferred tax assets should be performed by type of assets in the event tax law restricts the utilisation of tax losses. The amendments are effective for accounting periods beginning on or after 1 January 2017. The Group is yet to fully assess the impact of the standard.

Annual Improvements to IFRS 2010-2012 Cycle

The issues addressed in this cycle cover IFRS2, IFRS3, IFRS8, IFRS13, IAS7, IAS16, IAS24 and IAS38. The Annual Improvements are effective for accounting periods beginning on or after 1 February 2015. The Company does not consider any of these issues significantly impact the Company's financial statements.

Further issues are addressed in the Annual Improvements 2012-2014 cycle, which are effective for accounting periods beginning on or after 1 July 2016, subject to adoption by the European Union.

There is also a Disclosure Initiative which incorporates amendments to IAS1 which is effective for accounting periods beginning on or after 1 January 2016, subject to adoption by the European Union. The Group has reflected these amendments, where appropriate, in these financial statements.

There are no other IFRSs or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the Group.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

2.3 Basis of consolidation

The financial statements consolidate the financial statements of the Company and all its subsidiaries. Subsidiaries are all entities over which the Group has control. Subsidiaries are fully consolidated from the date on which control passes to the Group and are deconsolidated from the date that control ceases. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All intra-group transactions, balances, income, expenses and unrealised gains have been eliminated on consolidation. Subsidiary investments held by the Company are carried at cost.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies in line with those used by the Group.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for services, stated net of discounts and returns. The Company recognises revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Company's activities. The Company sells money transfer and air time top up services. Fees on services provided and foreign exchange gains are recognised when transactions are confirmed by customers.

2.5 Intangible assets

Intangible assets relate to website development, software developments and licence costs. These are capitalised where the benefit from the expenditure extends into future accounting periods. Prior to 1 January 2016, capitalised development assets were amortised over five years in line with the forecasted revenue of the Group. Effective 1 January 2016, following adoption of the amendments to IAS 38, capitalised development assets are amortised over five years on a straight-line basis with the impact of the change reflected in the year of adoption. All other intangible assets are amortised are amortised over 36 months.

At each reporting date, the Group reviews the carrying amounts of its intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount (higher of an asset's fair value less costs to sell and value in use) of the asset is estimated to determine the extent of any impairment loss. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated income statement. Assets are stated at cost less accumulated amortisation and any recognised impairment.

2.6 Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost at acquisition less accumulated depreciation. Cost include the original purchase price for the asset and costs attributable to bringing the asset to its working condition for its intended use.

Depreciation is provided on all property, plant and equipment to write off the cost, less any residual value, on a straight-line basis over the expected useful economic lives of the assets concerned by applying the following annual rates.

Leasehold improvements	-	Over the remaining term of the lease
Fixtures & fittings	-	3 years straight-line
Office equipment	-	3 years straight-line
Computer equipment	-	3 years straight-line

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

At each reporting date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If the asset's carrying amount is greater than its estimated recoverable amount, an asset's carrying amount is written down immediately to its recoverable amount (higher of an asset's fair value less costs to sell and value in use). Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the consolidated income statement.

2.7 Trade payables

Trade payables comprise obligations to pay suppliers for goods and services used in the ordinary course of business and money transfers not yet disbursed to the intended recipient.

Trade payables are classified as current liabilities if settlement is due within one year or less. If not, they are presented as non-current liabilities.

2.8 Investments

Investments are made by the Company to the subsidiaries and are eliminated at the consolidated level. These investments are valued at cost less any provision for impairment and reviews are performed whenever there has been an indication of potential impairment.

2.9 Operating leases

Leases in which a significant portion of the risks and rewards of ownership transfers to the Group are treated as finance leases. All other leases are considered operating leases.

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, net of any incentives from the lessor.

2.10 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in 'Pounds Sterling' (£), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

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

(c) Group subsidiaries

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each reporting date presented are translated at the closing rate at the date of the reporting period end date,

(ii) income and expenses items are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions), and

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(iii) all resulting exchange differences are recognised in the other comprehensive income.

On consolidation, exchange differences arising from the translation of local currency assets and liabilities are taken to other comprehensive income.

2.11 Convertible loans

The proceeds received from issuance of convertible loan notes are allocated to their liability and equity components and presented separately in the Statement of Financial Position, within borrowings and other reserves, respectively. The amount initially attributable to the debt component equals the discounted cash flows using a market rate of interest that would be payable on a similar debt instrument that did not include an option to convert into equity. The difference between the net proceeds of the convertible debt and the amount allocated to the debt component is credited to an equity reserve and is not subsequently re-measured. Each period, the liability component is re-measured, discounting for current market conditions, and any adjustment necessary is recognised against the current fair value of the debt and as an expense on the income statement. On conversion, the debt and equity elements are credited to share capital and share premium as appropriate.

2.12 Long term loans with warrants

The fair value of the warrants issued as a condition of the long term loans is determined using a Black Scholes calculation. Inputs are based on market and Company conditions at the time of issuance of the debt component. The fair value is recorded to Other reserves with the remainder of the proceeds being recorded as discounted value of the liability. Issue costs are recorded as a deduction of the fair value of the long term loan and together with finance costs are charged to the income statement over the term of the borrowings.

2.13 Taxation

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 equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Company and its subsidiaries operate and generate taxable income.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of the assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferring income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same tax authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.14 Share based compensation

The Group makes share based payments to certain employees. These payments are measured at their estimated fair value at the date of the grant, calculated using a Black Scholes model.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

The fair value determined at the grant date is expensed using a grading vesting method over the vesting period, based on the estimate of the number of shares that will eventually vest.

Each period end the assumptions are evaluated and based on the mark to market adjustment, the liability component is recorded with an expense being recorded to staff costs on the income statement.

The key assumptions used in calculating the fair value of the options are the discount rate, the Group's share price volatility, risk-free rate of return, and expected option lives. Management performs a review of the estimate of shares expected to vest, dependant on the number of leavers.

2.15 Pension scheme arrangements

The Group operates several defined contribution pension schemes for the benefit of employees. The amount charged to the profit and loss account is the contribution payable by the Group in the year.

Differences between contributions payable and contributions paid are shown as accruals in the statement of financial position.

2.16 Share capital

Ordinary and preferred shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.17 Provisions and contingencies

Provisions are recognised when the Group has a present legal or constructive obligation arising from past events and it is probable that an outflow of resources will be required to settle the obligation; and if the amount can be reliably measured. If the obligation cannot be reliably measured, it is classified as a contingent liability.

2.18 Critical accounting estimates

The key sources of estimation at the reporting date are discussed below:

(a) *Impairment of intangible and property, plant and equipment*

The Group tests whether internally generated software and website development costs (i.e. research and development) have suffered any impairment if there has been a triggering event, in accordance with the accounting policy stated in note 2.5. This evaluation may require the use of estimates. Any provision for impairment is not discounted as the effect of this is not material.

(b) *Share based payments and other equity based instruments*

The Group has used the Black Scholes valuation model to determine the fair value of Share based payments and warrants attached to the Long term loans. Any changes to volatility and assumptions made by management will impact the valuation. See note 21 for additional information.

(c) *Income tax credits*

The Group capitalises intangible assets related to website and software research and development. See note 2.5 for capitalisation policy on intangible assets. In the UK, the Company is eligible and has applied for the UK research and development credits for years 2013 to present. For applications filed but not yet received, the Company estimates the probability and amount expected to be received and includes in the Consolidated Income Statement.

3. FINANCIAL RISK MANAGEMENT

In the course of business the Group is exposed to a variety of financial risks such as credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk). The Group's overall risk management programme focuses on operational complexities and credit risk, seeking to minimise potential adverse effects on the Group's financial performance utilising operational policies and procedures.

Risk management is led by senior management whom decide on treasury policies to manage the main financial risks.

(a) *Credit Risk*

The Group has implemented certain operational processes and policies to address the Group's credit risks arising from transactional bad debt and use of third parties to process Group funds.

Transactional bad debt risk is managed by transactional controls and regular monitoring and reporting. The Group has implemented fraud and compliance checks that include appropriate credit checks on specific potential customers before the customer can effectively transact on the platform. Additionally, transactions for new customers are often held until cleared funds have been received.

Third party processor risk is managed by selecting and working with appropriate third parties for both the send and receive sides of the transaction coupled with a high focus on compliance and strong operational controls.

Customer funds are initially remitted by the customer to third party payment processors – usually banks or card payment processors – before being transferred to the Group's own bank accounts. These payment processor relationships are well established and subject to contracts. Credit ratings for third party payment processors are regularly evaluated and the related credit risk is mitigated by daily clearance of balances and utilisation of many established industry partners. Accordingly, these balances are considered to have a very low risk of impairment. The Group records any bad debt costs as incurred.

To enable instantaneous pay-out to recipients the Group prefunds many of its receive country partners. Partners are required to comply with Company conditions before the Company prefunds them or utilises their services to pay recipients. The credit risk associated with these partners is regularly assessed by management and the related credit risk is mitigated by matching the level of funds held at these partners with the expected requirement over the following 24 – 48 hours and utilising established industry partners wherever possible. Accordingly, these partner balances are considered to have a low risk of impairment. The Group records any bad debt costs as incurred.

(b) *Liquidity Risk*

Liquidity risk arises from the dynamic business profile and growth of the business. Prudent liquidity management includes maintaining sufficient cash reserves and working capital facilities to facilitate this profile and growth. Cash flow is measured daily and forecasting is used to manage the projected business growth.

The Group finance team monitors rolling forecasts of the liquidity requirements on a daily basis to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its working capital financing facilities (note 16) at all times so that the Group maintains all necessary covenants and requirements. The Group also has additional working capital financing facilities at period end available for use (see note 18).

At the reporting date, the Group held cash and cash equivalents in excess of customer commitments of £26.4m together with a further $11.2m (£9.1m) of undrawn working capital financing facilities. The Group continually assesses the credit quality of its holdings with these banks on an ongoing basis and maintains a spread of cash across a number of established banking partners. The Group did not incur any losses during 2016 as a result of banking failures.

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Maturity Analysis

The table below shows a maturity analysis of undiscounted cash flows, showing items at the earliest date on which the Group could be required to pay the liability.

At 31 December 2016	Less than 1 year (£)	Between 2 and 5 years (£)
Non-current liabilities	-	14,695,680
Trade and other payables	24,146,590	-
Total	24,146,590	14,695,680

At 31 December 2015	Less than 1 year (£)	Between 2 and 5 years (£)
Non-current liabilities	-	4,185,904
Trade and other payables	9,433,533	-
Total	9,433,533	4,185,904

(c) *Market Risk*

Foreign exchange risk

The Group delivers customer remittances from send currency in the send country to the receive currency in the receive country. In the vast majority of cases, the recipient pay-out occurs with a matter of hours of sending. In order to enable payment in the receive currency, the Company prefunds many correspondent partners a number of days in advance in accordance with expected volumes. The Company prefunds those correspondents using its cash balances and working capital facilities from third parties. The Company is exposed to exchange risk during this process which is mitigated through speed of delivery between send and receive, efficient forecasting and regular conversion of send currencies into expected receive currencies.

Being an international business, the Group also has assets and liabilities denominated in currencies other than our sterling reporting currency which are subject to exchange rate risk. The Group does not use derivatives to hedge its currency or interest rate exposures. Below list the cash balances by region for cash and cash equivalents as at period-end. All other variables constant, if the UK sterling had weakened/strengthened against held currencies by +/- 1%, cash and cash equivalents available would be impacted by £0.2m (2015: £0.2m).

Cash balances by region	31 December 2016 (£)	1% change 2016 (£)	31 December 2015 (£)	1% change 2015 (£)
EMEA	11,215,547	37,829	5,411,010	54,110
Americas	10,510,877	105,109	4,849,715	48,497
Asia-Pacific	7,004,384	70,044	5,797,737	57,960
Total	28,730,808	212,982	16,058,462	160,567

3. FINANCIAL RISK MANAGEMENT (CONTINUED)

Interest rate risk

Changes in interest rates will affect the Group's obligation for borrowings and the associated interest charge in the profit/loss for the year. The Group currently does not use derivatives to hedge interest rate exposure but is evaluating the future use of material currency balances for Group obligations.

At 31 December 2016 the Group had £16.3m ($20.0m) of interest bearing borrowing (2015 - £4.2m) which was tied to the Wall Street Journal (WSJ) Prime Rate. The current variable rate as of 31 December 2016 was 3.75%, versus 3.5% as of 31 December 2015. All other variables constant, a change in the WSJ rate of +/- 0.25%, the net loss for the Group would not have materially impacted as of 2016 or 2015.

Capital risk management

The Group manages its capital to ensure that all subsidiaries in the Group will be able to continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of cash and cash equivalents (see note 16) and equity attributable to equity shareholders in the parent, comprising issued capital, reserves and accumulated losses. The Group's total debt to equity ratio is 2.08 as at 31 December 2016, up from 0.44 as at 31 December 2015, however both periods cash and cash equivalents exceeded total liabilities. The debt is primarily used to fund working capital. The Group has met all necessary debt covenants as at period-end. Currently, the Group does not pay any dividends.

4. REVENUE

Geographical breakdown (region)

Group	2016 £	2015 £
EMEA	22,833,478	16,260,255
Americas	7,044,866	3,860,811
Asia-Pacific	11,176,145	6,691,783
Total	41,054,489	26,812,849

5. EXPENSES BY NATURE

Group	31 December 2016 £	31 December 2015 £
Cost of sales		
Direct costs	16,782,556	11,541,711
Administrative expenses		
Depreciation of property, plant and equipment	664,284	310,249
Amortisation of intangible assets	1,940,423	726,958
Operating lease payments	2,756,800	2,283,436
Foreign exchange (gains)/losses	(642,225)	(387,758)
Employee expense including share based payments	13,826,848	9,776,898
Marketing and communications	8,310,864	11,541,777
Other customer acquisition costs	4,417,271	3,886,117
Other expenses	6,597,395	6,378,185
Total administrative expenses	37,871,660	34,515,862
Total cost of sales and administrative expenses	54,654,216	46,057,573

5. EXPENSES BY NATURE (CONTINUED)

Company	31 December 2016 £	31 December 2015 £
Cost of sales		
Direct costs	7,941,280	6,423,416
Administrative expenses		
Depreciation of property, plant and equipment	455,063	190,436
Amortisation of intangible assets	1,824,972	676,770
Operating lease payments - accommodation	2,423,822	1,985,629
Foreign exchange gains	(761,806)	(647,011)
Employee expense including share based payments	11,284,278	7,920,492
Marketing and communications	5,408,933	7,562,150
Other customer acquisition costs	4,093,759	3,637,470
Other expenses	15,242,979	14,850,617
Total administrative expenses	39,972,000	36,176,553
Total cost of sales and administrative expenses	47,913,280	42,599,969

6. AUDITORS' REMUNERATION

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £
Fees payable to the Company's auditors for the audit of the parent Company and consolidated financial statements	42,500	42,500	44,200	44,200
Fees payable to the Company's auditors for other services:				
- Audit of Company's subsidiaries	28,000	-	21,000	-
- Tax advisory services	243,561	165,590	233,954	233,954
- Fees payable for other services	-	-	29,000	29,000
Total	314,061	208,090	328,154	307,154

7. FINANCE INCOME AND COSTS

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £
Convertible loan interest	191,919	191,919	168,583	168,583
Long term loan interest	1,240,064	1,240,064	6,190	6,190
Other interest	365,712	365,712	73,525	73,525
Total finance costs	1,797,695	1,797,695	248,298	248,298
Interest income	(4,975)	(4,797)	(34,470)	(32,681)
Net finance costs	1,792,720	1,792,898	213,828	215,617

8. DIRECTORS' EMOLUMENTS AND EMPLOYEES

(a) Employee expense

Group

	Note	31 December 2016 £	31 December 2015 £
Employee costs during the year (including directors)			
Wages and salaries		11,583,552	8,544,158
Share based payments		782,206	83,945
Social security costs		1,212,052	943,910
Other pension costs	9	249,038	204,885
Total		13,826,848	9,776,898

Company

	Note	31 December 2016 £	31 December 2015 £
Employee costs during the year (including directors)			
Wages and salaries		9,314,682	6,891,199
Share based payments		782,206	83,945
Social security costs		1,017,766	740,927
Other pension costs	9	169,624	204,421
Total		11,284,278	7,920,492

(b) Average number of people employed

Group

	31 December 2016 Number	31 December 2015 Number
Average monthly number of people employed during the year (including directors)		
Operational	165	103
Support	98	85
Total	263	188

Company

	31 December 2016 Number	31 December 2015 Number
Average number of people employed during the year (including directors)		
Operational	139	88
Support	74	72
Total	213	160

8. DIRECTORS' EMOLUMENTS AND EMPLOYEES (CONTINUED)

(c) Directors' emoluments and key management compensation

Group and Company Directors' emoluments	31 December 2016 £	31 December 2015 £
Aggregate emoluments	325,000	238,756

Highest paid director	31 December 2016 £	31 December 2015 £
Aggregate emoluments	150,000	150,000

Key management of the Group are the directors of the Company and are included above. None of the directors held options under share options schemes in reporting periods 31 December 2015 and 31 December 2016.

9. PENSION SCHEMES

The Group operates contribution schemes for which the pension cost charges for the year amounted to £249,038 (2015: £204,885). As at 31 December 2016, £54,847 has been included in the Group trade and other payables for contributions (2015: £26,466) to be paid over.

The Company's portion of the pension cost for the year amounted to £169,624 (2015: £204,421). As at 31 December 2016, £42,338 has been included in the Company trade and other payables for contributions (2015: £21,136) to be paid over.

10. INCOME TAX

(a) Tax on loss on ordinary activities

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £
Current tax				
UK Corporation tax	550,000	550,000	900,000	900,000
Prior year adjustment	(200,000)	(200,000)	540,245	540,245
Overseas tax	(286,888)	(4,963)	(177,285)	-
Prior year adjustment	(47,385)	-	-	-
Total tax (expense)/credit/	15,727	345,037	1,262,960	1,440,245
Deferred tax				
Origination/reversal of timing differences	29,733	-	6,809	-
Adjustments in respect of prior periods	140,920	-	32,773	-
Total deferred tax credit	170,653	-	39,582	-
Income tax credit	186,380	345,037	1,302,542	1,440,245

10. INCOME TAX (CONTINUED)

No liability to UK corporation tax arose on ordinary activities in 2016 due to tax losses incurred during the year. Overseas tax is calculated based on net profit in the entities and the local tax statutory rules and rates.

(b) Reconciliation of the total tax charge

The tax charge reported in the income statement for the year is different to the standard rate of Corporation Tax in the UK of 20% in 2016 (20.25% in 2015). The differences are reconciled below.

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £
Loss on ordinary activities before taxation	**15,392,447**	**15,854,372**	19,580,017	20,077,646
Accounting profit multiplied by the UK standard corporation tax of 20% (2015 20.25%)	**3,078,489**	**3,170,874**	3,964,953	4,065,723
Temporary differences for which no DTA has been recognised	**(2,783,159)**	**(2,783,559)**	(3,519,246)	(3,519,246)
Impact of R&D tax relief ("Superdeduction")	**426,983**	**426,983**	710,420	710,420
Impact of R&D losses surrendered for tax credit at 14.5%	**(208,621)**	**(208,621)**	(356,897)	(356,897)
Differing tax rates in different jurisdictions	**(291,958)**	**(61,377)**	(48,177)	-
Impact of changes in exchange rates	**5,848**	**-**	-	-
Expenses not deductible for tax purposes	**-**	**-**	(21,529)	-
Prior year adjustment	**(41,202)**	**(199,663)**	573,018	540,245
Total tax credit/(expense)	**186,380**	**345,037**	1,302,542	1,440,245

(c) Deferred tax

	31 December 2016 £	31 December 2015 £	1 January 2015 £
Group			
Deferred tax asset			
Carried forward losses to be recovered after more than 12 months	**549,963**	465,740	-
Temporary differences to be recovered within 12 months	**123,268**	39,582	-
Total deferred tax asset	**673,231**	505,322	-
Deferred tax liability			
Capital allowances in excess of depreciation recovered after more than 12 months	**(549,963)**	(465,740)	-
Deferred tax asset (net)	**123,268**	39,582	-

10. INCOME TAX EXPENSE (CONTINUED)

	31 December 2016 £	31 December 2015 £	1 January 2015 £
Company			
Deferred tax asset			
Carried forward losses to be recovered after more than 12 months	**549,963**	465,740	-
Deferred tax liability			
Capital allowances in excess of depreciation recovered after more than 12 months	**(549,963)**	(465,740)	-
Deferred tax asset (net)	**-**	-	-

At 31 December 2016 the Group had unused losses amounting to £18 million (2015: £25 million). A deferred tax asset has been recognised in the UK to the extent that it covers the deferred tax liability arising out of R&D relief.

(d) Income tax asset/(liability)

	31 December 2016 £	31 December 2015 £	1 January 2015 £
Group			
Corporation tax asset/(liability)	**186,380**	1,302,542	(3,004)

	31 December 2016 £	31 December 2015 £	1 January 2015 £
Company			
Corporation tax asset	**345,037**	1,440,425	-

11. INTANGIBLE ASSETS

Group	Money Transfer Software £	Other Software £	Website £	Licences £	Total £
Cost					
At 1 January 2015	1,635,415	221,934	-	314,441	2,171,790
Additions	3,866,189	618,346	25,140	239,040	4,748,715
At 31 December 2015	5,501,604	840,280	25,140	553,481	6,920,505
Additions	**3,448,765**	**103,774**	**19,271**	**235,945**	**3,807,755**
At 31 December 2016	**8,950,369**	**944,054**	**44,411**	**789,426**	**10,728,260**
Accumulated amortisation					
At 1 January 2015	115,902	28,475	-	-	144,377
Charges for the year	518,511	162,746	1,676	44,025	726,958
At 31 December 2015	634,413	191,221	1,676	44,025	871,335
Charges for the year	**1,536,322**	**300,326**	**10,136**	**93,639**	**1,940,423**
Foreign exchange	**(60)**	**2,744**	**245**	**17,436**	**20,365**
At 31 December 2016	**2,170,675**	**494,291**	**12,057**	**155,100**	**2,832,123**
Net book value					
At 31 December 2016	**6,779,694**	**449,763**	**32,354**	**634,326**	**7,896,137**
At 31 December 2015	4,867,191	649,059	23,464	509,456	6,049,169
At 1 January 2015	1,519,513	193,459	-	314,441	2,027,412

Company	Money Transfer Software £	Other Software £	Website £	Licences £	Total £
Cost					
At 1 January 2015	1,635,415	216,685	-	-	1,852,100
Additions	3,866,189	577,995	25,140	143,436	4,612,760
At 31 December 2015	5,501,604	794,680	25,140	143,436	6,464,860
Additions	3,448,765	94,880	-	122,988	3,666,633
At 31 December 2016	**8,950,369**	**889,560**	**25,140**	**266,424**	**10,131,493**
Accumulated amortisation					
At 1 January 2015	115,902	28,184	-	-	144,086
Charges for the year	518,511	156,583	1,676	-	676,770
At 31 December 2015	634,413	184,767	1,676	-	820,856
Charges for the year	**1,536,262**	**283,682**	**5,028**	-	**1,824,972**
Foreign exchange	-	-	-	-	-
At 31 December 2016	**2,170,675**	**468,449**	**6,704**	-	**2,645,828**
Net book value					
At 31 December 2016	**6,779,694**	**421,111**	**18,436**	**266,424**	**7,485,665**
At 31 December 2015	4,867,191	609,913	23,464	143,436	5,644,004
At 1 January 2015	1,519,513	188,501	-	-	1,708,014

12. PROPERTY, PLANT AND EQUIPMENT

Group	Office equipment £	Computers £	Leasehold Improvements £	Fixtures & fittings £	Total £
Cost					
At 1 January 2015	53,558	177,636	23,090	25,564	279,848
Additions	251,263	531,142	1,546,872	171,920	2,501,197
Disposals	-	(12,985)	-	-	(12,985)
At 31 December 2015	304,821	695,793	1,569,962	197,484	2,768,060
Additions	**71,839**	**257,658**	**93,723**	**51,440**	**474,660**
Disposals	**(30,083)**	**-**	**(33,740)**	**(45,166)**	**(108,989)**
At 31 December 2016	**346,577**	**953,451**	**1,629,945**	**203,758**	**3,133,731**
Accumulated depreciation					
At 1 January 2015	17,790	32,159	7,317	8,407	65,673
Charges for the year	70,685	155,777	62,110	21,677	310,249
Disposals	-	(9,092)	-	-	(9,092)
At 31 December 2015	88,475	178,844	69,427	30,084	366,830
Charges for the year	**113,909**	**270,194**	**211,140**	**69,041**	**664,284**
Disposals	**(28,766)**	**-**	**(33,740)**	**(35,740)**	**(98,246)**
Foreign exchange	**7,097**	**17,585**	**9,138**	**1,607**	**35,427**
At 31 December 2016	**180,715**	**466,623**	**255,965**	**64,992**	**968,295**
Net book value					
At 31 December 2016	**165,862**	**486,829**	**1,373,980**	**138,766**	**2,165,437**
At 31 December 2015	216,346	516,949	1,500,535	167,400	2,401,230
At 1 January 2015	35,768	145,477	15,773	17,157	214,176

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Office equipment £	Computers £	Leasehold improvements £	Fixtures & fittings £	Total £
Cost					
At 1 January 2015	52,144	177,226	23,090	25,564	278,024
Additions	62,080	329,075	1,406,581	151,941	1,949,677
Disposals	-	(12,985)	-	-	(12,985)
At 31 December 2015	114,224	493,316	1,429,671	177,506	2,214,716
Additions	**34,679**	**189,262**	**66,950**	**43,725**	**334,616**
Disposals	**(30,083)**	**-**	**(33,740)**	**(45,166)**	**(108,989)**
At 31 December 2016	**118,820**	**682,578**	**1,462,881**	**176,064**	**2,440,343**
Accumulated depreciation					
At 1 January 2015	16,764	32,124	7,318	8,407	64,613
Charges for the year	33,086	104,881	34,871	17,598	190,436
Disposals	-	(9,092)	-	-	(9,092)
At 31 December 2015	49,850	127,913	42,189	26,005	245,957
Charges for the year	**44,829**	**188,649**	**160,972**	**60,613**	**455,063**
Disposals	**(28,766)**	**-**	**(33,740)**	**(35,740)**	**(98,246)**
Foreign exchange	**(6,669)**	**-**	**-**	**-**	**(6,669)**
At 31 December 2016	**59,244**	**316,562**	**169,421**	**50,878**	**596,105**
Net book value					
At 31 December 2016	**59,576**	**366,016**	**1,293,460**	**125,186**	**1,844,238**
At 31 December 2015	64,374	365,403	1,387,482	151,501	1,968,760
At 1 January 2015	35,380	145,101	15,773	17,157	213,411

13. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS

Shares in Group undertakings:
Company

	£
At 1 January 2015	3,084,884
Additions	-
At 31 December 2015	3,084,884
At 1 January 2016	**3,084,884**
Additions	**558,493**
At 31 December 2016	**3,643,377**
Net book value	
At 31 December 2016	**3,643,377**
At 31 December 2015	3,084,884

In December 2016, WorldRemit (New Zealand) Pty Ltd shares issued one million fully paid up shares to WorldRemit Ltd. The shares were credited as fully paid up at $1 NZD per ordinary share, with the share register amended accordingly. Each issued share ranks in all respects pari passu with the existing ordinary shares of WorldRemit (New Zealand) Pty Ltd.

The directors believe that the carrying value of the investments is supported by their underlying net assets.

13. INVESTMENTS IN SUBSIDIARY UNDERTAKINGS (CONTINUED)

The Company holds the entire issued share capital of the following companies:

Company name	Country of incorporation	Percentage Shareholding	Principal Activity
WorldRemit Corp	United States of America	100%	Money transfer
WorldRemit Pty Ltd	Australia	100%	Money transfer
WorldRemit Inc	Canada	100%	Money transfer
WorldRemit (Hong Kong) Ltd	Hong Kong	100%	Money transfer
WorldRemit (New Zealand) Limited	New Zealand	100%	Money transfer
WorldRemit Ltd. (Japan Branch)	Japan	100%	Dormant
WorldRemit South Africa Pty Ltd.	South Africa	100%	Dormant
WorldRemit (Singapore) Pte Ltd	Singapore	100%	Dormant

The registered addresses of the companies are as follows:

Company name	Registered address
WorldRemit Corp	600 17th Street, Suite 200S, Denver, CO 80202
WorldRemit Pty Ltd	Level 16, 1-7 Castlereagh Street, Sydney, NSW 2000
WorldRemit Inc	1000 rue de la Gauchetiere Ouest, Suite 2400, 24th floor, Montreal, QC, H3B 4W5
WorldRemit (Hong Kong) Ltd	Wilson House 1001-2, 19 Wyndham Street, Central
WorldRemit (New Zealand) Ltd	41 Shortland Street, Plaza Level, Auckland 1010
WorldRemit Ltd. (Japan Branch)	Ark Mori Building 12F, 1-12-32 Akasaka, Minato-ku, Tokyo 107-6012
WorldRemit South Africa Pty Ltd	35 Fricker Road, Illovo, Sandton, Johannesburg, 2196
WorldRemit (Singapore) Pte Ltd	16 Raffles Quay, #33-03, Hong Leong Building, 048581 Singapore

All subsidiary undertakings have been included in the consolidated financial statements.

14. CASH GENERATED FROM / (USED IN) OPERATIONS

Group	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £
Loss before income tax	(15,392,447)	(15,854,372)	(19,458,552)	(20,077,647)
Adjustments for:				
Depreciation of property, plant and equipment	664,284	455,063	310,249	190,436
Amortisation of intangible assets	1,940,423	1,824,972	726,958	676,770
Share based payments	782,206	782,206	83,945	83,945
Deferred tax	(83,686)	-	(39,582)	-
Change in investments	-	(558,493)	-	-
Issue of warrants	551,802	551,802	348,161	348,161
Finance costs	1,792,720	1,792,898	213,828	215,617
Loss on disposal of property, plant and equipment	10,743	10,743	2,633	2,633
Changes in working capital:				
Decrease/(increase) in other receivables	2,719,848	2,328,663	(10,026,311)	(11,534,342)
Increase in trade and other payables	14,336,307	13,610,951	2,721,062	2,308,430
Cash generated from/(used in) operations	7,322,200	4,944,433	(25,117,609)	(27,785,997)

15. TRADE AND OTHER RECEIVABLES

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £	Group 1 January 2015 £	Company 1 January 2015 £
Deposits	1,972,170	1,849,805	2,089,022	2,004,882	974,838	970,350
Prepayments	1,856,647	1,675,609	1,134,116	962,050	973,244	846,722
Other debtors	15,023,017	14,984,937	17,998,544	17,998,544	7,807,045	7,807,045
Amounts owed by related parties	-	2,594,452	-	2,117,990	-	484,762
Total	18,851,834	21,104,803	21,221,682	23,083,466	9,755,128	10,108,879

No provision for impairment of Trade and Other Receivables is considered necessary. Provision for exposure to credit risk related to balances held with correspondents at the reporting date is included in Other debtors.

16. CASH AND CASH EQUIVALENTS

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £	Group 1 January 2015 £	Company 1 January 2015 £
Cash at bank	20,925,060	17,965,379	13,153,649	10,257,764	6,200,219	4,059,067
Cash in transit	7,805,748	3,811,071	2,904,813	1,354,127	1,735,549	1,341,261
Total	28,730,808	21,776,450	16,058,462	11,611,891	7,935,768	5,400,328

17. TRADE AND OTHER PAYABLES

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £	Group 1 January 2015 £	Company 1 January 2015 £
Trade payables	4,748,430	4,710,063	5,289,251	5,231,453	5,442,035	5,400,364
Short term loans	11,230,800	11,230,800	-	-	-	-
Convertible loans	1,578,409	1,578,409	-	-	-	-
Other payables	6,588,951	5,416,878	4,144,282	3,525,325	1,016,264	919,400
Total	24,146,590	22,936,150	9,433,533	8,756,778	6,458,299	6,319,764

Short term loans

In December 2015, The Company entered an agreement (the "SVB Agreement") with Silicon Valley Bank ("SVB") that provided revolving credit facilities of up to $15 million. The SVB Agreement may be drawn down at any time and is repayable not more than 45 days from the draw down date. Amounts drawn are subject to interest rate charges at an annualised rate of Wall Street Journal prime rate plus 1.65%. Any interest cost is charged to finance costs in the income statement. At 31 December 2016 the company had drawn £11.2m (2015 - £nil). This was subsequently fully repaid in January 2017.

17. TRADE AND OTHER PAYABLES (CONTINUED)

Convertible Loans

In May 2013, £1.0m convertible loan notes were issued and a further £0.7m convertible loan notes were issued in October 2013. The Company shall repay the loans in 2017 on the fourth anniversary unless the lender exercises its rights to convert to ordinary shares. The lender shall be permitted to convert all or part of the loans at any time into ordinary shares at £0.65 for the £1.0m convertible loan and £1.37 for the £0.7m convertible loan. Both parties may mutually agree to extend the loan in 2017.

18. OTHER NON-CURRENT LIABILITIES

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £	Group 1 January 2015 £	Company 1 January 2015 £
Convertible loans	-	-	1,386,490	1,386,490	1,217,907	1,217,907
Long term loans	14,695,680	14,695,680	2,799,414	2,799,414	-	-
Total	14,695,680	14,695,680	4,185,904	4,185,904	1,217,907	1,217,907

Long Term Loans

The Company has an agreement (the "TPC Agreement") with Triple Point Capital ("TPC") that provided loan facilities of up to $30 million. The TPC Agreement may be drawn down on tranches that are repayable not more than 36 months after draw down and has annual interest rate charges of Wall Street Journal prime rate plus up to 8.75%. Any interest cost is charged to finance costs in the income statement. At 31 December 2016 the company had drawn $20m (2015 - $5m) of which $5m is repayable in 2018 and $15m is repayable in 2019.

19. SHARE CAPITAL AND SHARE PREMIUM

The balance on the share capital account represents the aggregate nominal value of all Series A and Series B (together "Preference Shares") and Ordinary Shares in issue. All Preference and Ordinary Shares have a nominal value of £0.0001.

The Preference shares rank pari passu with the Ordinary Shares save for:

- Issues of new shares are offered first to holders of the Preference shares and then to holders of Ordinary Shares; and
- On distribution of assets on liquidation, holders of preference shares rank ahead of holders of ordinary shares but limited in value to their initial investment in those shares.

Group and Company	Number of Shares	Share capital £	Share premium £	Total £
At 1 January 2015	21,332,982	2,133	25,193,451	25,195,584
Preference shares issued – Series B	4,194,712	420	50,999,728	51,000,148
Share premium on ordinary shares sold by owners	(1,069,227)	(107)	(13,362,267)	(13,362,374)
At 31 December 2015	24,458,467	2,446	62,830,912	62,833,358
Ordinary Shares – exercise of employee stock options	258,134	26	-	26
At 31 December 2016	24,716,601	2,472	62,830,912	62,833,384

The share premium account comprises amounts received above the nominal value of the preference and ordinary shares.

20. OTHER RESERVES

Group	Share based payment reserve	Equity conversion reserve	Foreign Exchange Translation	Total
At 1 January 2015	103,869	687,867	(126,759)	664,978
Fair value of warrants issued in year	-	348,161	-	348,161
Share based payments	83,945			83,945
Related party translation adjustment	-	-	(59,458)	(59,458)
At 31 December 2015	187,814	1,036,028	(186,217)	1,037,625
Fair value of warrants issued in year	-	551,802	-	551,802
Share based payments	782,206	-	-	782,206
Related party translation adjustment	-	-	646,560	646,560
At 31 December 2016	970,020	1,587,830	460,343	3,018,193

20. OTHER RESERVES (CONTINUED)

Company	Share based payment reserve	Equity conversion reserve	Foreign Exchange Translation	Total
At 1 January 2015	103,869	687,867	-	791,737
Fair value of warrants issued in year	-	348,161	-	348,161
Share based payments	83,945	-	-	83,945
At 31 December 2015	187,814	1,036,028	-	1,223,842
Fair value of warrants issued in year	-	551,802	-	551,802
Share based payments	782,206	-	-	782,206
Related party translation adjustment	-	-	(52,318)	(52,318)
At 31 December 2016	970,020	1,587,830	(52,318)	2,505,532

21. SHARE BASED PAYMENTS

From 1 January 2014 to 3 March 2015, the Company operated an equity-settled share-based compensation plan established under the Enterprise Management Initiative ("EMI"), for certain group employees under which the Group receives services from employees as consideration for equity option instruments (share options) of the Company.

As of 3 March 2015, the Group's assets exceeded £30 million, and therefore the Company was not eligible to grant options in this EMI plan from this date forward. Options granted prior to 3 March 2015 will continue to vest, based on the terms set forth in the individual employee grant agreements.

On 7 October 2016 the Company established

i) an equity-settled share-based compensation plan under the Tax Advantaged Company Share Option Initiative ("CSOP") for certain group employees under which the Group receives services from employees as consideration for equity option instruments (share options) of the Company.

ii) three further equity-settled share-based compensation plans ("Unapproved Plans") for certain group employees under which the Group receives services from employees as consideration for equity option instruments (share options) of the Company.

21. SHARE BASED PAYMENTS (CONTINUED)

For the EMI, CSOP and Unapproved Plans the fair value of the employee services received in exchange for the grant of options is expensed on the liability basis each reporting period, based on the Company's estimate of shares that will eventually vest and the value of the share price as at period-end. The estimated employee expense for all these options will be evaluated each reporting period until options are no longer eligible to vest, currently estimated to be the period ended December 2019 for the EMI plan and the period ended December 2026 for the other plans.

Compensation Plan

The fair value of the awards granted under the EMI between 2009 and 3 March 2015 and the assumptions used in the calculation of the share-based payment expense in respect of the EMI plan are as follows:

Valuation model	Estimation model to predict Group standard deviation
Date of grant	Per agreement with employee
Number granted	Per agreement with employee
Share price at date of award	£0.0001
Fair value (pence) at date of award	£0.02 to £1.85
Exercise price (pence)	£0.0001
Expected life of award	Four years
Vesting conditions	Per agreement with employee

The fair value of the awards granted under the CSOP plan and the assumptions used in the calculation of the share-based payment expense in respect of the CSOP plan are as follows:

Valuation model	Estimation model to predict Group standard deviation
Date of grant	Per agreement with employee
Number granted	Per agreement with employee
Share price at date of award	£2.36
Fair value (pence) at date of award	£2.36
Exercise price (pence)	£2.36
Expected life of award	Four years
Vesting conditions	Per agreement with employee

The fair value of the awards granted under the Unapproved Plans and the assumptions used in the calculation of the share-based payment expense in respect of the Unapproved Plans are as follows:

Valuation model	Estimation model to predict Group standard deviation
Date of grant	Per agreement with employee
Number granted	Per agreement with employee
Share price at date of award	£2.36
Fair value (pence) at date of award	£2.36
Exercise price (pence)	£0.0001 to £2.36
Expected life of award	Four years
Vesting conditions	Per agreement with employee

21. SHARE BASED PAYMENTS (CONTINUED)

The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions. The fair value of awards granted under all plans is measured using a Black Scholes model. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each Statement of Financial Position date, the entity revises its estimates of the number of options that are expected to vest, with any changes in estimate recognised in the income statement, with a corresponding adjustment in equity as per IFRS 2, and is as follows:

	31 December 2016 £	31 December 2015 £
Group	782,206	83,945
Company	782,206	83,945

The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

Movements in the number of outstanding conditional awards of shares currently exercisable are as follows:

	31 December 2016 No. of Shares	31 December 2015 No. of Shares
At 1 January	171,171	151,500
Exercised	(258,134)	(6,978)
Granted	903,296	29,671
Lapsed	(60,291)	(3,022)
Outstanding at end of period	756,042	171,171
Vested at end of period	223,610	99,026

The Company did not have any treasury shares granted or issued and outstanding as of 31 December 2016.

22. OPERATING COMMITMENTS

The Group has various commercial agreements with vendors as well as land and buildings under non-cancellable lease agreements.

The future aggregate payments under non-cancellable commitments are as follows:

	Group 31 December 2016 £	Company 31 December 2016 £	Group 31 December 2015 £	Company 31 December 2015 £
Within one year	3,072,182	2,593,062	1,286,376	899,704
Between one and five years	6,285,190	6,087,088	6,535,623	6,009,547
After five years	5,783,555	5,783,555	7,450,960	7,450,960
Total	15,140,927	14,463,705	15,272,959	14,360,211

23. RELATED PARTY TRANSACTIONS

Key management are considered to be the Directors. Details of emoluments are disclosed in note 8.

During the year, the Company incurred the following related party transactions with its subsidiary companies.

Debtor balances	31 December 2016 £	31 December 2015 £	1 January 2015 £
WorldRemit (Hong Kong) Ltd	**14,712**	10,499	6,801
WorldRemit (Singapore) Pte Ltd	**56**	48	48
WorldRemit (United States) Corp	**-**	-	38,359
WorldRemit Ltd.	**2,594,452**	2,117,990	484,762
	2,609,220	2,128,537	529,970

Creditor balances	31 December 2016 £	31 December 2015 £	1 January 2015 £
WorldRemit (United States) Corp	**605,788**	239,027	-
WorldRemit (Australia) Pty Ltd	**1,476,088**	743,526	290,594
WorldRemit (Canada) Inc	**462,764**	643,987	231,197
WorldRemit (New Zealand) Pty Ltd	**39,330**	502,237	8,052
WorldRemit (South Africa) Pty Ltd	**26,598**	-	-
	2,610,568	2,128,777	529,843

24. CONTROLLING PARTY

There is no single controlling party.

25. SAFEGUARDING

The Group safeguards customer funds in accordance with the Payment Services Regulations. It has established safeguarding accounts with its bankers for this purpose. At 31 December 2016 funds held in safeguarding bank accounts amounted to £631,675.