

Registered number: 03781239

**CASHFAC PLC**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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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 A P Blair (appointed 1 January 2021) 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 2021

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#### Our Strategy

We put our customers first. We provide a continuous enhancement program to improve the functionality and ease of use of Cashfac technology, and we offer our software as a service (SAAS), enabling our customers to focus on their business. Our Managed Services, which form part of our SAAS offering, are continuously improved through training, attention to detail and automation, to deliver high service availability around the clock. Our product designs deliver resilience and dependability. The use of our technology for the protection of customer money includes the financial care of vulnerable people, giving us a strong social purpose. We aim to be the leading client money accounting and payment fintech globally, ultimately creating value for our shareholders.

We have 5 strategic priorities for the Group:

- We specialise in technology for operational cash management in wealth markets
- Our continuing enhancement program (CEP) is geared towards scalable, resilient SAAS driven by our Managed Services
- We invest in a continuing training program and we promote from within
- Our compliance and risk management are integrated and proactive, with a sense of cooperation that helps to drive the sustainability and security of our customer operations
- Our growth and product enhancement are internally funded by a sales approach that increases the recurring revenues of the business with a view to shareholder value

#### Highlights - Key Performance Indicators

In addition to our established financial metrics, we have this year measured our performance based on non-financial metrics against our strategic priorities and purpose. We use these metrics to help the Board and senior management assess performance against our strategic priorities.

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

#### Enhanced Customer Experience

The environment in which we are operating is constantly changing in 3 areas: cloud-oriented technology, payments and compliance. Cashfac can respond rapidly because of our commitment to continuing enhancement, the skills, adaptability and mutual support ethic of Cashfac people, and our single code base.

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 service (program) units. The skills that the team acquired in the build of our Open Banking cloud and app (SlideBy) are behind the Cashfac Q project which will offer customer self-service in enhanced user experience (UX).

Most payments in a Cashfac SAAS are digital cash, our bank connections providing the routes for incoming gross funds and outgoing net payments. Architecturally we envisage how we provide integrated open banking and digital cash.

Compliance affects Cashfac a lot because we are regulated as a payment initiation service and account information service provider, and because many of our customers are themselves regulated. We commit to keeping Cashfac platforms compliant. In the past year we have delivered strong customer authentication (SCA). SCA is an industry standard technical requirement intended to further enhance the security of payments and limit fraud.

The Covid pandemic continued to affect society and we have been able to provide an uninterrupted service from the start, migrating many of our customers from on-premise to our SAAS with little or no disruption.

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## **CASHFAC PLC**

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### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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The fair treatment of vulnerable customers is a key priority for many regulators, and we remain committed in supporting these communities. Cashfac technology is currently used in the (financial) care of vulnerable people, with our Care Accounts platform, which is used by many local authorities and government bodies. We continue to look at innovative ways in utilising our technologies to help local authorities reduce the cost and risk of getting the money to the people in need and releasing some of the care budget and effort expended in financial matters. We think that government sponsored digital cash networks would speed up payments to help this community by cutting the number of reconciliation points between payer and payee. We can help.

2021 has also seen us widen the scope of our Customer Success program. We have increased resources across all our customer support teams, established user focus groups amongst our customer base, delivered sector specific webinars and continue to collaborate with other industry specialists on whitepapers and research, to further enhance the customer experience.

#### **Growth & Developing Channels to Market**

The value of Cashfac's recurring revenue contracts increased by 29% 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, calculated on a full cash spend basis, including investment in product.

However, our market including target customer base was affected by staff shortages and working from home which limit the ability of business to transform their operations. This, together with delays in our own recruitment, held our overall growth back.

Cashfac solutions enhance the competitive position of customers and automate their complex client money operations, including by customer self-service (as highlighted by our client experience this year).

The pandemic has revealed the need for automation in client money management. The current shortage of staff is a pointer – as advanced economy populations get wealthier and older, the ratio of skilled workers to market deteriorates. Our SAAS model is pivotal for those in the Wealth market that traditionally relied on the Banks or a costly deployed solution for their cash management operations.

We have strengthened our executive leadership team with key appointments including Senior VP (Wealth) for North America and Canada, Managing Director (Asia-Pacific) Business Development Director (New Zealand), Director of Value Propositions and Solutions, as well as an additional Non-Executive Director, to support our continued growth. Our established footing in the US market will support our aim of targeted growth, accelerating our simplification, digitisation and automation of our solutions and delivering higher levels of customer engagement.

#### **Investment in People**

We have a diverse workforce and an ethic of mutual support amongst colleagues. We treat everyone fairly and equally and have an inclusive workforce offering employment opportunities to all members of the community.

We invest in our people, provide them with continuous training and opportunities for professional development, and create an environment where they can develop to their full potential. Year on year, we have increased our investment in our people.

The health, safety, and wellbeing of Cashfac people is central to the resilience and the effectiveness of our operations and their wellbeing is vital to our business success. We have significantly increased our investment in our Health & Wellbeing Programme, in providing a supportive, compassionate, and positive experience for our employees.

We will continue to engage our employees on any post pandemic working models and improve work/life balance to make Cashfac a place that people want to work, are valued for their contributions, and feel they can make a difference.

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**CASHFAC PLC**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**Long term sustainability**

In May 2021, 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. The UK hosting the 26th UN Climate Change Conference of the Parties (COP26) in Glasgow, has further highlighted the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace, and justice.

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. 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 any form of emotional or community support.

We have an active community engagement program, supporting local projects such as work experience schemes for young people under the age of 18, offering Modern Apprenticeships or Graduate placement and mentoring programmes. We are also proud to have supported international community charities dedicated to providing future generations with resources and skills to integrate into the technology-driven world. Recycling and donating redundant equipment provides valuable educational support as well as helping reduce unnecessary landfill and contributing towards zero waste environmental programs.

We will continue to positively support our communities whether through, fundraising, donations, sponsorship, or volunteering, to support those suffering from hardships, are vulnerable and are disadvantaged.

**Our Focus on Product Development, Investment and Specialisation**

We have unique strengths as a business that give us a significant competitive advantage, including strong technical skills, a robust capital position and a well-recognised brand. Cashfac's user base is sticky. There are examples of customers changing Banks to get or maintain access to our technology.

That stickiness is caused partly by the functionality within our application that our customers have come to depend on and partly by Cashfac's Continuing Enhancement Program (CEP), which has been uninterrupted for over 20 years and internally funded. This enables our customers to always receive the latest version of Cashfac Virtual Bank technology.

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

We have sustained without interruption our investment in 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.

The changes in Cashfac Q Series include improved automation and greater capacity, scalability through containerisation via the use of Kubernetes and other open-source technologies as well as Software Development Kits (SDK) for partner developments, lending itself to collaborate securely on industry/technological developments such as Open Banking or other third-party APIs.

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## CASHFAC PLC

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

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#### Crystallisation of Shareholder Value

Our financial focus continues to be on Cashfac's strong cash flows and internally funded product development program. Cashfac has no debt and has maintained its staff bonus policy and shareholder dividends. The pandemic impacted recruitment and sales in our target markets, but recurring revenue continued its organic growth.

We had planned for an increase in revenues, and we were pleased that recurring revenue outperformed, but there was little growth in the overall top line. More recently we have been successful in building sales strength, and we expect to see a reopening of our market in due course.

That strong position is visible in key signals –

Recurring revenue remains a big focus for us; it's the highest quality income; it underpins future revenue; it means that we depend less on the more volatile sources of earnings, including licence fees and professional services. Periodically we experience some customer retirements, but our recurring revenues continue to cover over 70% of our gross cost base including investment in new and improved Cashfac product.

We maintain a strong cash position underpinned by long term contracts. It shows a continued commitment on the part of our customers to promptly reward solid customer performance. We had no bad debts; indeed, it's about 20 years since we had a bad debt. At balance sheet date there were no debts exceeding 3 months.

We continue with our focus on the wealth market and investment in our bank partnerships.

Future growth in the dividend will be driven by the transformed performance and growth of our businesses.

#### Risk Management

##### Our approach and how we manage risk

We manage the inherent and residual risks to our business so that risk management continues to be a key to our success, and we remain fully aware that such risks have the potential to disrupt our strategic and operational objectives as well as damage our business and reputation if a risk mitigation strategy is not applied. Cashfac's established framework for governance, risk management and compliance is 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 risk 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.

We regularly review our governance framework and risk management controls to ensure they remain fit for purpose, to enable us to make better informed decisions and reduce the level of risk to below that of the Group's risk appetite.

## CASHFAC PLC

### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021

#### Principal Risks and Uncertainties

The types of risk to which we are exposed have not changed significantly over the year; they are described below. All the risks may have an adverse impact on our objectives, brand and reputation.

The ongoing impact of the global pandemic on these risk types has been taken into consideration and highlighted in the relevant sections.

Risk type	Our position and mitigation
Operational Resilience	With the effect of the pandemic still impacting our ability to fully return to an office environment, we continue to increase investment in maintaining our business and operational resilience. All our operations are covered by service level agreements – our performance to SLA is consistently monitored. At the time of writing the average availability of our cloud and managed service operations exceeds 99.8%. Our SAAS is operated on Microsoft Azure, with the relevant failover and disaster recovery provisions in place. We regularly assess our tolerance for disruption for each critical business service and the adequacy of any mitigating measures to ensure our business continuity plans and our support operations can remain within the impact tolerances during severe but plausible scenarios. Supply Chain Security and Risk Management continues to be an area of significant focus, particularly in the light of high profile industry breaches. With the introduction of more suppliers, software tools and SAAS providers our attack surface widens daily. Our strategy for mitigating supply chain risk can be summarised as follows; maintaining a robust service acquisition process, having a current view of all assets and key vendors, building a risk aware culture, insisting on certain standards of compliance from our suppliers, contractually offsetting some risk by mandating that compliance, continuing to invest in defences, while planning and preparing for such an attack.
Technology & Security	We continue to adapt to an operating model in which Hybrid Working has become commonplace. We are accelerating our digital transformation across our corporate and operational infrastructure, including increased investment in cyber threat detection, vulnerability, access management and security monitoring. We have also ensured that our products and services meet stringent technical standards for strong customer authentication, secure communications, and development practices, to improve the overall security of our applications and services, particularly where this relates to any of our regulated activities.
Financial	We remain pro-active in assessing our financial risks, closely monitoring costs, reassess product/service deliverables to help strengthen our top line and continue to seek new growth markets as part of our business strategy. A big challenge has been building sales strength during lockdown and selling to businesses that are in lockdown which makes change difficult for them. We have made several key executive appointments on business development and value propositions, increased our support teams, and widened the scope of our Customer Success program to target growth. We continue to be vigilant in monitoring customer complaints, service issues and delivery interruptions to reduce the risks of customer contraction and to help us meet our strategic objectives.



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**CASHFAC PLC**

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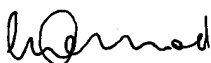
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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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Credit & Liquidity	Our prudent approach in managing liquidity risk has served us well in another year full of uncertainties. There has been some pain transitioning away from our previous revenue model towards subscriptions for the Cashfac labelled Software-as-a-Service (SAAS), but the level of recurring revenues has continued to increase. Our primary exposure to credit risk remains to the timely receipt of trade receivables. Our cash position remains strong despite the challenges posed by a slow-down of the sales process and contraction of the markets caused by the pandemic. We will continue to monitor any exposure to significant concentrations of credit risk and seek to reduce this with our targeted and structured sales and marketing activities to further support our commitment in the long-term sustainability of the business.
Political Uncertainty	There remain trade uncertainties between the UK and the European Union post-Brexit. We will continue to monitor the political changes and seek independent advice and guidance as required. We will review any arrangements to bring legal certainty to our regulatory position, obligations, and risk exposure.
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 will 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 20 December 2021 and signed on its behalf.



**P W Ormrod**  
Director

## CASHFAC PLC

### DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report and the financial statements for the year ended 30 September 2021.

#### 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 £721,571 (2020 - loss £543,242).

We paid a dividend of £106,845 (2020: £106,845) to shareholders during the year reflecting the on-going development of the business and the positive outlook. The business is financed wholly by equity and reserves.

#### Directors

The directors who served during the year were:

D Houghton (Chairman)	137,734 shares (2020: 124,421 shares)
R T Cummings	Nil shares (2020: Nil shares)
A P Blair (appointed 1 January 2021)	38,000 shares (2020: 38,000 shares)
J Jeng	Nil shares (2020: Nil shares)
P W Ormrod	1,576,812 shares (2020: 1,596,812 shares)

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

	Option Price	30 September 2020	Cancelled during the year	Exercised during the year	Granted during the year	30 September 2021
	£	£	£	£	£	£
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

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## **CASHFAC PLC**

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### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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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.

#### **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 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.

#### **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 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.

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**CASHFAC PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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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.

2021 saw pandemic restrictions continue worldwide and the Company adapt to working remotely and to a hybrid working model of working from home and on business premises as conditions allowed. All teams remained fully operational and customer operations, service and deliveries were maintained.

The Board sets 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 an expanded Health & Wellbeing Programme to make sure that all staff feel valued, supported, and have the right resources to help when needed.

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.

The pace and complexity of regulatory change continues to make compliance a top focus for the Board, and it remains committed to the Company's established framework for governance and risk management. The Board continued its support to maintaining business resilience and managing continuity risks to deal with emerging threats such as Cybersecurity, Pandemic, Major Incident Management, Terrorism or Political unrest by increased investment in third party tools, expert services and diversifying key Tier 1 & 2 suppliers.

The Board renewed its commitment to doing business in a sustainable and responsible way by recently establishing a formal Sustainability Policy and Framework setting out how our corporate and social responsibilities are aligned to the United Nations Sustainability Development Goals. This framework will be further developed and measured over time, particularly considering recent COP26 initiatives.

The Board supports the fair treatment of customers, and as consumer outcomes remain a key priority for many regulators, it remains committed to enhancing the customer experience and the Company's Customer Success Program.

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 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 be aware of any relevant audit information and to establish that the company and the Group's auditor is aware of that information.

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**CASHFAC PLC**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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 20 December 2021 and signed on its behalf.



**P W Ormrod**  
Director



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## 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 2021, 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 2021 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 such as Brexit and Covid-19, 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.



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

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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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

### **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.

### **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.



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

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### **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.

### **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.





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

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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 group and industry in which it operates. We determined that the following laws and regulations were most significant:
  - The Companies Act 2006; and
  - the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102");
- We understood how the group is complying with those legal and regulatory frameworks by making inquiries of members and those responsible for legal and compliance procedures as to whether they had knowledge of any actual, suspected or alleged fraud. We corroborated the results of our inquiries through our review of Board minutes.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the group's operations, including the sources of income, and of its objective 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 group's control environment to mitigate risks of fraud or non-compliance with the relevant laws and regulations.
- In assessing the appropriateness of the collective competence and capabilities of the engagement team, 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; and
  - knowledge of the industry in which the client operates.
- We assessed the susceptibility of the group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included checking completeness of journal entries and identifying and testing journal entries, in particular manual journal entries processed for financial statements preparation. We also reviewed the financial statements disclosures and the corresponding supporting documentation.
- 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.

We did not identify any matters relating to non-compliance with laws and regulation or relating to fraud.



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

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### 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

20 December 2021

**CASHFAC PLC****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	9,425,110	9,354,516
<b>Gross profit</b>		<b>9,425,110</b>	<b>9,354,516</b>
Administrative expenses		(10,298,458)	(9,906,010)
<b>Operating loss</b>	5	<b>(873,348)</b>	<b>(551,494)</b>
Interest receivable and similar income	9	2,316	5,537
Interest payable and similar expenses	10	(3,662)	(3,264)
<b>Loss before taxation</b>		<b>(874,694)</b>	<b>(549,221)</b>
Tax on loss	11	153,123	5,979
<b>Loss for the financial year</b>		<b>(721,571)</b>	<b>(543,242)</b>
Currency translation differences		(5,116)	662
<b>Other comprehensive income for the year</b>		<b>(5,116)</b>	<b>662</b>
<b>Total comprehensive income for the year</b>		<b>(726,687)</b>	<b>(542,580)</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the consolidated statement of comprehensive income.

The notes on pages 25 to 41 form part of these financial statements.

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	6,973,834	7,274,588
Tangible assets	14	47,303	63,072
		<u>7,021,137</u>	<u>7,337,660</u>
<b>Current assets</b>			
Debtors	16	2,393,009	2,497,287
Cash at bank and in hand	17	3,054,645	3,992,418
		<u>5,447,654</u>	<u>6,489,705</u>
Creditors: amounts falling due within one year	18	(1,374,763)	(1,781,492)
Deferred income		(1,808,121)	(2,361,209)
<b>Net current assets</b>		<u>2,264,770</u>	<u>2,347,004</u>
<b>Total assets less current liabilities</b>		<u>9,285,907</u>	<u>9,684,664</u>
Deferred tax liability falling due after more than one year	19	(1,492,091)	(1,209,672)
<b>Provisions for liabilities</b>			
<b>Net assets</b>		<u><u>7,793,816</u></u>	<u><u>8,474,992</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	405,658	253,302
Profit and loss account	22	5,480,118	6,313,650
<b>Equity attributable to owners of the parent company</b>		<u><u>7,793,816</u></u>	<u><u>8,474,992</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2021.

  
**P W Ormrod**  
 Director

The notes on pages 25 to 41 form part of these financial statements.

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

**COMPANY STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 SEPTEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	15	4,739,258	4,620,370
		<u>4,739,258</u>	<u>4,620,370</u>
<b>Current assets</b>			
Debtors	16	500,000	500,000
Cash at bank and in hand	17	1,006	12,868
		<u>501,006</u>	<u>512,868</u>
Creditors: amounts falling due within one year	18	(2,005,483)	(1,910,482)
<b>Net current liabilities</b>		<u>(1,504,477)</u>	<u>(1,397,614)</u>
<b>Total assets less current liabilities</b>		<u>3,234,781</u>	<u>3,222,756</u>
<b>Net assets excluding pension asset</b>		<u>3,234,781</u>	<u>3,222,756</u>
<b>Net assets</b>		<u>3,234,781</u>	<u>3,222,756</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	426,805	282,858
Profit and loss account brought forward		1,031,858	1,138,750
Loss for the year		(25,077)	(47)
Dividends		(106,845)	(106,845)
Profit and loss account carried forward	22	899,936	1,031,858
		<u>3,234,781</u>	<u>3,222,756</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 20 December 2021.



**P W Ormrod**  
Director

The notes on pages 25 to 41 form part of these financial statements.

## CASHFAC PLC

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

	<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 2020	1,068,448	839,592	253,302	6,313,650	8,474,992
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(721,571)	(721,571)
Currency translation differences	-	-	-	(5,116)	(5,116)
<b>Other comprehensive income for the year</b>	-	-	-	(5,116)	(5,116)
<b>Total comprehensive income for the year</b>	-	-	-	(726,687)	(726,687)
Dividends	-	-	-	(106,845)	(106,845)
Share option movement	-	-	152,356	-	152,356
<b>Total transactions with owners</b>	-	-	152,356	(106,845)	45,511
<b>At 30 September 2021</b>	<b>1,068,448</b>	<b>839,592</b>	<b>405,658</b>	<b>5,480,118</b>	<b>7,793,816</b>

The notes on pages 25 to 41 form part of these financial statements.

## CASHFAC PLC

**CONSOLIDATED 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	1,068,448	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 translation differences	-	-	-	(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 25 to 41 form part of these financial statements.

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**CASHFAC PLC**


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


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	<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 2020	1,068,448	839,592	282,858	1,031,858	3,222,756
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(25,077)	(25,077)
Share option movements	-	-	143,947	-	143,947
<b>Total comprehensive income for the year</b>	-	-	143,947	(25,077)	118,870
<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 2021</b>	<b>1,068,448</b>	<b>839,592</b>	<b>426,805</b>	<b>899,936</b>	<b>3,234,781</b>

The notes on pages 25 to 41 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	1,068,448	839,592	282,858	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>1,068,448</b>	<b>839,592</b>	<b>282,858</b>	<b>1,031,858</b>	<b>3,222,756</b>

The notes on pages 25 to 41 form part of these financial statements.

## CASHFAC PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(721,571)	(543,242)
<b>Adjustments for:</b>		
Amortisation of intangible assets	2,247,196	2,060,401
Depreciation of tangible assets	15,769	21,023
Interest paid	3,662	3,264
Interest received	(2,316)	(5,537)
Taxation charge	(153,123)	(5,979)
Decrease in debtors	32,227	365,587
(Decrease)/increase in creditors	(959,812)	1,259,304
Corporation tax received	507,588	662,934
Movement in share option reserve	152,356	8,345
Foreign exchange difference	(5,116)	(662)
<b>Net cash generated from operating activities</b>	<b>1,116,860</b>	<b>3,825,438</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(1,946,442)	(2,435,770)
Interest received	2,316	5,537
<b>Net cash from investing activities</b>	<b>(1,944,126)</b>	<b>(2,430,233)</b>

## CASHFAC PLC

**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2021**

	2021 £	2020 £
<b>Cash flows from financing activities</b>		
Dividends paid	(106,845)	(106,845)
Interest paid	(3,662)	(3,264)
<b>Net cash used in financing activities</b>	<u>(110,507)</u>	<u>(110,109)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<u>(937,773)</u>	<u>1,285,096</u>
Cash and cash equivalents at beginning of year	3,992,418	2,707,322
<b>Cash and cash equivalents at the end of year</b>	<u><u>3,054,645</u></u>	<u><u>3,992,418</u></u>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	3,054,645	3,992,418
	<u><u>3,054,645</u></u>	<u><u>3,992,418</u></u>

The notes on pages 25 to 41 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 2021**

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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 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.

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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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. 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.

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**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.

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**CASHFAC PLC**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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**2. Accounting policies (continued)****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.

**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 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 2021

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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 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  
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## 4. Turnover

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

	2021 £	2020 £
Licence fees	260,874	842,200
Implementation	1,464,554	2,568,090
Maintenance and support services	7,596,682	5,869,000
Other	103,000	75,226
	<u>9,425,110</u>	<u>9,354,516</u>

Of the Total Turnover for the group in FY21 79% (2020: 77%) arose within the UK, 10% (2020: 10%) from APAC, 7% (2020: 7%) from the US and 4% (2020: 6%) from EUR.

## 5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation of tangible fixed assets	15,769	21,023
Amortisation of intangible fixed assets	2,247,196	2,060,401
Operating lease rentals - land and buildings	236,124	293,150
Equity settled share based payments	152,344	8,395
Exchange differences	73,965	38,100
	<u>2,725,398</u>	<u>2,421,069</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	14,000	11,000
Audit of subsidiary undertakings	27,000	21,500
Accounts production services for the group	6,000	6,000
	<u>47,000</u>	<u>38,500</u>

## CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Employees**

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

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Wages and salaries	5,767,533	5,362,840	-	-
Social security costs	655,247	630,399	-	-
Cost of defined contribution scheme	120,136	118,651	-	-
	<u>6,542,916</u>	<u>6,111,890</u>	<u>-</u>	<u>-</u>

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

	<b>2021 No.</b>	<b>2020 No.</b>
Development and managed services	44	54
Sales and consultancy	20	17
Administration	13	14
	<u>77</u>	<u>85</u>

The company has no employees other than the non-executive directors (2020: Nil).

**8. Directors' remuneration**

During the year retirement benefits were accruing to 2 directors (2020 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £300,939 (2020 - £257,273).

The number of directors who were remunerated, including non-executive directors were 5 (2020: 4).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £8,700 (2020: £7,450).

**9. Interest receivable**

	<b>2021 £</b>	<b>2020 £</b>
Other interest receivable	<u>2,316</u>	<u>5,537</u>

## CASHFAC PLC

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**10. Interest payable and similar expenses**

	2021 £	2020 £
Bank interest payable	3,662	3,264

**11. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(465,923)	(537,974)
Adjustments in respect of previous periods	30,381	(23,391)
	(435,542)	(561,365)
<b>Total current tax</b>	(435,542)	(561,365)
<b>Deferred tax</b>		
Origination and reversal of timing differences	282,419	555,386
<b>Total deferred tax</b>	282,419	555,386
<b>Taxation on loss on ordinary activities</b>	(153,123)	(5,979)

## 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 (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(874,694)	(549,221)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(166,192)	(104,352)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1,395	1,148
Enhanced tax relief on R&D expenditure	(506,549)	(535,990)
Surrender of tax losses for R&D tax credit refund	144,597	166,957
Other permanent differences	227	103
Other differences	-	(334)
Adjustment in respect of previous periods	30,381	(23,391)
Adjustment in respect of previous periods - deferred tax	(33,135)	-
Deferred tax not recognised	257,372	448,273
Differences in tax rates	114,034	41,607
Foreign tax - difference in tax rate	4,747	-
<b>Total tax charge for the year</b>	<b>(153,123)</b>	<b>(5,979)</b>

**Factors that may affect future tax charges**

Trading losses of approximately £3,591,218 (2020: £3,591,218) have been carried forward and are available for set-off against future trading profits with a subsidiary undertaking.

**12. Dividends**

	2021 £	2020 £
Dividends paid of £0.01 per share	106,845	106,845

## CASHFAC PLC

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**


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

	<b>Development costs £</b>
<b>Cost</b>	
At 1 October 2020	15,901,874
Additions	1,946,442
At 30 September 2021	<u>17,848,316</u>
<b>Amortisation</b>	
At 1 October 2020	8,627,286
Charge for the year on owned assets	2,247,196
At 30 September 2021	<u>10,874,482</u>
<b>Net book value</b>	
At 30 September 2021	<u><u>6,973,834</u></u>
At 30 September 2020	<u><u>7,274,588</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

**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets****Group**

	<b>Short-term leasehold property £</b>	<b>Fixtures and fittings £</b>	<b>Total £</b>
<b>Cost or valuation</b>			
At 1 October 2020	336,432	151,367	487,799
At 30 September 2021	336,432	151,367	487,799
<b>Depreciation</b>			
At 1 October 2020	294,934	129,793	424,727
Charge for the year on owned assets	10,375	5,394	15,769
At 30 September 2021	305,309	135,187	440,496
<b>Net book value</b>			
At 30 September 2021	31,123	16,180	47,303
At 30 September 2020	41,498	21,574	63,072

The company has no tangible fixed assets.

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**CASHFAC PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**


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**15. Fixed asset investments****Company**

**Investments  
in  
subsidiary  
companies  
£**

**Cost or valuation**

At 1 October 2020

**4,620,370**

Additions

**118,888**

At 30 September 2021

**4,739,258****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	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%



## CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

**16. Debtors**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
<b>Due after more than one year</b>				
Deferred tax asset	285,000	285,000	-	-
<b>Due within one year</b>				
Trade debtors	526,117	792,357	-	-
Amounts owed by group undertakings	-	-	500,000	500,000
Other debtors	-	(173)	-	-
Prepayments and accrued income	1,115,969	882,129	-	-
Tax recoverable	465,923	537,974	-	-
	<b>2,393,009</b>	<b>2,497,287</b>	<b>500,000</b>	<b>500,000</b>

**17. Cash and cash equivalents**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Cash at bank and in hand	3,054,645	3,992,418	1,006	12,868

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

	<b>Group 2021 £</b>	<b>Group 2020 £</b>	<b>Company 2021 £</b>	<b>Company 2020 £</b>
Trade creditors	362,965	313,197	-	-
Amounts owed to group undertakings	-	-	2,005,457	1,910,457
Other taxation and social security	359,320	707,358	-	-
Accruals and deferred income	652,478	760,937	26	25
	<b>1,374,763</b>	<b>1,781,492</b>	<b>2,005,483</b>	<b>1,910,482</b>

## CASHFAC PLC

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

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

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Deferred tax provision	<b>1,492,091</b>	<b>1,209,672</b>

**20. Deferred taxation**

	<b>2021 £</b>	<b>2020 £</b>
At beginning of year	<b>285,000</b>	<b>640,907</b>
Charged to profit and loss	<b>-</b>	<b>(355,907)</b>
	<b>285,000</b>	<b>285,000</b>

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.

	<b>2021 £</b>	<b>2020 £</b>
At beginning of year	<b>1,209,672</b>	<b>(1,010,193)</b>
Charge to profit and loss	<b>282,419</b>	<b>(199,479)</b>
	<b>1,492,091</b>	<b>(1,209,672)</b>

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**

	<b>2021 £</b>	<b>2020 £</b>
<b>Allotted, called up and fully paid</b>		
10,684,478 (2020: 10,684,478) Ordinary shares of £0.10 each	<b>1,068,448</b>	<b>1,068,448</b>

## 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. No options were exercised in the year (2020: 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 (2020: 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:

	<b>2021 Number</b>	<b>2021 WAEP £</b>	<b>2020 Number</b>	<b>2020 WAEP £</b>
Outstanding at prior year end date	<b>617,517</b>	<b>1.52</b>	<b>941,061</b>	<b>1.40</b>
Expired during the year	-	-	(75,000)	1.30
Expired during the year	-	-	(191,000)	1.03
Expired during the year	-	-	(50,000)	1.54
Granted during the year	<b>450,000</b>	<b>1.24</b>	-	1.54
Granted during the year	<b>52,200</b>	<b>1.00</b>	-	1.54
Granted during the year	<b>17,448</b>	<b>1.00</b>	-	1.24
Expired during the year	<b>(4,643)</b>	<b>1.24</b>	<b>(7,544)</b>	<b>1.24</b>
Outstanding at year end date	<b><u>1,132,522</u></b>	<b><u>1.38</u></b>	<b><u>617,517</u></b>	<b><u>1.52</u></b>

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	43,525
June 2021	June 2026	£1.24	425,000
July 2021	June 2026	£1.24	25,000
June 2021	July 2024	£1.00	52,200
June 2021	July 2024	£1.00	17,448

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**CASHFAC PLC**


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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2021**


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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 2021 the Group and the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Not later than 1 year	<b>247,909</b>	217,619
Between one and five years	<b>98,056</b>	151,214
	<b><u>345,965</u></b>	<u>368,833</u>

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

During the year the company owed £5,000 (2020: £15,000) 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.