

Registered number: 03781239

**CASHFAC PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**CASHFAC PLC**

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**COMPANY INFORMATION**

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<b>Directors</b>	D Houghton (Chairman) R T Cummings J Jeng P W Ormrod
<b>Company secretary</b>	H J McNally
<b>Registered number</b>	03781239
<b>Registered office</b>	50 Mark Lane London EC3R 7QR
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

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**CASHFAC PLC**

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## CASHFAC PLC

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

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#### Operational highlights

The value of Cashfac's recurring revenue contracts increased about 20% over the past year. We expect that source of revenue to continue to increase over the foreseeable future. Recurring income is set to cover 70% of Cashfac's continuing costs during 2021, calculated on a full cash spend basis including investment in product. Cashfac has now demonstrated over 20 years of continuous investment in product and skills in return for its customers' subscriptions.

Cashfac's cloud and managed service and its agile team make up a resilient business model that adapted immediately to the 2020 pandemic; provided an uninterrupted service to customers and a support infrastructure that looked after the wellbeing of staff. 43% of our user base are now Managed Service customers, a number that is growing year on year. It is against this backdrop that I am pleased to provide this strategic report.

In a timely change of direction, Cashfac successfully pivoted towards the wealth market during 2019 which enabled revenues to increase during 2020, a difficult time for so many businesses. We continued to work closely with our bank partners who benefit from our industry depth as they themselves generate more income from the wealth market.

The pivot towards the wealth market was in fact a return to origin for Cashfac Virtual Bank Technology which was designed as a cash platform for wealth managers. Its early customers included Standard Life and Virgin.

There is so much noise around the subject of virtual accounts, and varying definitions of what that term means around the world, that it helps to distinguish Cashfac through its focus on operational cash management for wealth services and platforms. Cashfac Virtual Bank Technology provides continuous intraday risk management, including compliance risk control and credit risk control, through operational cash management with granular precision in a high transaction environment. It ensures that client accounts have cleared and available funds before transactions are committed, and to reserve funds to pay; Cashfac's platform simultaneously processes payments, continuously reconciles and provides real time accounting for settlement, balance management, adviser and customer interactions to lodge and withdraw funds.

Cashfac is committed to its largest ever investment: the progressive replacement of its existing technical architecture with containerised microservices, enabling highly scalable, lower cost operation. The proving ground and skills for this investment were provided by Cashfac's SlideBy cash management app, powered by its new cloud architecture.

Cashfac operates in Australia, EU, UK and (more recently) North America. In the US we will focus on segments of the wealth market that are served by old generation technologies, where net revenue per head can be increased by smarter Cashfac product with lower operational cost and offering greater value from commitment to continuous product improvement.

#### Governance, Risk and Compliance

As regulatory scrutiny continues to increase globally amidst corporate governance failures such as that of the Wirecard scandal, Cashfac remains fully committed to operating its business in an ethical manner, to treating its customers fairly and has zero appetite for contractual or regulatory breaches, enforcement action or fines.

We regularly review our governance framework to ensure it reflects the conduct of business rules applicable for Cashfac and its customers. Whilst the UK Financial Conduct Authority's Senior Managers and Certification Regime (SMCR) does not apply to Cashfac, we recognize the importance of the regime and its intended objectives for managing conduct risks, good customer outcomes and market confidence. We adopt practical measures consistent with SMCR such as encouraging greater individual accountability and set out standards of personal conduct. We review annually the membership of all Boards and Committees, external auditors and our professional advisors to ensure competency, effectiveness, and capability.

Our business continuity plans served us well in the preparedness of the business to the shift to working from home at very short notice during the initial global lockdown. Teams adapted quickly to new working patterns and

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## CASHFAC PLC

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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ways of communicating and remained fully operational. However, we must not be complacent. The pandemic has caused an increase in the risk of fraud and cyber-attacks as criminals exploit unprecedented situations.

We will ensure that our proven business continuity measures are regularly reviewed so that we are able to deal with any new emerging risks, and that our tolerance levels for disruption for critical services remain within the impact tolerances during severe but plausible scenarios.

We remain fully committed to strengthening our operational resilience and will continue to prevent, adapt, respond to, recover, and learn from our experiences, to ensure we emerge stronger from the crisis. .

#### **Principal risks and uncertainties**

##### **Business Continuity**

The pandemic caused us to reassess continuity risks and increase investment in third party tools and expert services, also diversifying our key Tier 1 & 2 suppliers. As a result, we have increased investment in maintaining our business resilience and managing continuity risks by ensuring we conduct regular business impact analyses to identify internal and external threats and vulnerabilities. Business impact analyses address all risks identified including people risks (human error, skills, resource and succession planning), technological risks such as legacy hardware, single points of failure in the network infrastructure, operational resilience, capacity management and emerging threats such as Cybersecurity, Pandemic, Major Incident Management, Terrorism or Political unrest, as well as other external risk events such as natural disasters.

Continuity provisions are designed to provide an end-to-end view of the technology and resources required to support our operations, including identifying all critical processes, dependencies and any critical third parties or outsourced providers; and how we manage and respond to extended outages or disasters. Recovery testing, especially for critical technology, continues to be rigorous and has been adapted to cover different scenarios and verify that any relevant recovery points and time objectives are met; and any control gaps or new risks identified are addressed promptly. We must continually assess our tolerance for disruption for each critical business service and ensure our business continuity plans and support operations can remain within the impact tolerances during severe but plausible scenarios.

Cashfac has always had disaster recovery plans in place for both scheduled tests and actual recovery activities. The business must remain vigilant to emerging threats or risk events that could significantly impact our ability to continue to operate our business and ensure our business continuity provisions remain effective.

##### **Technology & Security risks**

With the increase and change in regulations across all jurisdictions in which we operate and in a challenging environment, we recognise the significant impact that technology risks pose to our business having financial, regulatory, and reputational implications.

We are aware we must remain focused on our information security program and have strengthened our third line of support. We have trained up additional internal auditors to help manage our information security risks across the business.

Other key technology risks that may affect our business relate to incident response, IT resiliency and continuity, third party technology, data management and privacy.

Our established business continuity and contingency plans served us well during the pandemic. Gaps identified as part of the continuing assessment are being filled. The pandemic has also changed IT priorities as we adjusted to delivering remote working at scale. Our priority for the coming year is to ensure that our effective crisis response strategy continues to strengthen.

We have significantly increased our investment in the development and marketing of our own technology. 2020 has seen the success of our migration to a full agile delivery model and corporate backlog. This model will

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## CASHFAC PLC

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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support us in delivering the progressive replacement of our existing technical architecture to drive our technology forward against a competitive market.

#### **Financial risks**

As the pandemic continues to evolve, we must remain pro-active in assessing our financial risks, closely monitor costs, reassess product/service deliverables to help strengthen our top line and continue to seek new growth markets as part of our business strategy.

We are conscious that contract management failure could impact our finances. We monitor third party costs and contract terms. We maintain open and collaborative communication lines across our supply chain, to ensure we continue to receive value for money and understand any risks to our customer delivery in the event of third-party failure.

Cashfac has maintained a full operational service throughout the pandemic and we must continue to be vigilant in monitoring customer complaints, service issues and delivery interruptions to ensure that any accepted risks do not exceed our risk appetite and impact our financial position. We will continue re-assessing risk tolerances and maintain regular interaction and communication with stakeholders to ensure we continue to meet our strategic objectives.

#### **Credit and Liquidity risk**

Cashfac's prudent approach in managing its credit and liquidity risks has served us well in a year full of uncertainties. Cashfac continues to assess and manage its finances diligently to ensure it has sufficient operational capital to meet its capital adequacy requirements and that those monitoring measures are sufficiently linked to the assessment of the risks to which we are exposed.

Our primary exposure to credit risk remains to the timely receipt of trade receivables. In that regard we are pleased that we have no bad or doubtful debts. It is inevitable that the credit position of some of our customers will be negatively impacted because of the pandemic. We will continue to monitor and review the relevant credit ratings to keep abreast of any adverse market conditions that expose us to unnecessary risks and exceed our risk appetite.

Internally, we continue to manage credit and liquidity risks by monitoring delivery resources regularly, to ensure prompt and accurate revenue generation, utilising resources effectively and promptly addressing any delivery issues which could affect the accuracy of financial forecasts or give rise to loss of income/loss of revenue stream.

The extended lockdown has also drawn attention to the ongoing costs of prime office space and serviced office requirements. We will be monitoring any developments in the market to ensure that any future business premises need and/or lease renewals reflect any changes to the new working models, negotiate more favourable terms where possible reducing any unnecessary capital commitments or expenditure.

We will continue to monitor our exposure to significant concentrations of credit risk and seek to reduce this through working with many counterparties and Customers, maintaining long term service and recurring revenue contracts with our Customers, supporting our strategic partners to help them expand the number of clients and deposits held on their platforms, targeted and structured sales and marketing activities to further support our commitment in the long-term sustainability of the business

#### **Ongoing concerns**

##### **Pandemic**

The pandemic has made it difficult to predict future business disruptions. We have minimised our risks in these areas through several different initiatives, including reassessing our staff wellbeing program, diversifying our critical supplier base, increased remote working and collaboration tools.

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## CASHFAC PLC

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2020

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As we head into 2021, we will continue to assess the risks to our operations, act on the guidance issued by the relevant authorities, and have in place the relevant short, medium and long term plans and risk strategy to ensure we can continue to sustain the business.

#### **Political Uncertainty**

We will continue to monitor the political changes and seek independent advice and guidance as required. We will review any transitional arrangements to bring legal certainty to our regulatory position, obligations, and risk exposure.

#### **Market Conditions**

We have a prudent approach to managing market risks and regularly monitor our exposures to global events (e.g. Brexit, Pandemic, regional recession); expansion of the regulatory framework (e.g. regulation of Fintech industry); mandated regulatory standards (e.g. Strong Customer Authentication, Consumer Data Rights, 5th Anti Money Laundering Directive); changes to customer behaviour (longer sales cycle) as well as general market conditions and industry developments.

The outsourced delivery team in Vietnam helps us meet the challenges of workforce availability in development. The flexibility of the arrangements allows us to scale resources up and down quickly to meet project and business requirements.

We have expanded our Business Development and Delivery capability in APAC and North America to optimise our opportunities for growth globally.

#### **Sustainability and the Environment**

We have a formal Corporate and Social Responsibility (CSR) program in place. The pandemic has highlighted the importance of sustainability. It has significantly impacted practically every aspect of peoples' lives as well as business operations across all industries. We will incorporate our CSR activities and objectives mapping these to the relevant UN Sustainable Development Goals (UN SDGs) as part of how we do business.

We will continue to expand our CSR program and our aim is to set our sustainability objectives in the following key focus areas:

**Wellbeing:** Cashfac invoked its business continuity plan within weeks of Covid-19 being declared by the World Health Organization (WHO) as a Public Health Emergency of International Concern. We took the necessary precautions to close our offices limiting staff travel before the UK and Australian Governments announced formal lockdown. We provided significant support for staff wishing to shield or were vulnerable; reprioritised, and deprioritised unnecessary work travel to look after the wellbeing of our staff and minimise risk of cross-contamination between offices. The health, safety and wellbeing of our staff became central to the resiliency and the effectiveness of our operations throughout the pandemic and we will continue to engage our staff on a post pandemic working model. We will continue to support our staff in these focus areas to improve employee engagement; provide better mental health support and general wellbeing.

**Community:** Covid-19 has disproportionately impacted the most vulnerable in society including those with physical or mental health issues, and from disadvantaged backgrounds leaving them without less emotional and community support.

We have always had an active community engagement program, supporting both local and national charities, including annual work experience schemes for young people under the age of 18; charities providing pastoral support or donating IT equipment to charities dedicated to providing access to training and technology in

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**CASHFAC PLC**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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developing countries in an environmentally responsible way.

The pandemic has also wreaked havoc on local businesses and SMEs; leaving many people facing financial hardship, so it's important that we continue to promote SlideBy to help struggling businesses with their cash management. We will continue to support all these initiatives across the communities we serve, reflecting the diversity of our business and we extend our charitable spirit to helping individuals, our customers as well as our suppliers meet their corporate and social responsibilities.

**Environment:** We are committed to good environmental practices and always seek to reduce any negative impact and contribute towards a healthier environment. We have seen the significant reduction in unnecessary material footprint, with the offices closed. The pandemic offers us an opportunity to reassess how we can reduce our environmental footprint further, once we re-open our offices, including, reducing our consumption of environmentally damaging office supplies (e.g. plastic bottled water), reducing our carbon emissions footprint (both air and road) for our business travel, especially between offices, by attending meetings by web conference instead, sharing taxi journeys etc.

We also encourage engagement only with suppliers that share our values. Our aim is to develop sustainable procurement processes incorporating questions in our supplier evaluation process that supports us in meeting our sustainability objectives and long-term goals.

This report was approved by the board on 22 December 2020 and signed on its behalf.

*Paul Ormrod*

**P W Ormrod**  
Director



## CASHFAC PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2020

The directors present their report and the financial statements for the year ended 30 September 2020.

#### Principal activity

Cashfac Plc is the holding company for the main operating company, Cashfac Initiative Limited and for the Australian subsidiary, Cashfac Pty Limited and Cashfac Europe Limited, incorporated in Ireland. The principal activities of the group are the development, sale, operation and maintenance of operational cash management and client money systems that enable financial service and professional businesses to manage client cash operations more efficiently and to comply with stringent regulations over client money operations.

#### Results and dividends

The loss for the year, after taxation, amounted to £543,242 (2019 - profit £407,108).

We paid a dividend of £106,845 (2019: £212,490) to shareholders during the year reflecting the on-going development of the business and the positive outlook. This was less than the previous year as the Board applied a conservative approach to cash management in view of the 2020 pandemic. The business is financed wholly by equity and reserves.

#### Going concern

The directors have reviewed the company's budgets and cash flow forecasts, which include assumptions surrounding future revenue generation, the associated timing of cash receipts, expenditure, and the receipt of corporation tax payments. Whilst the impact of the Covid 19 pandemic crisis has been limited in this financial year the Board has considered these forecasts, the relevant sensitivity of future finances and the current cash position of the company. The Board remains confident that the company will meet its obligations as they arise for the next 12 months from the date of signing of the financial statements. The board has also considered a scenario of significant decline in revenue in the foreseeable future such that it might impact the continued operation of the company and consider the possibility of such a scenario to be remote. The Board is therefore satisfied that the company has adequate resources available to it and will continue as a going concern, and accordingly the financial statements have been prepared on that basis

#### Directors

The directors who served during the year were:

D Houghton (Chairman) 124,421 shares (2019: 124,421)  
 R T Cummings  
 J Jeng  
 P W Ormrod 1,596,812 shares (2019: 1,560,701 shares)

The Directors had options to subscribe for ordinary shares in Cashfac PLC as follows:-

	Option Price	30 September 2019	Cancelled during the year	Exercised during the year	Granted during the year	30 September 2020
	£	£	£	£	£	£
P Ormrod	1.30	75,000	(75,000)	-	-	-
P Ormrod	1.54	25,000	-	-	-	25,000
R Cummings	1.54	350,000	-	-	-	350,000
D Houghton	1.54	55,000	-	-	-	55,000

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**CASHFAC PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**CASHFAC PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**Section 172 disclosures**

The Group's Board (the "Board") is responsible for promoting the success of the company by directing and supervising the Company's affairs, including setting the Group's risk appetite and establishing operating controls to assess and manage risk. Cashfac's Board consists of the Chairman and one other independent non-Executive Director and Executive Directors, all with relevant experience in the Financial Services industry, Accounting, Business and Technology. The Board delegates risk management to the Executive Committee, which then delegates operational direction to relevant management teams.

This statement should be read in conjunction with the Strategic report.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of the Company's employees and all stakeholders, including, shareholders, customers, suppliers and regulators and the impact of its activities on the community, the environment and the Company's reputation, when making decisions.

The matters set out in section 172(1) (a) to (f) are:

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

We have a diverse workforce and Board and we respect and value all those we work with. We invest in our people and we encourage all staff to improve their skills through our investment in our Personal and Professional Development Programme. We create a working environment in which all staff are treated with dignity and respect that is free from discrimination, victimisation, or harassment. We are committed to fair work policies including adopting family friendly initiatives to support our employees, to achieve a better balance between work/life and personal responsibilities. During the pandemic, the Board supported enhancements to our established Health & Wellbeing Programme, which has been of huge value to all employees and their families in supporting their physical and mental wellbeing. We ensure that staff and directors maintain the relevant level of professional development and certified training to satisfy regulatory fit and proper tests. We review annually the membership of all Boards and Committees to ensure competency, effectiveness, and capability. The Board further ensures that its remuneration policies continue to be benchmarked against industry standards to reduce the risk of unethical behaviours and practices, unnecessary risk taking and conflicts of interests.

We have a prudent approach to managing market risks and regularly monitor our exposures, including stagnation of the market due to political uncertainty and other world events (e.g. Brexit, Pandemic, Global Recession), expansion of the regulatory framework (e.g. regulation of the Fintech industry), mandated regulatory standards (e.g. Strong Customer Authentication, Consumer Data Rights, 5th Anti Money Laundering Directive) changes to customer behaviour (longer sales cycle) as well as general market conditions and industry developments. To mitigate the risk of uncertainty of accessing European markets post Brexit, the Board supported the expansion of our Business Development and Delivery capability in APAC and Ireland to maximise our opportunities for growth in these regions.

The Board renewed its commitment to doing business in a sustainable and responsible way and updated the Governance, Risk and Compliance Policy and framework for 2021 to include an objective to incorporate our CSR activities and objectives and mapping these to the relevant UN Sustainable Development Goals. This framework also includes commitment to increased investment in maintaining our business resilience and managing continuity risks to deal with emerging threats such as Cybersecurity, Pandemic, Major Incident Management, Terrorism or Political unrest by investment in third party tools, expert services and diversifying our key Tier 1 & 2 suppliers.

The Directors supported the payment of an interim dividend and continue to promote the success of the Company and are committed to high standards of governance, risk and compliance by overseeing the business

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**CASHFAC PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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in a fair, ethical and responsible manner.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company and the Group's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

**Auditor**

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 22 December 2020 and signed on its behalf.

**P W Ormrod**  
Director

*Paul Ormrod*



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASHFAC PLC

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### Opinion

We have audited the financial statements of Cashfac PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and company Statements of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated and company Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the parent company's affairs as at 30 September 2020 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

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

### The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



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

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### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this Auditor's Report is not a guarantee that the Group and the parent company will continue in operation.

### Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASHFAC PLC (CONTINUED)**

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### **Opinions on other matters 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 Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the Group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

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

### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' Responsibilities Statement 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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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



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

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.

### Use of our report

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

*Grant Thornton UK LLP*

William Pointon  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
London

22 December 2020



## CASHFAC PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
Turnover	4	9,354,516	9,144,863
Distribution costs		(949,027)	(840,395)
<b>Gross profit</b>		<b>8,405,489</b>	<b>8,304,468</b>
Administrative expenses		(8,956,983)	(8,430,942)
<b>Operating loss</b>	5	<b>(551,494)</b>	<b>(126,474)</b>
Interest receivable and similar income	9	5,537	9,731
Interest payable and expenses	10	(3,264)	(3,489)
<b>Loss before taxation</b>		<b>(549,221)</b>	<b>(120,232)</b>
Tax on loss	11	5,979	527,340
<b>(Loss)/profit for the financial year</b>		<b>(543,242)</b>	<b>407,108</b>
Currency translation differences		662	(994)
<b>Other comprehensive income for the year</b>		<b>662</b>	<b>(994)</b>
<b>Total comprehensive income for the year</b>		<b>(542,580)</b>	<b>406,114</b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the consolidated statement of comprehensive income.

The notes on pages 23 to 39 form part of these financial statements.

**CASHFAC PLC**  
**REGISTERED NUMBER: 03781239**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	13	7,274,588	6,899,219
Tangible assets	14	63,072	84,095
		<u>7,337,660</u>	<u>6,983,314</u>
<b>Current assets</b>			
Debtors	16	2,497,287	3,320,344
Cash at bank and in hand	17	3,992,418	2,707,322
		<u>6,489,705</u>	<u>6,027,666</u>
Creditors: amounts falling due within one year	18	(1,781,492)	(1,520,554)
Deferred income		<u>(2,361,209)</u>	<u>(1,362,837)</u>
<b>Net current assets</b>		<u>2,347,004</u>	<u>3,144,275</u>
<b>Total assets less current liabilities</b>		<u>9,684,664</u>	<u>10,127,589</u>
Deferred tax provision	19	(1,209,672)	(1,010,193)
<b>Net assets</b>		<u><u>8,474,992</u></u>	<u><u>9,117,396</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,068,448	1,068,448
Share premium account	22	839,592	839,592
Other reserves	22	253,302	244,957
Profit and loss account	22	6,313,650	6,964,399
<b>Equity attributable to owners of the parent company</b>		<u><u>8,474,992</u></u>	<u><u>9,117,396</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2020.

*Paul Ormrod*

**P W Ormrod**  
 Director

The notes on pages 23 to 39 form part of these financial statements.

**CASHFAC PLC**  
**REGISTERED NUMBER: 03781239**

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	15	4,620,370	4,620,370
		<u>4,620,370</u>	<u>4,620,370</u>
<b>Current assets</b>			
Debtors	16	500,000	500,000
Cash at bank and in hand	17	12,868	24,760
		<u>512,868</u>	<u>524,760</u>
Creditors: amounts falling due within one year	18	(1,910,482)	(1,815,482)
<b>Net current liabilities</b>		<u>(1,397,614)</u>	<u>(1,290,722)</u>
<b>Net assets</b>		<u><u>3,222,756</u></u>	<u><u>3,329,648</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	1,068,439	1,068,439
Share premium account	22	839,592	839,592
Other reserves	22	282,867	282,867
Profit and loss account	22	1,031,858	1,138,750
		<u><u>3,222,756</u></u>	<u><u>3,329,648</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 22 December 2020.

*Paul Ormrod*

**P W Ormrod**  
 Director

The notes on pages 23 to 39 form part of these financial statements.

## CASHFAC PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Other reserves</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	£	£	£	£	£
At 1 October 2019	1,068,448	839,592	244,957	6,964,399	9,117,396
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(543,242)	(543,242)
Currency loss	-	-	-	(662)	(662)
<b>Other comprehensive income for the year</b>	-	-	-	(662)	(662)
<b>Total comprehensive income for the year</b>	-	-	-	(543,904)	(543,904)
Dividends: Equity capital	-	-	-	(106,845)	(106,845)
Share option movement	-	-	8,345	-	8,345
<b>Total transactions with owners</b>	-	-	8,345	(106,845)	(98,500)
<b>At 30 September 2020</b>	<b>1,068,448</b>	<b>839,592</b>	<b>253,302</b>	<b>6,313,650</b>	<b>8,474,992</b>

The notes on pages 23 to 39 form part of these financial statements.

## CASHFAC PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 October 2018 (as previously stated)	1,058,210	741,452	47,501	6,755,820	8,602,983
<b>Comprehensive income for the year</b>					
Profit for the year	-	-	-	407,108	407,108
Currency translation differences	-	-	-	(994)	(994)
<b>Total comprehensive income for the year</b>	-	-	-	406,114	406,114
Dividends: Equity capital	-	-	-	(212,490)	(212,490)
Shares issued during the year	10,238	98,140	-	-	108,378
Share option movement	-	-	197,456	14,955	212,411
<b>Total transactions with owners</b>	10,238	98,140	197,456	(197,535)	108,299
<b>At 30 September 2019</b>	<b>1,068,448</b>	<b>839,592</b>	<b>244,957</b>	<b>6,964,399</b>	<b>9,117,396</b>

The notes on pages 23 to 39 form part of these financial statements.

## CASHFAC PLC

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2020

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2019	1,068,439	839,592	282,867	1,138,750	3,329,648
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(47)	(47)
<b>Total comprehensive income for the year</b>	-	-	-	(47)	(47)
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(106,845)	(106,845)
<b>Total transactions with owners</b>	-	-	-	(106,845)	(106,845)
<b>At 30 September 2020</b>	<b>1,068,439</b>	<b>839,592</b>	<b>282,867</b>	<b>1,031,858</b>	<b>3,222,756</b>

The notes on pages 23 to 39 form part of these financial statements.

## CASHFAC PLC

COMPANY STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 October 2018	1,058,210	741,452	84,692	1,355,029	3,239,383
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(17,984)	(17,984)
<b>Total comprehensive income for the year</b>	-	-	-	(17,984)	(17,984)
<b>Contributions by and distributions to owners</b>					
Dividends: Equity capital	-	-	-	(212,490)	(212,490)
Shares issued during the year	10,229	98,140	-	-	108,369
Share option movement	-	-	198,175	14,195	212,370
<b>Total transactions with owners</b>	10,229	98,140	198,175	(198,295)	108,249
<b>At 30 September 2019</b>	<b>1,068,439</b>	<b>839,592</b>	<b>282,867</b>	<b>1,138,750</b>	<b>3,329,648</b>

The notes on pages 23 to 39 form part of these financial statements.

## CASHFAC PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(543,242)	407,108
<b>Adjustments for:</b>		
Amortisation of intangible assets	2,060,401	1,701,579
Depreciation of tangible assets	21,023	28,032
Interest paid	3,264	3,489
Interest received	(5,537)	(9,731)
Taxation charge	(5,979)	(527,340)
Decrease in debtors	365,587	428,982
Increase/(decrease) in creditors	1,259,304	(121,061)
Corporation tax received	662,934	474,791
Movement in share option reserve	8,345	212,411
Foreign exchange difference	(662)	(994)
<b>Net cash generated from operating activities</b>	<b>3,825,438</b>	<b>2,597,266</b>
<b>Cash flows from investing activities</b>		
Additions of intangible fixed assets	(2,435,770)	(2,871,501)
Interest received	5,537	9,731
<b>Net cash from investing activities</b>	<b>(2,430,233)</b>	<b>(2,861,770)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	-	108,378
Dividends paid	(106,845)	(212,490)
Interest paid	(3,264)	(3,489)
<b>Net cash used in financing activities</b>	<b>(110,109)</b>	<b>(107,601)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>1,285,096</b>	<b>(372,105)</b>
Cash and cash equivalents at beginning of year	2,707,322	3,079,427
<b>Cash and cash equivalents at the end of year</b>	<b>3,992,418</b>	<b>2,707,322</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,992,418	2,707,322

The notes on pages 23 to 39 form part of these financial statements.



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**CASHFAC PLC**


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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**


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	At 1 October 2019 £	Cash flows £	At 30 September 2020 £
Cash at bank and in hand	2,707,322	1,285,096	3,992,418
	<u>2,707,322</u>	<u>1,285,096</u>	<u>3,992,418</u>

The notes on pages 23 to 39 form part of these financial statements.

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**1. General information**

Cashfac PLC is a public company limited by shares and incorporated in England and Wales. The registered head office is located at 50 Mark Lane, London, EC3R 7QR.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

**Parent company disclosure exemptions**

In preparing the separate financial statements of the parent *company*, advantage has been taken of the following disclosure exemptions available in FRS 102:

- No Statement of Cash Flows has been presented for the parent *company*;
- No disclosures have been given for the aggregate remuneration of the key management personnel of the parent *company* as their remuneration is included in the totals for the company as a whole.

The following principal accounting policies have been applied:

**2.2 Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of Financial Position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 October 2016.

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.3 Going concern**

The directors have reviewed the company's budgets and cash flow forecasts, which include assumptions surrounding future revenue generation, the associated timing of cash receipts, expenditure, and the receipt of corporation tax payments. Whilst the impact of the Covid 19 pandemic crisis has been limited in this financial year the Board has considered these forecasts, the relevant sensitivity of future finances and the current cash position of the company. The Board remains confident that the company will meet its obligations as they arise for the next 12 months from the date of signing of the financial statements. The board has also considered a scenario of significant decline in revenue in the foreseeable future such that it might impact the continued operation of the company and consider the possibility of such a scenario to be remote. The Board is therefore satisfied that the company has adequate resources available to it and will continue as a going concern, and accordingly the financial statements have been prepared on that basis.

**2.4 Revenue recognition**

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes.

Revenue from software services and the provision of general services is recognised over the period in which the service is provided.

The attributable profit on long-term contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project.

Revenue from license fees is recognised immediately on sale where the Group does not have any further obligations after delivery.

**2.5 Intangible assets**

*Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.*

All intangible assets are considered to have a finite useful economic life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed five years.

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**CASHFAC PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**


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**2. Accounting policies (continued)****2.6 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Leasehold improvements	-	25% per annum
Fixtures and fittings	-	25% per annum
Computer equipment	-	100% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

**2.7 Research and development**

Research expenditure is charged to profits in the period in which it is incurred. Development costs incurred on specific projects are capitalised when recoverability can be assessed with reasonable certainty and amortised in line with use arising from the projects. All other development costs are written off in the year of expenditure.

**2.8 Investments**

Investments are stated at cost less any provision for impairment.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

**2.9 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.11 Financial instruments**

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**2.12 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Foreign currency translation**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the Profit and Loss account.

**2.14 Finance costs**

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.15 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**

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**2. Accounting policies (continued)**

**2.16 Share based payments**

Certain Group employees and Directors are allowed to acquire shares of the company under share option schemes, the fair value of options granted is recognised as an employee expense with a corresponding increase in equity. The fair value is measured at grant date and spread over the period during which the employee or Director becomes unconditionally entitled to the options. The fair value of the options granted is measured using a Black Scholes model, taking account of the terms and conditions upon which the options were granted. The amount recognised as an expense is adjusted to reflect the actual number of share options that vest where forfeiture is due to performance criteria not being met during the life of the option.

**2.17 Operating leases**

Rentals payable under operating leases are charged in the Profit and Loss account on a straight-line basis over the lease term.

**2.18 Pensions**

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

**2.19 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

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## CASHFAC PLC

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2020

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## 2. Accounting policies (continued)

### 2.21 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

Significant judgements are taken to estimate the percentage stage of completion of long term contracts which drive the revenue recognised on these contracts in the period.

The Group grants share options to its employees. Significant judgements are made in respect of key assumptions included in the Black-Scholes model used to calculate the fair value of these share options. The company has used a set of comparable companies to calculate the volatility and assumed an exercise period of three years. This is in line with the strategic plans of the company. Additionally, a weighted average share price over 2 years has been used as an input in the model.

The Group recognises a deferred tax asset on taxable losses to the extent that it is probable that future taxable profits can offset these. Judgements are made in assessing the recoverable amount of the deferred tax asset recognised.

Judgements are made when assessing the useful economic life of intangible assets capitalised.

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**CASHFAC PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**


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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Licence fees	1,297,091	472,200
Implementation	2,614,944	2,920,900
Maintenance and support services	5,442,481	5,713,400
Other sundry	-	38,363
	<u>9,354,516</u>	<u>9,144,863</u>

77% (2019: 77%) of the turnover arose within the United Kingdom.

**5. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	21,023	28,032
Amortisation of intangible fixed assets	2,060,401	1,701,579
Operating lease rentals - land and buildings	293,150	294,904
Equity settled share based payments	8,395	212,361
Exchange differences	38,100	34,000
	<u>2,421,069</u>	<u>2,268,876</u>

**6. Auditor's remuneration**

**Fees payable to the Group's auditor and its associates in respect of:**

Audit of the Consolidation and the parent company accounts	11,000	10,500
Audit of subsidiary undertakings	21,500	24,500
Other accounts services	6,000	7,800
Tax compliance services	-	6,000
Tax R&D services	-	13,000
	<u>38,500</u>	<u>61,800</u>



## CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Wages and salaries	5,462,403	5,258,854	-	-
Social security costs	620,846	587,416	-	-
Cost of defined contribution scheme	118,651	120,885	-	-
	<u>6,201,900</u>	<u>5,967,155</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2020 No.</b>	<b>2019 No.</b>
Development and managed services	54	54
Sales and consultancy	17	15
Administration	14	13
	<u>85</u>	<u>82</u>

The company has no employees other than the non-executive directors (2019: Nil).

**8. Directors' remuneration**

	<b>2020 £</b>	<b>2019 £</b>
<b>Group</b>		
Directors' emoluments	<u>541,177</u>	<u>530,489</u>

During the year retirement benefits were accruing to 2 directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £257,273 (2019: £240,912).

The number of directors who were remunerated, including non-executive directors were 4 (2019: 4).

## CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2020**9. Interest receivable**

	2020 £	2019 £
Other interest receivable	5,537	9,731

**10. Interest payable and similar expenses**

	2020 £	2019 £
Bank interest payable	3,264	3,489

**11. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	(537,974)	(650,071)
Adjustments in respect of previous periods	(23,391)	(27,540)
<b>Total current tax</b>	(561,365)	(677,611)
<b>Deferred tax</b>		
Origination and reversal of timing differences	555,386	150,271
<b>Total deferred tax</b>	555,386	150,271
<b>Taxation on loss on ordinary activities</b>	(5,979)	(527,340)

## CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS  
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## 11. Taxation (continued)

## Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	(549,221)	(120,232)
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(104,352)	(22,844)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,148	1,817
Foreign tax payable	-	14,721
Enhanced tax relief on R&D expenditure	(535,990)	(640,907)
Surrender of tax losses for R&D tax credit refund	166,957	198,903
Other permanent differences	103	7,489
Other differences	(334)	(264)
Adjustment in respect of previous periods	(23,391)	(47,356)
Deferred tax not recognised	448,273	(21,451)
Differences in tax rates	41,607	(17,448)
<b>Total tax charge for the year</b>	<b>(5,979)</b>	<b>(527,340)</b>

## Factors that may affect future tax charges

Trading losses of approximately £3,591,218 (2019: £3,591,215) have been carried forward and are available for set-off against future trading profits with a subsidiary undertaking.

## 12. Dividends

	2020 £	2019 £
Dividend paid of £0.01 per share (2019: £0.02)	106,845	212,490

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**CASHFAC PLC**


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**13. Intangible assets****Group and Company**

	<b>Development costs £</b>
<b>Cost</b>	
At 1 October 2019	13,466,104
Additions	2,435,770
At 30 September 2020	<u>15,901,874</u>
<b>Amortisation</b>	
At 1 October 2019	6,566,885
Charge for the year on owned assets	2,060,401
At 30 September 2020	<u>8,627,286</u>
<b>Net book value</b>	
At 30 September 2020	<u><u>7,274,588</u></u>
At 30 September 2019	<u><u>6,899,219</u></u>

Development costs are amortised over the period of expected future sales of the related projects up to a maximum of five years.

## CASHFAC PLC

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## 14. Tangible fixed assets

## Group

	Short-term leasehold property £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>			
At 1 October 2019	336,432	151,367	487,799
At 30 September 2020	336,432	151,367	487,799
<b>Depreciation</b>			
At 1 October 2019	281,101	122,603	403,704
Charge for the year on owned assets	13,833	7,190	21,023
At 30 September 2020	294,934	129,793	424,727
<b>Net book value</b>			
At 30 September 2020	41,498	21,574	63,072
At 30 September 2019	55,331	28,764	84,095

The company has no tangible fixed assets.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**15. Fixed asset investments****Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 October 2019	4,962,612
At 30 September 2020	4,962,612
<b>Impairment</b>	
At 1 October 2019	342,242
At 30 September 2020	342,242
<b>Net book value</b>	
At 30 September 2020	4,620,370
At 30 September 2019	4,620,370

**Subsidiary undertakings**

The following were subsidiary undertakings of the company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Cashfac Initiative Limited	England & Wales	Development, sales, administration and maintenance of bank management systems	Ordinary	100%
Cashfac Technologies Limited	England & Wales	Non- trading subsidiary	Ordinary	100%
Whentopay Limited	England & Wales	Non- trading subsidiary	Ordinary	100%
Cashfac Solutions Limited	England & Wales	Non- trading subsidiary	Ordinary	100%
Cashfac Pty Ltd	Australia	Sales and maintenance of banks systems	Ordinary	100%
Cashfac Europe	Republic of Ireland	Sales and maintenance of banks systems	Ordinary	100%

## CASHFAC PLC

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## 16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
<b>Due after more than one year</b>				
Deferred tax asset	285,000	640,907	-	-
<b>Due within one year</b>				
Trade debtors	792,357	962,193	-	-
Amounts owed by group undertakings	-	-	500,000	500,000
Other debtors	(173)	7,607	-	-
Prepayments and accrued income	882,129	1,070,100	-	-
Tax recoverable	537,974	639,537	-	-
	<u>2,497,287</u>	<u>3,320,344</u>	<u>500,000</u>	<u>500,000</u>

## 17. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	<u>3,992,418</u>	<u>2,707,322</u>	<u>12,868</u>	<u>24,760</u>

## 18. Creditors: Amounts falling due within one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade creditors	313,197	598,919	-	-
Amounts owed to group undertakings	-	-	1,910,457	1,815,457
Other taxation and social security	707,358	231,753	-	-
Accruals and deferred income	760,937	689,882	25	25
	<u>1,781,492</u>	<u>1,520,554</u>	<u>1,910,482</u>	<u>1,815,482</u>

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## 19. Creditors: Amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Deferred tax provision	1,209,672	1,010,193	-	-

## 20. Deferred taxation

	2020 £	2019 £
<b>Deferred tax asset</b>		
At beginning of year	640,907	604,002
Charged to profit and loss	(355,907)	36,905
	<u>285,000</u>	<u>640,907</u>

The Deferred tax asset arises on trading losses and is recognised to the extent that it is probable that it will be utilised in the foreseeable future. The amount has been written down in the year to the estimated recoverable amount of the asset based on expected taxable profits estimated in the next three years.

	2020 £	2019 £
<b>Deferred tax provision</b>		
At beginning of year	(1,010,193)	(821,161)
Charged to profit and loss	(199,479)	(189,032)
	<u>(1,209,672)</u>	<u>(1,010,193)</u>

Deferred tax liabilities arise on timing differences between tax refunds already received for which the Group has yet to amortise the related costs in the profit and loss account.

## 21. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
10,684,478 (2019: 10,684,478) Ordinary shares of £0.10 each	<u>1,068,448</u>	<u>1,068,448</u>



## CASHFAC PLC

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## 21. Share capital (continued)

Share options:

- a) Employee share option scheme: Cashfac PLC operates an employee SAYE share option scheme under which options are granted to eligible employees and Directors of the company. No options were exercised in the year (2019: 2,385).
- b) Other Options: Options have been granted under both approved and unapproved share option schemes in Cashfac PLC. Nil options were exercised in the year (2019: 100,000).

Details of the number of employee and other share options and the weighted average exercise price (WAEP) outstanding during the year are as follows:

	2020 Number	2020 WAEP £	2019 Number	2019 WAEP £
Outstanding at prior year end date	941,061	1.40	375,385	1.09
Granted during the year	-	1.54	376,686	1.54
Exercised during the year	-	0.83	(2,385)	0.83
Expired during the year	-	1.03	(2,000)	1.03
Exercised during the year	-	1.03	(80,000)	1.03
Expired during the year	-	1.13	(5,000)	1.13
Expired during the year	(7,544)	1.24	(8,124)	1.24
Expired during the year	-	-	-	-
Expired during the year	(75,000)	1.30	-	-
Expired during the year	(50,000)	1.54	-	-
Expired during the year	(191,000)	1.03	-	-
Exercised during the year	-	1.20	(20,000)	1.20
Granted during the year	-	1.54	242,663	1.54
Granted during the year	-	1.24	63,836	1.24
Outstanding at year end date	617,517	1.52	941,061	1.40

The Share Options outstanding at the end of the year including the grant date, maturity dates and exercise price are detailed below:

Grant date	Maturity Date	Exercise price	Total No of options
February 2019	February 2024	£1.54	326,686
February 2019	February 2024	£1.54	242,663
March 2019	March 2022	£1.24	48,168

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**CASHFAC PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
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**22. Reserves****Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Share option reserve**

Share option reserve (other reserves) represents the fair value of the equity share options issued.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

**23. Commitments under operating leases**

At 30 September 2020 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2020 £</b>	<i>Group 2019 £</i>
Not later than 1 year	<b>217,619</b>	<i>309,964</i>
Between one and five years	<b>151,214</b>	<i>368,366</i>
	<b>368,833</b>	<i>678,330</i>

**24. Related party transactions****Transactions with directors**

During the year the company owed £15,000 (2019: £35,000) to directors for expenses incurred but not claimed. These amounts are included in accruals.

Remuneration to key management personnel is disclosed as part of directors remuneration in note 8.

The entity's transactions are with wholly owned subsidiaries and have not been disclosed as the company is exempt under FRS 102.

**25. Post balance sheet events**

There are no significant post balance events.