

Company registration number 03612551 (England and Wales)

PULSE CASHFLOW FINANCE (MK) LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

PULSE CASHFLOW FINANCE (MK) LIMITED

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PULSE CASHFLOW FINANCE (MK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	3		25,080		35,588
Investments	4		3,105		3,105
			<u>28,185</u>		<u>38,693</u>
Current assets					
Debtors	5	5,124,324		4,713,715	
Cash at bank and in hand		99,253		391,730	
		<u>5,223,577</u>		<u>5,105,445</u>	
Creditors: amounts falling due within one year	6	(849,346)		(1,063,985)	
Net current assets			<u>4,374,231</u>		<u>4,041,460</u>
Total assets less current liabilities			<u>4,402,416</u>		<u>4,080,153</u>
Provisions for liabilities			(6,511)		-
Net assets			<u><u>4,395,905</u></u>		<u><u>4,080,153</u></u>
Capital and reserves					
Called up share capital			307,501		307,501
Share premium account			145,794		145,794
Profit and loss reserves			<u>3,942,610</u>		<u>3,626,858</u>
Total equity			<u><u>4,395,905</u></u>		<u><u>4,080,153</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

PULSE CASHFLOW FINANCE (MK) LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 15 December 2023 and are signed on its behalf by:

N C Ferguson
Director

Company registration number 03612551 (England and Wales)

PULSE CASHFLOW FINANCE (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Pulse Cashflow Finance (MK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Network House, C/O Pulse Cashflow Finance, Basingview, Basingstoke, RG21 4HG.

1.1 Reporting period

The financial statements for the prior year have been prepared for a period less than 12 months, to align with the group's year end of 31 December 2021. As a result, the comparative amounts presented within the profit and loss account will not be entirely comparable.

1.2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare these accounts on a consolidated basis as the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.3 Going concern

At the time of the approving of the financial statements the directors have a reasonable expectation that the company has adequate resources to continue operational existence for a period of at least 12 months. The directors have received confirmation that the parent of the company intend to support the company for a period of at least 12 months from the date of approval of these financial statements.

1.4 Turnover - Accounts receivable sales program

Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Turnover is measured excluding discounts, rebates and VAT.

In February 2021, the company entered into a receivables purchase agreement ("RPA") with Cubitt Trade Capital LLC (the "Purchaser") and other parties, under which the company will sell its receivables to the purchaser who will immediately resell to issuer on same terms and conditions. Pursuant to the RPA, the company sells, conveys, and assigns to the purchaser all its rights, title, and interest in these receivables. The company earns a management fee from the purchaser for its services, which is included as turnover within these accounts.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

PULSE CASHFLOW FINANCE (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures and fittings	10% on cost
Office equipment	20%, 25% or 33% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

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

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.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

PULSE CASHFLOW FINANCE (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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 company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

PULSE CASHFLOW FINANCE (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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 profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.15 Overpayment releases

The company holds an overpayment balance on the balance sheet that relates to monies received that cannot be identified or returned. Steps are taken to repatriate these funds, and if unsuccessful they are held on account for a period of two years before being released to the profit and loss account. Funds are only released when there is a remote probability that they will be reclaimed by third parties, and a two year period is considered appropriate for this.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022 Number	2021 Number
Total	7	20

PULSE CASHFLOW FINANCE (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

3 Tangible fixed assets

	Fixtures and fittings	Office equipment	Total
	£	£	£
Cost			
At 1 January 2022	53,335	51,218	104,553
Additions	-	3,128	3,128
At 31 December 2022	53,335	54,346	107,681
Depreciation and impairment			
At 1 January 2022	40,832	28,133	68,965
Depreciation charged in the year	1,867	11,769	13,636
At 31 December 2022	42,699	39,902	82,601
Carrying amount			
At 31 December 2022	10,636	14,444	25,080
At 31 December 2021	12,503	23,085	35,588

4 Fixed asset investments

	2022	2021
	£	£
Shares in group undertakings and participating interests	3,105	3,105

At the balance sheet date, the company held the following investments in subsidiary undertakings:

100% of the ordinary share capital of Calverton Limited, a dormant company registered in England and Wales. The capital and reserves of the company at the balance sheet date were £100 (2021 £100).

100% of the ordinary share capital of Pulse Outsource Limited formally Calverton Business Support Limited, a company registered in England and Wales. The principal activity of the company is business administration services. The capital and reserves of the company at the balance sheet date were £12,788 (2021 £224,614) and the loss for the year was £211,826 (2021 £17,766).

100% of the ordinary share capital of Payfactory Limited, a dormant company registered in England and Wales. The capital and reserves of the company at the balance sheet date were £1 (2021 £1).

5 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Amounts owed by group undertakings	5,066,427	4,596,680
Other debtors	57,897	117,035
	5,124,324	4,713,715

PULSE CASHFLOW FINANCE (MK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	122,001	266,681
Taxation and social security	89,356	295,931
Other creditors	637,989	501,373
	<u>849,346</u>	<u>1,063,985</u>

7 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2022	2021
£	£
-	34,467
<u>-</u>	<u>34,467</u>

8 Parent company

The directors consider the ultimate controlling party to be Petra Group Holdings Limited which is incorporated in the Cayman Islands.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.