

Registered number: 03781239

CASHFAC PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2022

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CASHFAC PLC

COMPANY INFORMATION

Directors	D Houghton (Chairman) R T Cummings (resigned 6 July 2022) A P Blair J Jeng P W Ormrod
Company secretary	H J McNally
Registered number	03781239
Registered office	50 Mark Lane London EC3R 7QR
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 30 Finsbury Square London EC2A 1AG

CASHFAC PLC

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CASHFAC PLC

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2022

Our Purpose and Values

Our purpose is to provide solutions to help our customers with the stronger, faster, and more efficient management of their clients' money, maintaining high levels of transparency, control, and compliance.

Our values and integrity underpin our business and govern everything we do. Our values help us strengthen relationships with stakeholders, build trust, reduce operating costs, mitigate risk, and attract and retain talent in a competitive environment.

Our core solution, Cashfac Virtual Bank Technology® (VBT), is a packaged, rules-driven Software-as-a-Service (SAAS) technology that automates complex cash operations; with extensive integration with corporate systems and banks; fast opening of client and virtual bank accounts; high volume processing of payments and high volume transmission of payment instructions; managing payments across different industries especially involving the management of other peoples' money. VBT's penny precision, compliance and price-performance are unmatched. Cashfac has long been established and proven as the market leading specialist in operational cash management solutions.

We develop collaborative relationships with our partners, including banks. Our solutions evolve with our clients, and we help leadership teams to design and build their future vision with us. Our specialists understand the needs of the end customer, helping our clients develop long term relationships with their customers.

Our Strategy

A great strength in Cashfac is its close relationships with clients, built on wrap-around Managed Services, responsive product improvement and increasingly strong account management. A distinguishing corporate characteristic of Cashfac is our commitment to the Continuing Enhancement Program (CEP) which has delivered 5 generations of releases of VBT without interruption since 2000. This improves the functionality and ease of use of Cashfac technology and keeps it up to date with market changes, including Open Banking. Over the past financial year Managed Services' operational performance has delivered 99.98% availability. Cashfac is a global service with Operations in North America, Europe, and Australia.

Our SAAS and Managed Services are continuously improved through training, attention to detail and automation, delivering high service availability around the clock. Our product designs deliver resilience and dependability. The use of our technology for the protection of client and controlled money includes the financial care of vulnerable people, giving us a strong social purpose.

We aim to be the leading client money payment fintech globally, creating value for our shareholders.

Strategic Objective for Financial 2023

- Increased profile in our markets with specialism in wealth management, property management, public sector, and social care.
- Offering SAAS at 3 levels including generic for the smaller business; industry oriented mid-range SAAS; and highly scalable tailored Enterprise SAAS for the large client.
- A new suite of RESTful APIs to enable partner developed User Experience (UX).
- We are looking for specialist consulting and SI partners for industry specific solutions.

CASHFAC PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Highlights - Key Performance Indicators

It took longer than expected for our markets to exit a lockdown mentality; people needed time back at the office to plan and commit to investment in a technology that changes working practices.

At Cashfac we used the time to restructure – invest more in smart Managed Services technology, higher performance product and new generation open banking enabled APIs. We sharpened our market and sales approach to highlight our wealth market expertise, our SAAS offerings and our partnering, including more attention to bank partners.

Recurring revenues and cash reserves provided the financial strength through the pandemic and enabled Cashfac to continue investing in people, product, training, and expertise without interruption and without additional financial support. However, as a result costs outstripped revenue.

The return that we see to higher interest rates, together with central bank action to tighten liquidity, makes Cashfac more attractive to banks. Cashfac was founded as a partnership fintech: VBT's innovative operational cash management for wealth managers generates large, stable deposits for bank partners that in turn helped the wealth managers offer a cash service to clients using Cashfac virtual bank accounts. Interest rates then were 4%-6% and banks competed for deposits.

We are looking for a marketing partner in the US to help us build on our success with our existing customer base that is generating large deposits on its Cashfac technology. Long standing bank partner relationships are also being revived.

Our new specialist SAASs in client money, pensions and property are generating a growing sales pipeline as we apply our revived expertise in those markets.

The financial commentary included in this Strategic report should be read in conjunction with the Financial Statements.

Enhanced Customer Experience and Consumer Duty

The environment in which we are operating is constantly changing: cloud technology, payments, and compliance. Cashfac responds rapidly through its Continuing Enhancement Program, single code base; the skills, adaptability, and mutual support ethic of Cashfac people.

Cashfac is unique in its ability to make payments directly from inside Cashfac virtual bank accounts, its online transaction processing and integrated credit control. High volume, online forward-looking treasury management includes cash flow forecasting and just-in-time funding. These features are not available in competitor solutions as benchmarked regularly by our customers and third-party consultants.

The use of open-source technologies provides us with the tools for scalability in our SAAS architecture, and modern APIs are the key to the migration of our proven application towards smaller, containerised services. The skills that the team acquired in the build of our Open Banking cloud and mobile open banking app (SlideBy) are behind the Cashfac Q initiative which offers customers and partners self-service in enhancing the user experience (UX).

Compliance is a big influence in Cashfac product development and Managed Services. We are regulated as a payment initiation service and account information service provider in the UK. Many of our clients are themselves regulated and depend on Cashfac's client money technology. Cashfac platforms comply with the regulations of all jurisdictions in which we operate.

The fair treatment of vulnerable people remains a key priority for regulators both in the UK and globally. We have a long history of supporting these communities, working closely with our partners and their clients, taking into consideration the needs and requirements of those vulnerable customers. We remain committed in ensuring our solutions, products and distribution methods continue to meet the high standards expected.

CASHFAC PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

We are proud that Cashfac technology continues to be used in the financial care of vulnerable people. Our award-winning Care Accounts platform is used by many UK local authorities and government bodies and can be adapted to meet the requirements of similar social security programs globally.

Cashfac is working on an innovative digital cash technology to help the government and the wider public sector to reduce the cost, time, and fraud risk of getting money to people in need. Cashfac became an approved supplier on the UK Government G-Cloud Digital Marketplace in November 2022.

Growth & Developing Channels to Market

We forecast a return to growth this year with increases in revenue and net cash generation. Over 75% of all Cashfac costs are currently covered by recurring revenues from long-term contracts.

Our marketing to the wealth sector including pensions and property management has been overhauled. With a focus on innovate treasury management functionality in our financial care technology we can offer governments a faster, cheaper, and more efficiently funded benefits payments system.

We have packaged our SAAS solutions to meet price points at the mid and lower end of our markets.

We are developing partnerships with consulting firms and payment card platforms alongside our other routes to market. We remain on the lookout for a marketing partner in North America to help build on our early success in providing solutions that generate large deposits.

The return to higher interest rates, together with central bank action to tighten liquidity, makes Cashfac more attractive to banks. Cashfac was founded as a partnership fintech: VBT's innovative operational cash management for wealth managers generating big, stable deposits for bank partners that in turn helped the wealth managers offer a cash service to their customers using Cashfac. Interest rates are heading in the direction of the conditions that prevailed when Cashfac was founded.

Sustainability

In the last year, we launched a new sustainability initiative, mapping our existing corporate and social responsibilities in Environmental, Social and Governance to the United Nations Sustainability Development Goals. The Sustainable Development Goals (SDGs) are a blueprint to achieve a better and more sustainable future for all.

Our sustainability objectives are focused on the following key areas:

Covid-19 recovery and Wellbeing - the health, safety and wellbeing of our people became central to the resiliency and the effectiveness of our operations. We maintained our Health & Wellbeing Programme throughout the pandemic and beyond providing a supportive, compassionate, and positive experience for our employees. Post lockdown, we continue to provide access to the Employee Assistance Program, to support those with either personal or workplace mental health issues, as well as private healthcare, time off to care for dependents and engage with our colleagues in establishing our hybrid working model that meets both operational & business requirements as well as the preference of colleague's continuance of working from home.

Fighting climate change - we are committed to good environmental practices and always seek to reduce any negative environmental impact and contribute towards a healthier environment. We have a 3Rs approach across our business – Reduce, Re-Use and Recycle. We consider environmental issues and energy performance in the design, refurbishment, relocation and/or physical use of our office buildings, such as the use of motion sensors and low-energy lighting and mains filtered drinking water to reduce the consumption of single-use plastic bottles. We also continue to maintain our sustainable travel policy and ensure our business, operational practices and policies help us minimise our impact on the environment and reduce the negative effect on climate change.

CASHFAC PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Tackling economic inequality - it is well recognised that a lack of opportunities for learning, especially for those in vulnerable communities or in developing countries, contribute to a life of poverty, poor health, and inequality. The pandemic has further highlighted the disparity between communities, seeing an increase in poverty and widening inequality, made worse by subsequent global economic instability. Many community-led charities have seen a significant increase in demand for their services whilst struggling with a loss of income impacting their ability to provide support and help those most in need. Our focus remains on the most vulnerable in society. Our objective is to continue to support charities focused on delivering community engagement programs, as we believe community-led solutions are often better able to produce longer lasting and more meaningful change.

Equal opportunities - we aim to treat everyone fairly and equally and have an inclusive workforce offering employment opportunities to all members of the community. Our key objectives and employee benefits include enhanced maternity and paternity leave, adoption leave, tax-free childcare schemes, increased representation of people from minority groups and equality & diversity training. We also continue to invest in our people and create an environment where they can develop to their full potential, providing opportunities for learning in several ways including access to award-winning industry e-learning platforms and through certified academic or vocational qualifications.

Human Rights - Modern slavery and human trafficking are abhorrent practices that still exist in many parts of the world, including the UK, Australia, and Europe, where most of our operations are based. We will always conduct business with integrity and respect to human rights. We do not tolerate human rights abuses and will not engage or be complicit in any activity that solicits or encourages such abuse. We will continue to promote maintaining high standards amongst our suppliers and oppose the exploitation of any workers. We will not tolerate forced labour, human trafficking, the exploitation of children and young people or labour which involves harassment or intimidation of any kind.

Our Focus on Product Development, Investment and Specialisation

Cashfac has unique strengths that give us a significant competitive advantage, including a strong client base, specialist skills in wealth, property and financial care and a well-recognised brand. Cashfac's user base is sticky. There are examples of household names changing Banks for access to our technology.

That stickiness is caused by Cashfac VBT functionality, uninterrupted Managed Services that operate globally, and Cashfac's Continuing Enhancement Program (CEP), uninterrupted for over 20 years in the delivery of 5 generations of Cashfac product, internally funded. This enables our customers to always receive the latest version of Cashfac Virtual Bank Technology. Cashfac's sixth series is currently under development.

Each Cashfac series is a new generation, enabling our customers to benefit from new platform technology, functionality, security features or new Cashfac invention.

The CEP is aligned with Cashfac's product and market strategy. We spend about 20% of our revenues on it. Our most recent investment in CEP has produced the new cloud-native generation Q of Cashfac Virtual Bank Technology. Cashfac Q offers radical changes in architecture and functionality, without presenting any major change to the appearance of the product for the user base.

New generation REST APIs are being delivered, allowing for industry collaboration and partnership developments.

CASHFAC PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Creation of Shareholder Value

Our financial focus continues to be on Cashfac's cash flows and internally funded product development program. Despite a weaker financial performance in the pandemic conditions affecting 2021-2022, Cashfac has no debt.

Recurring revenue remains a big focus as the highest quality income; it underpins our continued investment in product and is the key to achieving future, continuing, profitability. Periodically we experience customer retirement, but our recurring revenues have continued to cover most of our gross cost base including the cash that we invest in new and improved Cashfac product.

The outlook is improving with a change in the leadership in sales and marketing and a growing sales pipeline. We anticipate increases in sales in Australia and the UK and expect further sales in the US, once we establish a distribution partnership.

As part of maintaining our cash resources we did not pay a dividend to shareholders in 2022.

Risk Management

Our approach and how we manage risk

Risk management touches all areas of our business. We continue to manage inherent and residual risks in the business by focusing on threats and vulnerabilities to our strategic and operational objectives. Such risks can arise through people, process and technology and the aim is to mitigate the risks down to a level which is acceptable to the business.

Cashfac's established framework for governance, risk management and compliance continue to be based on a three lines of defence model. The purpose of Cashfac adopting this model is to ensure a holistic approach to managing risk across the business. The three lines of defence is a well-recognised formula adopted for risk management.

The Cashfac PLC 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. Our risk management framework includes reporting to the Board, as well as having independent external auditors to assess our controls to industry standards, such as our ISO27001 certified information security management system.

Risk reporting takes an aggregated view of risks and their potential impact on achieving business plan objectives. Individual risks may affect multiple objectives and when aggregated may take the overall risk status to an unacceptable level, thereby triggering further action.

The governance framework for risk and compliance is under regular review by the Governance Risk and Compliance Committee and Board to ensure it remains fit for purpose and the level of risk remains below Cashfac's risk appetite.

CASHFAC PLC

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2022

Principal Risks and Uncertainties

As we emerged from the pandemic, there has been greater focus on Operational Resilience and Cyber Security risk over the last year driven by our own analysis, requests from regulators and customers. This trend for greater operational resilience and information sharing will continue into 2023.

A summary of principal risks is provided below. Any single risk may have an adverse impact on our objectives, brand, and reputation.

Risk type	Our position and mitigation
Operational Resilience	In 2022 it became a regulatory requirement to have a Board mandate for addressing operational resilience, including setting out defined roles and responsibilities across the business with the Board providing the ultimate oversight. Throughout the gradual reopening of offices, Cashfac has worked with colleagues on agreeing our hybrid working guidelines. This hybrid working model is now embedded in all teams and is regularly reviewed to meet FCA regulatory guidelines. Cashfac's Operational Resilience plan identified critical services; those services underwent impact analysis to look at the effect of disruption on those services and how much could be tolerated without impacting customers. Such planning drives our Business Continuity and Disaster Recovery plans and capabilities. Hybrid working patterns also provide some benefits to operational resilience and business continuity. All operational SLAs for cloud hosting and managed services continued to be met despite the transition to hybrid working patterns. Our SAAS platforms are operated on Microsoft Azure Cloud Services, with geo-redundancy provisions in place, central to our DR capability. Vendor Risk Management (VRM) has been tightened and where possible rationalised. Vendors and third-party software & services still represent a high-risk channel for zero-day vulnerabilities.
Technology & Security	Our Cyber Risk improvement programme will continue into 2023 with focus on Privilege Access Management (PAM), continued migration of legacy hardware to the cloud and Supply Chain Security. We expect to achieve the UK National Cyber Security Centre (NCSC) Cyber Essentials certification in Q1 2023. Our digital transformation across our corporate and operational infrastructure continues with more infrastructure and services being migrated to the cloud. Key risks related to legacy in-house corporate infrastructure and recovery capabilities have been addressed. Cashfac achieved ISO27001 certification for its 13th year in 2022. The ISO27001 standard was updated in Q4 2022 and Cashfac has two years to comply. The new standard introduces more focus on Cyber Security and Privacy Protection.
Financial	We remain pro-active in assessing our financial risks, maintaining robust cost controls across the business to retain our cash position, ensuring prompt collection of customer fees, and treating our suppliers fairly by paying on time. Product and service deliverables are aligned to strategic objectives, allowing us to focus on specialist markets. We reset the sales culture this year: strength in depth in wealth market skills; increasing market profile; better articulation of our value proposition; focus on routes to market; the use of SAAS and agile implementation to drive earlier closing and to distinguish stronger sales opportunities. Our relationships with existing customers strengthened, particularly in Australia and the US, leading to growth in accounts, contract renewals and closing new work orders. We continue to invest in our Managed Services, one of our key strengths and differentiators.

CASHFAC PLC

GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

Credit & Liquidity	Our prudent approach in managing liquidity risk has served us well as we emerged from the pandemic. The transition to a more subscription-based model for the Cashfac labelled Software-as-a-Service (SAAS) is nearing completion; levels of recurring revenues continued to increase, targeting 80% of running costs in the next financial year. Exposure to credit risk comes from the timely receipt of trade receivables and Sterling exchange rate risk on US and Australian contracts. We will continue to monitor any exposure to significant concentrations of credit risk and seek to reduce this through our sales, marketing, and partnership activities to further bolster business resilience.
Political Uncertainty	2022 has seen considerable geo-political instability. Closer to home we will continue to monitor risk to the UK Union. Equally, opportunities may arise in other territories from new political and trade alliances. We will continue to monitor the political changes and seek independent advice and guidance as required.
Regulatory Focus	As the fintech industry continues to evolve, new technology, products and our different distribution model brings a wealth of opportunities, but also new regulatory exposures. Keeping pace with regulatory change, any supervisory rules, licensing or authorisations and the need to consider differing regulations in multiple territories continues to be challenging. We will continue to monitor and seek independent advice and guidance as required to bring legal certainty to our regulatory position, obligations, and risk exposure.

This report was approved by the board on 16 February 2023 and signed on its behalf.



P W Ormrod
Director

CASHFAC PLC

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The directors present their report and the financial statements for the year ended 30 September 2022.

Principal activity

Cashfac Plc is the holding company for the main operating company, Cashfac Initiative Limited, and for the Australian subsidiary, Cashfac Pty Limited. 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 £1,519,340 (2021: loss £721,571).

No dividend was paid during the year (2021: £106,845). The business is financed wholly by equity and reserves.

Directors

The directors who served during the year were:

D Houghton (Chairman)	137,734 shares (2021: 137,734 shares)
R T Cummings (resigned 6 July 2022)	Nil shares (2021: Nil shares)
A P Blair	38,000 shares (2021: 38,000 shares)
P W Ormrod	1,578,812 shares (2021: 1,576,812 shares)

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

	Option Price	30 September 2021	Cancelled during the year	Exercised during the year	Granted during the year	30 September 2022
	£	£	£	£	£	£
P Ormrod	1.54	25,000	-	-	-	25,000
R Cummings	1.54	350,000	-	-	-	350,000
D Houghton	1.54	55,000	-	-	-	55,000
P Ormrod	1.24	30,000	-	-	-	30,000
A Blair	1.24	10,000	-	-	-	10,000

CASHFAC PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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.

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. 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 possible 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.

CASHFAC PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 two other independent non-Executive Directors 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 in turn delegates operational management to appropriately qualified managers.

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 and engagement with 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.

Recurring revenues and cash reserves have provided financial strength through the pandemic and enabled the Company to continue investing in people, product, training, and expertise without interruption and without financial support.

The Board reviewed the business during the last quarter following a revision in the forecast revenue for the current year, which has been affected by the slow emergence of the economy from the pandemic. The priorities for the business that emerged from the Board review are substantially oriented around a focus on industry specialism in solutions and selling. That focus has contributed much to bringing costs into line with revenue.

The Board sets and communicates the core values of the Company and ensures all staff behaviour is consistent with those values and expectations. The Board supports the maintenance of a Personal and Professional Development Programme in an environment where everyone can develop to their full potential, alongside the Health & Wellbeing Programme to make sure that all staff feel valued, supported, and have the right resources to help when needed.

2022 saw pandemic restrictions ease worldwide. The Company has adapted to a hybrid working model of working from home and on business premises. All teams remained fully operational during the entire duration of the pandemic; customer operations, service and deliveries were maintained at normal service levels without interruption.

The Board ensures that its remuneration policies continue to be benchmarked against industry standards to reduce the risk arising from staff attrition, unethical behaviour and practice, unnecessary risk taking and conflicts of interests.

The Board remains committed to the Company's established framework for governance and risk management. The Board continued its support for maintaining operational resilience and risk management to monitor and respond promptly to emerging threats including Cybersecurity, Pandemic, Major Incident Management, Terrorism or Political unrest by increased investment in third party tools, automation, expert services, and supplier diversification and by actively monitoring specialist news services and other channels of communication.

CASHFAC PLC

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

The Board is committed to doing business in a sustainable and responsible way by developing and following its formal ESG framework. This sets out how corporate and social responsibilities are aligned to the United Nations Sustainability development goals.

The Board supports the fair treatment of suppliers and customers. As consumer outcomes remain a key priority for regulators, the Board and staff remain committed to enhancing the customer experience and taking into consideration the requirements of vulnerable customers.

In the interest of maintaining the cash resources of the business, the Directors did not support the payment of an interim dividend. The Directors continue to promote the success of the Company and are committed to high standards of governance, risk, and compliance by overseeing the business in a fair, ethical and responsible manner.

Post balance sheet events

There have been no significant events affecting the company since the year end.

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 16 February 2023 and signed on its behalf.


P W Ormrod
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASHFAC PLC

Opinion

We have audited the financial statements of Cashfac PLC (the 'parent company') and its subsidiaries (the 'Group') for the year ended 30 September 2022, 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 2022 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.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and of the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Group and the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Group's and of the parent company's business model including effects arising from macro-economic uncertainties. We assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Group's and of the parent company's financial resources or ability to continue operations over the going concern period.



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

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

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

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

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.

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.

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.



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

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, 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)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and the industry in which it operates. We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience and through discussion with the directors and management. We determined that the most significant laws and regulations were United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006;
- We enquired of the directors and management to obtain an understanding of how the Company is complying with those legal and regulatory frameworks and whether there were any instances of non-compliance with laws and regulations and whether they had any knowledge of actual or suspected fraud. We corroborated the results of our enquiries through our review of the minutes of the Company's board meetings;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by evaluating management's incentives and opportunities for manipulation of the financial statements. This included an evaluation of the risk of management override of controls. Audit procedures performed by the engagement team in connection with the risks identified included:
 - evaluation of the design and implementation of controls that management has put in place to prevent and detect fraud;
 - testing journal entries, including manual journal entries processed at the year-end for financial statements preparation and journals with unusual account combinations; and
 - challenging the assumptions and judgements made by management in its significant accounting estimates.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;



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

- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory frameworks applicable to the Company.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- The engagement partner has assessed that the audit team collectively had the appropriate competences and capabilities to identify and recognize non-compliance with laws and regulations. The engagement partner considered the engagement team's understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation, knowledge of the industry in which the client operates, and understanding of the legal and regulatory requirements specific to the entity/regulator in carrying out this assessment; and
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement; and
 - the Company's control environment, including the policies and procedures implemented to comply with the requirements of its regulator, including the adequacy of the training to inform staff of the relevant legislation, rules and other regulations of the regulator, the adequacy of procedures for authorisation of transactions, internal review procedures over the Company's compliance with regulatory requirements, the authority of, and resources available to the compliance officer and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

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. This description forms part of our Auditor's Report.



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

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

16 February 2023

CASHFAC PLC

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	8,074,149	9,425,110
Gross profit		8,074,149	9,425,110
Administrative expenses		(10,178,969)	(10,298,458)
Operating loss	5	(2,104,820)	(873,348)
Interest receivable and similar income	9	7,140	2,316
Interest payable and similar expenses	10	(4,120)	(3,662)
Loss before taxation		(2,101,800)	(874,694)
Tax on loss	11	582,460	153,123
Loss for the financial year		(1,519,340)	(721,571)
Currency translation differences		(5,072)	(5,116)
Other comprehensive income for the year		(5,072)	(5,116)
Total comprehensive income for the year		(1,524,412)	(726,687)

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC
REGISTERED NUMBER: 03781239

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	13	6,415,470	6,973,834
Tangible assets	14	35,477	47,303
		<u>6,450,947</u>	<u>7,021,137</u>
Current assets			
Debtors	16	2,658,721	2,393,009
Cash at bank and in hand	17	1,460,726	3,054,645
		<u>4,119,447</u>	<u>5,447,654</u>
Creditors: amounts falling due within one year	18	(823,018)	(1,374,763)
Deferred income		<u>(2,068,683)</u>	<u>(1,808,121)</u>
Net current assets		<u>1,227,746</u>	<u>2,264,770</u>
Total assets less current liabilities		<u>7,678,693</u>	<u>9,285,907</u>
Deferred tax liability falling due after more than one year	19	(1,400,040)	(1,492,091)
Provisions for liabilities			
Net assets		<u><u>6,278,653</u></u>	<u><u>7,793,816</u></u>
Capital and reserves			
Called up share capital	21	1,069,989	1,068,448
Share premium account	22	857,161	839,592
Other reserves	22	395,797	405,658
Profit and loss account	22	3,955,706	5,480,118
Equity attributable to owners of the parent company		<u><u>6,278,653</u></u>	<u><u>7,793,816</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 February 2023.



P W Ormrod
Director


The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC
REGISTERED NUMBER: 03781239

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	15	4,746,028	4,739,258
		<u>4,746,028</u>	<u>4,739,258</u>
Current assets			
Debtors	16	500,000	500,000
Cash at bank and in hand	17	20,116	1,006
		<u>520,116</u>	<u>501,006</u>
Creditors: amounts falling due within one year	18	(2,005,474)	(2,005,483)
Net current liabilities		<u>(1,485,358)</u>	<u>(1,504,477)</u>
Total assets less current liabilities		<u>3,260,670</u>	<u>3,234,781</u>
Net assets		<u><u>3,260,670</u></u>	<u><u>3,234,781</u></u>
Capital and reserves			
Called up share capital	21	1,069,989	1,068,448
Share premium account	22	857,161	839,592
Other reserves	22	416,944	426,805
Profit and loss account brought forward		899,936	1,031,858
Profit/(loss) for the year		16,640	(25,077)
Other changes in the profit and loss account		-	(106,845)
Profit and loss account carried forward	22	<u>916,576</u>	<u>899,936</u>
		<u><u>3,260,670</u></u>	<u><u>3,234,781</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 16 February 2023.



P W Ormrod
Director

The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2021	1,068,448	839,592	405,658	5,480,118	7,793,816
Comprehensive income for the year					
Loss for the year	-	-	-	(1,519,340)	(1,519,340)
Currency translation differences	-	-	-	(5,072)	(5,072)
Other comprehensive income for the year	-	-	-	(5,072)	(5,072)
Total comprehensive income for the year	-	-	-	(1,524,412)	(1,524,412)
Shares issued during the year	1,541	-	-	-	1,541
Share option movement	-	17,569	(9,861)	-	7,708
Total transactions with owners	1,541	17,569	(9,861)	-	9,249
At 30 September 2022	1,069,989	857,161	395,797	3,955,706	6,278,653

The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2020	1,068,448	839,592	253,302	6,313,650	8,474,992
Comprehensive income for the year					
Loss for the year	-	-	-	(721,571)	(721,571)
Currency translation differences	-	-	-	(5,116)	(5,116)
Total comprehensive income for the year	-	-	-	(726,687)	(726,687)
Dividends: Equity capital	-	-	-	(106,845)	(106,845)
Share option movement	-	-	152,356	-	152,356
Total transactions with owners	-	-	152,356	(106,845)	45,511
At 30 September 2021	1,068,448	839,592	405,658	5,480,118	7,793,816

The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2021	1,068,448	839,592	426,805	899,936	3,234,781
Comprehensive income for the year					
Profit for the year	-	-	-	16,640	16,640
Total comprehensive income for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,640</u>	<u>16,640</u>
Contributions by and distributions to owners					
Shares issued during the year	1,541	-	-	-	1,541
Share option movement	-	17,569	(9,861)	-	7,708
Total transactions with owners	<u>1,541</u>	<u>17,569</u>	<u>(9,861)</u>	<u>-</u>	<u>9,249</u>
At 30 September 2022	<u><u>1,069,989</u></u>	<u><u>857,161</u></u>	<u><u>416,944</u></u>	<u><u>916,576</u></u>	<u><u>3,260,670</u></u>

The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 October 2020	1,068,448	839,592	282,858	1,031,858	3,222,756
Comprehensive income for the year					
Loss for the year	-	-	-	(25,077)	(25,077)
Share option movements	-	-	143,947	-	143,947
Total comprehensive income for the year	-	-	143,947	(25,077)	118,870
Contributions by and distributions to owners					
Dividends: Equity capital	-	-	-	(106,845)	(106,845)
Total transactions with owners	-	-	-	(106,845)	(106,845)
At 30 September 2021	1,068,448	839,592	426,805	899,936	3,234,781

The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(1,519,340)	(721,571)
Adjustments for:		
Amortisation of intangible assets	2,318,600	2,247,196
Depreciation of tangible assets	11,826	15,769
Interest paid	4,120	3,662
Interest received	(7,140)	(2,316)
Taxation charge	(582,460)	(153,123)
(Increase)/decrease in debtors	(265,712)	32,227
(Decrease) in creditors	(291,183)	(959,812)
Corporation tax received	490,409	507,588
Movement in share option reserve	-	152,356
Foreign exchange difference	-	(5,116)
Net cash generated from operating activities	159,120	1,116,860
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,760,236)	(1,946,442)
Interest received	7,140	2,316
Net cash from investing activities	(1,753,096)	(1,944,126)

CASHFAC PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
Issue of ordinary shares	1,541	-
Movement in share option reserve	7,708	-
Dividends paid	-	(106,845)
Interest paid	(4,120)	(3,662)
Net cash used in financing activities	<u>5,129</u>	<u>(110,507)</u>
Net (decrease) in cash and cash equivalents	<u>(1,588,847)</u>	<u>(937,773)</u>
Cash and cash equivalents at beginning of year	3,054,645	3,992,418
Effect of exchange rate changes	(5,072)	-
Cash and cash equivalents at the end of year	<u><u>1,460,726</u></u>	<u><u>3,054,645</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,460,726	3,054,645
	<u><u>1,460,726</u></u>	<u><u>3,054,645</u></u>

The notes on pages 27 to 43 form part of these financial statements.

CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2022

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 group 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.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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. The Group invests in the development of new and enhanced features to its products and costs that meet the qualifying criteria are capitalised and amortised over the useful life of the intangible asset and no longer than 5 years. Determining whether development costs qualify for capitalisation as intangible assets requires judgement as to the technical and commercial viability of the assets created. These judgements are applied consistently and the Group evaluates whether there is future benefit.

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.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)

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.

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.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the reporting 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.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

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 reporting 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 3 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.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

4. Turnover

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

	2022 £	2021 £
Licence fees	64,015	260,874
Implementation	681,673	1,464,554
Maintenance and support services	7,299,206	7,596,682
Other	29,255	103,000
	<u>8,074,149</u>	<u>9,425,110</u>

Of the Total Turnover for PLC in FY22 89% (2021: 79%) arose within the UK, 4% (2021: 10%) from APAC, 7% (2021: 7%) from the US and 0% (2021: 4%) from EUR.

5. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	11,826	15,769
Amortisation of intangible fixed assets	2,318,600	2,247,196
Operating lease rentals - land and buildings	172,965	236,124
Equity settled share based payments	8,312	152,344
Exchange differences	(16,300)	73,965
	<u>(16,300)</u>	<u>73,965</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	15,400	14,000
Audit of subsidiary undertakings	29,700	27,000
Accounts production services for the group	6,600	6,000
	<u>51,700</u>	<u>47,000</u>

CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS
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Staff costs, including directors' remuneration, were as follows:

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Wages and salaries	5,441,341	5,767,533	-	-
Social security costs	602,532	655,247	-	-
Cost of defined contribution scheme	123,251	120,136	-	-
	<u>6,167,124</u>	<u>6,542,916</u>	<u>-</u>	<u>-</u>

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

	2022 No.	2021 No.
Development and managed services	43	44
Sales and consultancy	17	20
Administration	12	13
	<u>72</u>	<u>77</u>

The company has Nil employees other than the non-executive directors (2021: Nil).

8. Directors' remuneration

During the year retirement benefits were accruing to 2 directors (2021: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £280,595 (2021: £300,939).

The number of directors who were remunerated, including non-executive directors were 5 (2021: 5).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,400 (2021: £8,700).

9. Interest receivable

	2022 £	2021 £
Other interest receivable	<u>7,140</u>	<u>2,316</u>

CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**10. Interest payable and similar expenses**

	2022 £	2021 £
Bank interest payable	4,120	3,662

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(444,417)	(465,923)
Adjustments in respect of previous periods	(45,992)	30,381
	(490,409)	(435,542)
Total current tax	(490,409)	(435,542)
Deferred tax		
Origination and reversal of timing differences	(92,051)	282,419
Total deferred tax	(92,051)	282,419
Taxation on loss on ordinary activities	(582,460)	(153,123)

CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021: *lower than*) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £	2021 £
Loss on ordinary activities before tax	(2,101,800)	(874,694)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(399,342)	(166,192)
Effects of:		
Expenses not deductible for tax purposes	20,887	1,395
Enhanced tax relief on R&D expenditure	(342,552)	(506,549)
Surrender of tax losses for R&D tax credit refund	137,922	144,597
Other permanent differences	213	227
Adjustment in respect of previous periods	(45,992)	30,381
Adjustment in respect of previous periods - deferred tax	22,141	(33,135)
Deferred tax not recognised	84,887	257,372
Differences in tax rates	(27,406)	114,034
Foreign tax - difference in tax rate	(33,218)	4,747
Total tax charge for the year	(582,460)	(153,123)

Factors that may affect future tax charges

Trading losses of approximately £3,591,218 (2021: £3,591,218) have been carried forward and are available for set-off against future trading profits with a subsidiary undertaking.

12. Dividends

	2022 £	2021 £
Dividends paid of £0.01 per share	-	106,845

CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS
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13. Intangible assets

Group and Company

	Development costs £
Cost	
At 1 October 2021	17,848,316
Additions	1,760,236
At 30 September 2022	<u>19,608,552</u>
Amortisation	
At 1 October 2021	10,874,482
Charge for the year on owned assets	2,318,600
At 30 September 2022	<u>13,193,082</u>
Net book value	
At 30 September 2022	<u><u>6,415,470</u></u>
At 30 September 2021	<u><u>6,973,834</u></u>

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

Amortisation on intangible assets is charged to administration expenses.

CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022

14. Tangible fixed assets

Group

	Short-term leasehold property £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 October 2021	336,432	151,367	487,799
At 30 September 2022	336,432	151,367	487,799
Depreciation			
At 1 October 2021	305,309	135,187	440,496
Charge for the year on owned assets	4,044	7,782	11,826
At 30 September 2022	309,353	142,969	452,322
Net book value			
At 30 September 2022	27,079	8,398	35,477
At 30 September 2021	31,123	16,180	47,303

The company has no tangible fixed assets.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2022**

15. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2021	4,739,258
Additions	6,770
At 30 September 2022	<u>4,746,028</u>

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Cashfac Initiative Limited	50 Mark Lane, London, EC3R 7QR	Development, sales, administration and maintenance of cash management systems	Ordinary	100%
Cashfac Technologies Limited	50 Mark Lane, London, EC3R 7QR	Non- trading subsidiary	Ordinary	100%
Whentopay Limited	50 Mark Lane, London, EC3R 7QR	Non- trading subsidiary	Ordinary	100%
Cashfac Solutions Limited	50 Mark Lane, London, EC3R 7QR	Non- trading subsidiary	Ordinary	100%
Cashfac Pty Ltd	PO Box 839, Bendigo VIC 3552 Australia	Sales and maintenance of cash management systems	Ordinary	100%
Cashfac Europe*	RBK House, Irishtown, Athlone, Co. Westmeath	Sales and maintenance of cash management systems	Ordinary	100%

*Dissolved in December 2021.

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
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16. Debtors

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Due after more than one year				
Deferred tax asset	285,000	285,000	-	-
Due within one year				
Trade debtors	816,314	526,117	-	-
Amounts owed by group undertakings	-	-	500,000	500,000
Prepayments and accrued income	1,113,700	1,115,969	-	-
Tax recoverable	443,707	465,923	-	-
	<u>2,658,721</u>	<u>2,393,009</u>	<u>500,000</u>	<u>500,000</u>

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Cash at bank and in hand	1,460,726	3,054,645	20,116	1,006

18. Creditors: Amounts falling due within one year

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Trade creditors	225,513	362,965	-	-
Amounts owed to group undertakings	-	-	2,005,448	2,005,457
Other taxation and social security	255,455	359,320	-	-
Accruals and deferred income	342,050	652,478	26	26
	<u>823,018</u>	<u>1,374,763</u>	<u>2,005,474</u>	<u>2,005,483</u>

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
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19. Creditors: Amounts falling due after more than one year

	Group 2022 £	<i>Group 2021 £</i>
Deferred tax provision	1,400,040	<i>1,492,091</i>

20. Deferred taxation

	2022 £	<i>2021 £</i>
At beginning of year	285,000	<i>285,000</i>
Charged to profit and loss	-	-
	285,000	<i>285,000</i>

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.

	2022 £	<i>2021 £</i>
At beginning of year	1,492,091	<i>1,209,672</i>
Charge to profit and loss	(92,051)	<i>282,419</i>
	1,400,040	<i>1,492,091</i>

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

	2022 £	<i>2021 £</i>
Allotted, called up and fully paid		
10,699,890 (2021: 10,684,478) Ordinary shares of £0.10 each	1,069,989	<i>1,068,448</i>

CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS
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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. 15,411 options were exercised in the year (2021: Nil).
- 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 (2021: Nil).

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

	2022 Number	2022 WAEP £	2021 Number	2021 WAEP £
Outstanding at prior year end date	1,132,522	1.38	617,517	1.52
Expired during the year	(6,120)	1.00	-	-
Expired during the year	(6,543)	1.00	-	-
Expired during the year	(58,000)	1.24	-	-
Exercised during the year	(15,411)	1.24	-	-
Granted during the year	-	-	450,000	1.24
Granted during the year	-	1.00	52,200	1.00
Granted during the year	-	1.00	17,448	1.00
Expired during the year	(25,954)	1.24	(4,643)	1.24
Outstanding at year end date	<u>1,020,494</u>	<u>1.40</u>	<u>1,132,522</u>	<u>1.38</u>

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
June 2021	June 2026	£1.24	367,000
July 2021	June 2026	£1.24	25,000
June 2021	July 2024	£1.00	48,240
June 2021	July 2024	£1.00	10,905

CASHFAC PLC

**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 2022 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>
Not later than 1 year	153,064	247,909
Between one and five years	179,181	98,056
	<u>332,245</u>	<u>345,965</u>

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

During the year the company owed £8,200 (2021: £5,000) 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 post balance sheet events.