

Company Registration No. 03925386 (England and Wales)

**CFS-ZIPP LTD**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**



# CFS-ZIPP LTD

## COMPANY INFORMATION

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|                          |  |
|--------------------------|--|
| <b>Directors</b>         | Dr S Venkatesh<br>Mrs U Venkatesh                                    |
| <b>Secretary</b>         | Mrs U Venkatesh  |
| <b>Company number</b>    | 03925386   |
| <b>Registered office</b> | 790 Uxbridge Road<br>Hayes<br>Middlesex<br>United Kingdom<br>UB4 0RS |
| <b>Auditor</b>           | Reddy Siddiqui LLP<br>183-189 The Vale<br>Acton<br>London<br>W3 7RW  |

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# **CFS-ZIPP LTD**

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# **CFS-ZIPP LTD**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present their annual report and financial statements for the year ended 31 March 2021.

### **Principal activities**

#### **EMD Agency**

CFS-Zipp provides services to companies within the UK and EU who wish to use our E-money License that allows them to transact with individuals and businesses within the UK and EU. The services rendered by Agents can include, but not limited to merchant solutions, e-wallets, e-vouchers and payment processing.

#### **Compliance Services**

CFS-Zipp also provides compliance services for an e-money or payment business. The service deals with all aspects of compliance ranging from the on-boarding of clients/agents, undertaking relevant checks, applications to the FCA and the training of staff. Please refer to our compliance service handbook which provides further detail of our compliance service.

#### **Technology Platform**

CFS-Zipp provides easy to use technology platform/banking software to allow the quick and efficient delivery of electronic money.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr S Venkatesh  
Mrs U Venkatesh

### **Auditor**

The auditor, Reddy Siddiqui LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Going concern**

The impact on the company arising from the uncertainty of the recent COVID-19 outbreak has been considered by the Directors.

- Management has considered updated financial forecasts. Based upon the information available, the Directors consider that the Company has sufficient liquidity to continue in business for at least the next 12 months as a going concern.
- The Directors have reviewed the assets of the business and do not believe there to be any impairments arising as a result of the pandemic.
- The current environment and the government support schemes being put in place is enabling the company to explore available alternative and new opportunities for their services.
- To date the impact is minimal and with the invention of Vaccine for the COVID 19, the Directors believe that same can be managed with additional sales pipeline in the coming year.
- The Directors do not believe that there will be any impact on the company arising from the UK's exit from the European Union.

# **CFS-ZIPP LTD**

## **DIRECTORS' REPORT (CONTINUED)**

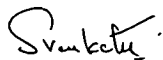
***FOR THE YEAR ENDED 31 MARCH 2021***

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### **Going concern - Litigation**

A legal case has been brought against the company for a claim of Euro 5,276,246 in Cyprus in 2020. The Directors are of the opinion after taking legal advice that it is unlikely that there is merit in the case and are confident that the case will be unsuccessful. Therefore the Directors have not made a provision against this liability in the financial statements of the company and continue to firmly believe the company is a going concern.

On behalf of the board



Dr S Venkatesh  
**Director**

31 May 2022

# **CFS-ZIPP LTD**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company 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 company 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# CFS-ZIPP LTD

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CFS-ZIPP LTD

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### Opinion

We have audited the financial statements of CFS-Zipp Ltd (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 31 March 2021 and of its profit 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

As part of our audit of the financial statements we are required to obtain an understanding of all relevant uncertainties, including those due to the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits are subject to assessing, reviewing and challenging the reasonableness of estimates made by the directors along with the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's prospects and performance.

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

### Conclusions relating to going concern

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 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.

# **CFS-ZIPP LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CFS-ZIPP LTD**

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### **Other information**

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

### **Responsibilities of directors**

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 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 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.



# **CFS-ZIPP LTD**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CFS-ZIPP LTD**

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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. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of Financial Conduct Authority regulations, data protection and relevant tax compliance regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journals to manipulate financial results and management bias in accounting estimates. Audit procedures performed included:


- Enquiry of management, those charged with governance, including consideration of known or suspected instances of non compliance with laws and regulations and fraud.
- Reviewing minutes of meetings of those charged with governance.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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



**Omar Siddiqui (Senior Statutory Auditor)**  
**For and on behalf of Reddy Siddiqui LLP**

31 May 2022

**Chartered Accountants**  
**Statutory Auditor**

183-189 The Vale  
Acton  
London  
W3 7RW

# CFS-ZIPP LTD

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

|   | Notes | 2021<br>£        | 2020<br>£          |
|---|-------|------------------|--------------------|
| Turnover                                    | 3     | 2,517,605        | 1,818,901          |
| Cost of sales                               |       | (1,211,388)      | (255,118)          |
| <b>Gross profit</b>                         |       | <b>1,306,217</b> | <b>1,563,783</b>   |
| Administrative expenses                     |       | (497,843)        | (838,484)          |
| Impairment losses                           | 4     | -                | (3,617,843)        |
| <b>Operating profit/(loss)</b>              | 5     | <b>808,374</b>   | <b>(2,892,544)</b> |
| Interest payable and similar expenses       | 7     | (12,000)         | -                  |
| <b>Profit/(loss) before taxation</b>        |       | <b>796,374</b>   | <b>(2,892,544)</b> |
| Tax on profit/(loss)                        | 8     | 1,444            | 332,957            |
| <b>Profit/(loss) for the financial year</b> |       | <b>797,818</b>   | <b>(2,559,587)</b> |

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# CFS-ZIPP LTD

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

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|   | 2021<br>£      | 2020<br>£          |
|---|----------------|--------------------|
| Profit/(loss) for the year              | 797,818        | (2,559,587)        |
| Other comprehensive income              | -              | -                  |
| Total comprehensive income for the year | <u>797,818</u> | <u>(2,559,587)</u> |

# CFS-ZIPP LTD

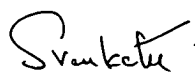
## BALANCE SHEET

AS AT 31 MARCH 2021

|   | Notes | 2021<br>£        | £                | 2020<br>£        | £ |
|---|-------|------------------|------------------|------------------|---|
| <b>Fixed assets</b>                                   |       |                  |                  |                  |   |
| Intangible assets                                     | 10    | 310,322          |                  | 153,155          |   |
| Tangible assets                                       | 11    | 141,236          |                  | 164,769          |   |
|   |       | <u>451,558</u>   |                  | <u>317,924</u>   |   |
| <b>Current assets</b>                                 |       |                  |                  |                  |   |
| Debtors   | 13    | 4,049,354        | 2,500,348        |                  |   |
| Cash at bank and in hand                              |       | 262,914          | 786,169          |                  |   |
|   |       | <u>4,312,268</u> | <u>3,286,517</u> |                  |   |
| <b>Creditors: amounts falling due within one year</b> | 14    | (1,099,152)      | (736,142)        |                  |   |
| <b>Net current assets</b>                             |       | <u>3,213,116</u> |                  | <u>2,550,375</u> |   |
| <b>Total assets less current liabilities</b>          |       | <u>3,664,674</u> |                  | <u>2,868,299</u> |   |
| <b>Provisions for liabilities</b>                     |       |                  |                  |                  |   |
| Deferred tax liability                                | 15    | 12,435           | 13,878           |                  |   |
|   |       | <u>(12,435)</u>  | <u>(13,878)</u>  |                  |   |
| <b>Net assets</b>                                     |       | <u>3,652,239</u> |                  | <u>2,854,421</u> |   |
| <b>Capital and reserves</b>                           |       |                  |                  |                  |   |
| Called up share capital                               | 16    | 6,000,000        | 6,000,000        |                  |   |
| Profit and loss reserves                              |       | (2,347,761)      | (3,145,579)      |                  |   |
| <b>Total equity</b>                                   |       | <u>3,652,239</u> | <u>2,854,421</u> |                  |   |

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

The financial statements were approved by the board of directors and authorised for issue on 31 May 2022 and are signed on its behalf by:



Dr S Venkatesh  
Director

Company Registration No. 03925386

# CFS-ZIPP LTD

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

|  | Notes | Share capital<br>£ | Profit and loss<br>reserves<br>£ | Total<br>£  |
|--|-------|--------------------|----------------------------------|-------------|
| Balance at 1 April 2019                            |       | 10,000,000         | (4,585,992)                      | 5,414,008   |
| Year ended 31 March 2020:                          |       |                    |                                  |             |
| Loss and total comprehensive income for the year   |       | -                  | (2,559,587)                      | (2,559,587) |
| Reduction of shares                                | 16    | (4,000,000)        | 4,000,000                        | -           |
| Balance at 31 March 2020                           |       | 6,000,000          | (3,145,579)                      | 2,854,421   |
| Year ended 31 March 2021:                          |       |                    |                                  |             |
| Profit and total comprehensive income for the year |       | -                  | 797,818                          | 797,818     |
| Balance at 31 March 2021                           |       | 6,000,000          | (2,347,761)                      | 3,652,239   |

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Company information

CFS-Zipp Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 790 Uxbridge Road, Hayes, Middlesex, United Kingdom, UB4 0RS.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

#### 1.4 Intangible fixed assets other than goodwill

Software 5% on straight line basis

#### 1.5 Tangible fixed assets

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

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 1 Accounting policies

(Continued)

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

|                       |                           |
|-----------------------|---------------------------|
| Fixtures and fittings | 25% reducing balance      |
| Computers             | 5% on straight line basis |

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

#### 1.6 Impairment of fixed assets

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

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

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

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

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

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

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

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

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Basic financial assets**

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

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

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

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

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

### 1.9 Equity instruments

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

### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

### 1.11 Taxation

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

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.12 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### **Accounting for client money**

The company has agreements with some fund providers whereby the company will collect money from individuals on the fund providers behalf. Once the money has been collected, it is forwarded on to the fund provider.

The money collected on behalf of the fund providers has not been recognised as an asset (and an associated liability) on the balance sheet as the economic benefits associated with the client money do not flow to the company.

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Turnover analysed by class of business</b> |           |           |
| Services                                      | 2,517,605 | 1,818,901 |

|   | 2021<br>£ | 2020<br>£ |
|---|-----------|-----------|
| <b>Turnover analysed by geographical market</b> |           |           |
| Europe  | 2,517,605 | 1,605,625 |

### 4 Exceptional item

|                    | 2021<br>£ | 2020<br>£ |
|--------------------|-----------|-----------|
| <b>Expenditure</b> |           |           |
| Impairment losses  | -         | 3,617,843 |

### 5 Operating profit/(loss)

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| Operating profit/(loss) for the year is stated after charging/(crediting):   |           |           |
| Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss | (29,889)  | 17,747    |
| Depreciation of owned tangible fixed assets  | 24,239    | -         |
| Impairment of owned tangible fixed assets  | -         | 3,617,843 |
| Amortisation of intangible assets  | 6,626     | 18,755    |

### 6 Employees

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

|       | 2021<br>Number | 2020<br>Number |
|-------|----------------|----------------|
| Total | -              | -              |

### 7 Interest payable and similar expenses

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| <b>Interest on financial liabilities measured at amortised cost:</b> |           |           |
| Other interest on financial liabilities                              | 12,000    | -         |

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 8 Taxation

|  | 2021<br>£ | 2020<br>£ |
|--|-----------|-----------|
| <b>Deferred tax</b>                            |           |           |
| Origination and reversal of timing differences | (1,444)   | (332,957) |

The actual credit for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

|   | 2021<br>£ | 2020<br>£   |
|---|-----------|-------------|
| Profit/(loss) before taxation   | 796,374   | (2,892,544) |
| Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 151,311   | (549,583)   |
| Tax effect of expenses that are not deductible in determining taxable profit                                  | 1,258     | 690,885     |
| Unutilised tax losses carried forward   | (155,273) | (137,476)   |
| Permanent capital allowances in excess of depreciation  | (135)     | (3,826)     |
| Other non-reversing timing differences  | 1,395     | (332,957)   |
| Taxation credit for the year  | (1,444)   | (332,957)   |

### 9 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

|                               | Notes | 2021<br>£ | 2020<br>£ |
|-------------------------------|-------|-----------|-----------|
| In respect of:                |       |           |           |
| Property, plant and equipment | 9     | -         | 3,617,843 |

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 10 Intangible fixed assets

|                                    | Software<br>£ |
|------------------------------------|---------------|
| <b>Cost</b>                        |               |
| At 1 April 2020                    | 171,910       |
| Additions                          | 163,793       |
| At 31 March 2021                   | 335,703       |
| <b>Amortisation and impairment</b> |               |
| At 1 April 2020                    | 18,755        |
| Amortisation charged for the year  | 6,626         |
| At 31 March 2021                   | 25,381        |
| <b>Carrying amount</b>             |               |
| At 31 March 2021                   | 310,322       |
| At 31 March 2020                   | 153,155       |

More information on impairment movements in the year is given in note 9.

### 11 Tangible fixed assets

|                                    | Fixtures and fittings<br>£ | Computers<br>£ | Total<br>£ |
|------------------------------------|----------------------------|----------------|------------|
| <b>Cost</b>                        |                            |                |            |
| At 1 April 2020                    | 450,456                    | 4,362,776      | 4,813,232  |
| Additions                          | -                          | 706            | 706        |
| At 31 March 2021                   | 450,456                    | 4,363,482      | 4,813,938  |
| <b>Depreciation and impairment</b> |                            |                |            |
| At 1 April 2020                    | 450,456                    | 4,198,007      | 4,648,463  |
| Depreciation charged in the year   | -                          | 24,239         | 24,239     |
| At 31 March 2021                   | 450,456                    | 4,222,246      | 4,672,702  |
| <b>Carrying amount</b>             |                            |                |            |
| At 31 March 2021                   | -                          | 141,236        | 141,236    |
| At 31 March 2020                   | -                          | 164,769        | 164,769    |

More information on impairment movements in the year is given in note 9.

### 12 Financial instruments

| 2021<br>£ | 2020<br>£ |
|-----------|-----------|
|-----------|-----------|

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

### 13 Debtors

|   | 2021<br>£        | 2020<br>£        |
|---|------------------|------------------|
| <b>Amounts falling due within one year:</b> |                  |                  |
| Trade debtors                               | 343,791          | 291,395          |
| Amounts owed by group undertakings          | 1,053,300        | 1,241,673        |
| Other debtors                               | 2,603,610        | 964,280          |
| Prepayments and accrued income              | 48,653           | 3,000            |
|   | <u>4,049,354</u> | <u>2,500,348</u> |

### 14 Creditors: amounts falling due within one year

|                              | 2021<br>£        | 2020<br>£      |
|------------------------------|------------------|----------------|
| Trade creditors              | 545,305          | 92,567         |
| Other creditors              | 477,379          | 565,408        |
| Accruals and deferred income | 76,468           | 78,167         |
|                              | <u>1,099,152</u> | <u>736,142</u> |

### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

|                                | Liabilities<br>2021<br>£ | Liabilities<br>2020<br>£ |
|--------------------------------|--------------------------|--------------------------|
| <b>Balances:</b>               |                          |                          |
| Accelerated capital allowances | <u>12,435</u>            | <u>13,878</u>            |
| <b>Movements in the year:</b>  |                          | 2021<br>£                |
| Liability at 1 April 2020      |                          | 13,878                   |
| Credit to profit or loss       |                          | (1,443)                  |
| Liability at 31 March 2021     |                          | <u>12,435</u>            |

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

# CFS-ZIPP LTD

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 MARCH 2021

#### 16 Share capital

|   | 2021<br>Number | 2020<br>Number | 2021<br>£ | 2020<br>£ |
|---|----------------|----------------|-----------|-----------|
| Ordinary share capital<br>Issued and fully paid |                |                |           |           |
| Ordinary shares of £1 each                      | 6,000,000      | 6,000,000      | 6,000,000 | 6,000,000 |

On 30 March 2020, the company passed a special resolution to reduce the share capital of the company. The share capital was reduced by £4,000,000 comprising of 4,000,000 shares.

#### 17 Financial commitments, guarantees and contingent liabilities

A legal case has been brought against the company for a claim of Euro 5,276,246 in Cyprus in 2020. The claim is in relation to a former agent of the company who has an outstanding balance owed to the claimant.

The company's lawyers have advised that they do not consider that the legal case has merit, and they have recommended that it be contested. No provision has been made in these financial statements as the Directors do not consider that there is any probable loss.

#### 18 Related party transactions

The following amounts were outstanding at the reporting end date:

|                                | 2021<br>£ | 2020<br>£ |
|--------------------------------|-----------|-----------|
| Amounts due to related parties | 10,000    | 88,297    |

The following amounts were outstanding at the reporting end date:

|                                  | 2021<br>£ | 2020<br>£ |
|----------------------------------|-----------|-----------|
| Amounts due from related parties | 3,045,960 | 1,687,629 |

#### 19 Ultimate controlling party

The parent company is St George's BK Ltd., that holds 100% share capital in the company.