

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2022
FOR
MONEYPLUS GROUP LIMITED**

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for the Year Ended 28th February 2022

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MONEYPLUS GROUP LIMITED

COMPANY INFORMATION

for the Year Ended 28th February 2022

DIRECTORS:

Mr C Davis
Mr M Hutton
Mr J Mills

REGISTERED OFFICE:

Riverside
New Bailey Street
Manchester
M3 5FS

REGISTERED NUMBER:

07310059

AUDITORS:

Xeinadin Audit Limited
1 City Road East
Manchester
M15 4PN

STRATEGIC REPORT

for the Year Ended 28th February 2022

The directors present their strategic report for the year ended 28th February 2022.

BUSINESS REVIEW, STRATEGY & OUTLOOK

Turnover for the year decreased to £7.6m from £9.5m in the prior period and the company's loss before tax decreased to £1.2m from £4.9m in the prior year.

Management believe that a key indicator of future trading performance is the size of the consumer base after taking into account the attrition rate (see more below under principal risks). Given the agility of the firm, it is well placed to reflect its staff and operating costs in comparison to the size of the consumer base.

The company's strategy is to continue to be a leading provider of debt solutions, expanding through organic growth and by acquisition. The company is actively reviewing opportunities to both acquire established consumer books and is presently in talks with several parties to acquire books of accounts, and post the period under review is delighted to report that organic growth at a substantial and significant rate is being seen, as well as regulatory permission being granted on two occasions for the Change in Control of two competitors, one of which was completed on in early February 2023.

The Directors consider the key performance indicators of the group to be consumer book size, attrition and operating profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

The board of directors has identified that the key risks facing the Company are 1) Regulatory, 2) Attrition rates of consumers and 3) Marketplace.

REGULATORY

During the Pandemic the company engaged regularly with its regulator The Financial Conduct Authority (FCA). These positive discussions then continued into dialogue surrounding the costs of living crisis faced by the average consumer. In this regard the Group has been delighted to share its market intelligence and experience which has been welcomed by the regulator. The Group also continues to submit to the FCA and other regulators ideas and proposals for enhanced regulatory restrictions which will lead to better outcomes for consumers.

ATTRITION RATES OF CONSUMERS

As part of the ongoing performance of the company a key consideration is the monthly attrition rate of the consumer base. The company has and continues to demonstrate low levels of consumer attrition which management believe is reflective of positive consumer outcomes. These rates are continuously reviewed by not only the company but also external auditors commissioned on behalf of its finance providers.

MARKETPLACE

The UK having seen and witnessed the COVID - 19 Pandemic, consumers are now having to deal with the economic after effects of the same, coupled with the war in Ukraine, leading to 40 year highs in inflation. These complicated issues translate into very simple but severe implications for the average consumer and is placing a huge number of consumers under severe financial pressure. These consumers require quality regulated debt advice which the Group is well positioned to provide.

ON BEHALF OF THE BOARD:

Mr M Hutton - Director

28th February 2023

REPORT OF THE DIRECTORS

for the Year Ended 28th February 2022

The directors present their report with the financial statements of the company for the year ended 28th February 2022.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of the provision of financial and legal advice, predominantly to over indebted consumers.

DIVIDENDS

No dividends will be distributed for the year ended 28 February 2022 (2021: £Nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1st March 2021 to the date of this report.

Mr C Davis
Mr M Hutton

Other changes in directors holding office are as follows:

Mr J Mills - appointed 10th January 2022
Mr A Iversen - resigned 28th February 2022

EMPLOYMENT AND EMPLOYMENT POLICIES

The company has implemented detailed human resources policies and acts as an equal opportunities employer. It currently holds Investors in People gold status and is accredited by the National Skills Academy.

Communication with all employees continues through formal training and presentations, the intranet and regular staff meetings and events.

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its Directors, which were made during the year and remain in force at the date of this report.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen, in accordance with Section 414 C(ii) of the Companies Act 2006, and as noted in this Directors' Report, to include certain matters in its Strategic Report that would otherwise be required to disclose in this Directors' Report, specifically in respect of the review of the business, future developments and key risks in the business.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 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 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.

REPORT OF THE DIRECTORS

for the Year Ended 28th February 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

Xeinadin Audit Limited acquired the audit practice of Kay Johnson Gee Limited and has been appointed as auditor in succession. In accordance with section 485 of the Companies Act 2006, Xeinadin Audit Limited will be proposed for reappointment.

ON BEHALF OF THE BOARD:

Mr M Hutton - Director

28th February 2023

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEYPLUS GROUP LIMITED

Opinion

We have audited the financial statements of Moneyplus Group Limited (the 'company') for the year ended 28th February 2022 which comprise the Profit and Loss Account, Statement of Financial Position, 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 company's affairs as at 28th February 2022 and of its 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 Auditors' 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.

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.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEYPLUS GROUP LIMITED

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 Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on pages three and four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEYPLUS GROUP LIMITED

Auditors' 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 a Report of the Auditors 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.

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

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- The nature of the industry and sector, control environment and business performance including the company's remuneration policies, key drivers for directors remuneration, bonus levels and performance targets;
- Results of the enquiries of management about their own identification and assessment of the risks of
- Any matters we have identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF MONEYPLUS GROUP LIMITED

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs

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

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 a Report of the Auditors 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.

Roger Blaskey (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
1 City Road East
Manchester
M15 4PN

28th February 2023

MONEYPLUS GROUP LIMITED (REGISTERED NUMBER: 07310059)**PROFIT AND LOSS ACCOUNT**

for the Year Ended 28th February 2022

		2022	2021
	Notes	£'000	£'000
TURNOVER	4	7,572	9,489
Cost of sales		<u>(1,092)</u>	<u>(69)</u>
GROSS PROFIT		6,480	9,420
Administrative expenses		<u>(7,488)</u>	<u>(10,090)</u>
		(1,008)	(670)
Other operating income	5	<u>17</u>	<u>143</u>
OPERATING LOSS	7	<u>(991)</u>	<u>(527)</u>
Staff settlements	8	-	(16)
Costs of fundamental reorganisation	8	<u>-</u>	<u>(3,437)</u>
		(991)	(3,980)
Interest payable and similar expenses	9	<u>(187)</u>	<u>(887)</u>
LOSS BEFORE TAXATION		(1,178)	(4,867)
Tax on loss	10	<u>-</u>	<u>262</u>
LOSS FOR THE FINANCIAL YEAR		(1,178)	(4,605)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(1,178)</u>	<u>(4,605)</u>

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION

28th February 2022

		2022	2021
	Notes	£'000	£'000
FIXED ASSETS			
Intangible assets	11	8,744	10,575
Tangible assets	12	307	350
Investments	13	1,248	1,248
		10,299	12,173
CURRENT ASSETS			
Debtors	14	5,225	19,175
Cash at bank		40	3
		5,265	19,178
CREDITORS			
Amounts falling due within one year	15	(5,822)	(9,065)
NET CURRENT (LIABILITIES)/ASSETS		(557)	10,113
TOTAL ASSETS LESS CURRENT LIABILITIES		9,742	22,286
CREDITORS			
Amounts falling due after more than one year	16	(2,950)	(14,316)
NET ASSETS		6,792	7,970
CAPITAL AND RESERVES			
Called up share capital	21	9	9
Retained earnings		6,783	7,961
SHAREHOLDERS' FUNDS		6,792	7,970

The financial statements were approved by the Board of Directors and authorised for issue on 28th February 2023 and were signed on its behalf by:

Mr M Hutton - Director

STATEMENT OF CHANGES IN EQUITY

for the Year Ended 28th February 2022

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
Balance at 1st March 2020	9	12,566	12,575
Deficit for the year	-	(4,605)	(4,605)
Total comprehensive loss	-	(4,605)	(4,605)
Balance at 28th February 2021	9	7,961	7,970
Deficit for the year	-	(1,178)	(1,178)
Total comprehensive loss	-	(1,178)	(1,178)
Balance at 28th February 2022	9	6,783	6,792

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 28th February 2022

1. STATUTORY INFORMATION

Moneyplus Group Limited is a private company limited by share capital, incorporated in England & Wales, registration number 07310059. The address of the principal place of business and the registered office is Riverside, New Bailey Street, Manchester, M3 5FS.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. For the purpose of aligning with the company/group's internal financial reporting period end, the profit and loss account is inclusive of turnover and expenditure which has been accrued in relation to the period up to 10 March 2022. Similarly, turnover and expenditure for the period prior to 11 March 2021 has been excluded. Due to a high proportion of customer payments being received around calendar month end, this treatment ensures any fluctuations in fee income which may arise due to how business processing days may fall around calendar month end are eliminated. This treatment allows management to evaluate performance in a more meaningful way and is consistent with reporting in the prior year.

The financial statements are prepared in sterling, which is the functional currency of the group.

Going concern

The director considers it appropriate to prepare the accounts on a going concern basis. However, should the financial support mentioned above not be forthcoming, the going concern basis is used in preparing the company's accounts may be invalid and adjustments would have to be made to reduce the value of assets to their realisable amount and provide for any further liabilities which might arise. The accounts do not include any adjustment to the company's assets or liabilities that might be necessary should this basis not continue to be appropriate.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

Group exemption

The financial statements contain information about Moneyplus Group Limited as an individual company and do not contain financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statement as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent company, Moneyplus Holdings Limited, whose registered office is Riverside, New Bailey Street, Manchester, M3 5FS.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents amounts in respect of the provision of financial solutions to individuals experiencing personal debt problems and is recognised as set out below. Turnover is exclusive of Value Added Tax where applicable.

Debt management - Turnover is recognised on a cash received basis reflecting the proportion of work performed. Initial fees are recognised when a customer makes their first contribution to the plan. Subsequent fees are recognised on receipt of funds into the plan, which reflects when the service is provided.

IVA fees - Turnover is recorded to recognise gross income during the life of the IVA based on the cost of the work to date as a percentage of the total cost of services to be performed.

Government grants

Government grants are recognised on the accrual model and are measured at fair value of the asset receivable. Grants are classified as relating either to other income or to assets. Grants related to other income are recognised in profit or loss over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Intangible assets

Intangible assets are represented by:

- Acquired customer contracts which represent the rights to ongoing management fees income from clients within back books acquired by the Company and is amortised over a period that reflects the attrition experience of the back book in line with the Company's policy; and
- Deferred development expenditure which is capitalised where there is a clearly defined project, related expenditure is separately identifiable and it has been assessed for technical and commercial viability.

Amortisation is calculated to write off the cost of the intangible assets over their useful life as follows:

Contracts	- 10% straight line
Development costs	- 10% straight line
Website	- 25% straight line

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated and an impairment provision made if appropriate.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any provisions for impairment.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Short leasehold	- over the period of the lease
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost
Computer equipment	- 25% on cost

The carrying amounts of the company's assets are reviewed for impairment when events or changes in circumstances indicate that the carrying amount of the fixed asset may not be recoverable. If any such indication exists, the asset's recoverable amount is estimated and an impairment provision made if appropriate.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiary undertakings, associates and joint ventures are stated at cost less provision for impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Hire purchase and leasing commitments

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease/hire purchase are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the income statement so as to produce a constant periodic rate of charge on the net obligation outstanding.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Differences between contributions payable in the period and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Trade and other debtors

Trade and other debtors are recognised and carried at their nominal value and are reduced by appropriate allowances for irrecoverable amounts. Provision for impairment is made through profit or loss when there is objective evidence that the Company will not be able to recover balances in full. Balances are written off when probability of recovery is assessed as being remote.

Trade and other creditors

Trade and other creditors are recognised initially at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

2. ACCOUNTING POLICIES - continued

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies above, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future period.

Amortisation

The company accounts for amortisation in relation to the acquisition of debt management plan backbooks in accordance with FRS 102. The amortisation and expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used. Judgements are made on the estimated useful life of the assets based on historical experience of the length of a typical plan.

Revenue recognition

The company's revenue recognition policy for supervisory fees in relation to IVA products is based on aligning up front revenue take to the level of cost expensed before an IVA becomes active. The remainder of fee revenue is then spread over the length of the IVA.

4. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2022	2021
	£'000	£'000
Debt management	<u>7,572</u>	<u>9,489</u>
	<u>7,572</u>	<u>9,489</u>

An analysis of turnover by geographical market is given below:

	2022	2021
	£'000	£'000
United Kingdom	<u>7,572</u>	<u>9,489</u>
	<u>7,572</u>	<u>9,489</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

5. OTHER OPERATING INCOME

	2022	2021
	£'000	£'000
Rents received	17	-
Government grants	-	143
	<u>17</u>	<u>143</u>

6. EMPLOYEES AND DIRECTORS

	2022	2021
	£'000	£'000
Wages and salaries	2,215	2,374
Social security costs	354	327
Other pension costs	59	64
	<u>2,628</u>	<u>2,765</u>

The average number of employees during the year was as follows:

	2022	2021
Administration	<u>106</u>	<u>111</u>

	2022	2021
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

7. OPERATING LOSS

The operating loss is stated after charging:

	2022	2021
	£'000	£'000
Hire of plant and machinery	14	16
Other operating leases	697	619
Depreciation - owned assets	162	134
Contracts amortisation	2,225	2,535
Development costs amortisation	599	480
Auditors' remuneration	<u>36</u>	<u>59</u>

8. EXCEPTIONAL ITEMS

	2022	2021
	£'000	£'000
Staff settlements	-	(16)
Costs of fundamental reorganisation	-	(3,437)
	<u>-</u>	<u>(3,453)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

In the prior year, exceptional costs were made up of accruals for payments to several parties post year end relating to the re-financing of the Group of Moneyplus companies. The company was committed to the re-financing at the prior year end reporting date.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Bank loan interest	187	857
Other interest paid	-	16
Interest on overdue tax paid	-	14
	<u>187</u>	<u>887</u>

10. TAX ON PROFIT ON ORDINARY ACTIVITIES

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2022	2021
	£'000	£'000
Current tax:		
UK corporation tax	-	(272)
Corporation tax prior years	-	(1)
Total current tax	-	(273)
Deferred tax	-	11
Tax on loss	-	(262)

UK corporation tax was charged at 19% in 2021.

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

10. TAX ON PROFIT ON ORDINARY ACTIVITIES - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
Loss before tax	<u>(1,178)</u>	<u>(4,867)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(224)	(925)
Effects of:		
Expenses not deductible for tax purposes	5	14
Depreciation in excess of capital allowances	447	473
Utilisation of tax losses	-	273
Adjustments to tax charge in respect of previous periods	-	(1)
Group relief surrendered / (claimed)	(228)	28
Deferred tax movement	-	11
credit		
Losses not utilised	-	(135)
Total tax credit	<u>-</u>	<u>(262)</u>

At Budget 2021 the government announced that from 1 April 2023 the rate of corporation tax will be 25% for companies with annual profits over £250,000. For companies with annual profits below £50,000 the rate will remain at 19%. Marginal relief provisions will also be introduced so that, where a company's profits fall between the lower (£50,000) and upper (£250,000) limits, it will be able to claim an amount of marginal relief that bridges the gap between the lower and upper limits providing a gradual increase in the corporation tax rate.

11. INTANGIBLE FIXED ASSETS

	Contracts £'000	Development costs £'000	Totals £'000
COST			
At 1st March 2021	34,169	1,619	35,788
Additions	104	889	993
At 28th February 2022	<u>34,273</u>	<u>2,508</u>	<u>36,781</u>
AMORTISATION			
At 1st March 2021	24,531	682	25,213
Amortisation for year	2,225	599	2,824
At 28th February 2022	<u>26,756</u>	<u>1,281</u>	<u>28,037</u>
NET BOOK VALUE			
At 28th February 2022	<u>7,517</u>	<u>1,227</u>	<u>8,744</u>
At 28th February 2021	<u>9,638</u>	<u>937</u>	<u>10,575</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

12. TANGIBLE FIXED ASSETS

	Short leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000	Computer equipment £'000	Totals £'000
COST					
At 1st March 2021	566	41	438	1,398	2,443
Additions	-	-	3	116	119
At 28th February 2022	<u>566</u>	<u>41</u>	<u>441</u>	<u>1,514</u>	<u>2,562</u>
DEPRECIATION					
At 1st March 2021	503	41	424	1,125	2,093
Charge for year	25	-	7	130	162
At 28th February 2022	<u>528</u>	<u>41</u>	<u>431</u>	<u>1,255</u>	<u>2,255</u>
NET BOOK VALUE					
At 28th February 2022	<u>38</u>	<u>-</u>	<u>10</u>	<u>259</u>	<u>307</u>
At 28th February 2021	<u>63</u>	<u>-</u>	<u>14</u>	<u>273</u>	<u>350</u>

13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
COST	
At 1st March 2021	
and 28th February 2022	<u>3,793</u>
PROVISIONS	
At 1st March 2021	
and 28th February 2022	<u>2,545</u>
NET BOOK VALUE	
At 28th February 2022	<u>1,248</u>
At 28th February 2021	<u>1,248</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

13. FIXED ASSET INVESTMENTS - continued

The directors believe that the carrying value of the investment is supported by the underlying net assets and future forecast cashflows.

The following were subsidiary undertakings of the company:

Name	Country of incorporation	Class of shares	Holding	Principal Activity
Debt in Control Limited*	England and Wales	Ordinary	100%	Dormant
Moneyplus Legal Limited	England and Wales	Ordinary	100%	Legal services
Moneyplus Blackburn Limited*	England and Wales	Ordinary	100%	Dormant
Kensington Knight Limited*	England and Wales	Ordinary	100%	Dormant
Clear Financial Solutions (UK) Limited*	England and Wales	Ordinary	100%	Dormant
The Debt People Limited*	England and Wales	Ordinary	100%	Dormant
Moneyplus 2010 Limited*	England and Wales	Ordinary	100%	Dormant
Patronus Group Limited*	England and Wales	Ordinary	100%	Dormant
R&R Financial Solutions Limited*	England and Wales	Ordinary	100%	Dormant
Hamilton Locke & Co. Limited*	England and Wales	Ordinary	100%	Dormant
Pathfinder Financial Services Limited*	England and Wales	Ordinary	100%	Dormant
Mollykit Ltd*	England and Wales	Ordinary	100%	Dormant

The following are subsidiaries of MoneyPlus 2010 Limited:

Chiltern (UK) Limited*	England and Wales	Ordinary	100%	Dormant
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The following are subsidiaries of Moneyplus Legal Limited:

Richardson Mail Limited*	England and Wales	Ordinary	100%	Financial services
Tenant Protect Limited*	England and Wales	Ordinary	100%	Financial services

The registered office and principal place of business of all of the above mentioned companies is Riverside, New Bailey Street, Manchester, M3 5FS.

* Subsidiary is exempt from the requirements of the Companies Act 2006 relating to the audit of its individual accounts by virtue of Section 479A.

The financial year end of all of the subsidiaries is on 28th February 2022.

14. DEBTORS

	2022 £'000	2021 £'000
Trade debtors	24	45
Amounts owed by group undertakings	3,387	17,119
Other debtors	22	147
Directors' current accounts	66	10
Deferred tax asset	5	5
Prepayments and accrued income	1,721	1,849
	<u>5,225</u>	<u>19,175</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£'000	£'000
Other loans (see note 17)	-	500
Trade creditors	643	690
Amounts owed to group undertakings	2,963	1,714
Taxation	197	197
Social security and other taxation	584	1,115
VAT	112	248
Other creditors	36	86
Accruals and deferred income	1,287	4,515
	<u>5,822</u>	<u>9,065</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£'000	£'000
Bank loans (see note 17)	-	14,316
Other loans (see note 17)	2,950	-
	<u>2,950</u>	<u>14,316</u>

17. LOANS

An analysis of the maturity of loans is given below:

	2022	2021
	£'000	£'000
Less than one year		
Between one and two years	2,950	14,316
	<u>2,950</u>	<u>14,316</u>

Loan notes of £2,950k issued to Warwick Funding 2 S.A.R.L are repayable on 16/03/2026.

The comparative year loan notes of £14,316k issued to Palatine Private Equity Fund LP a former shareholder of Moneyplus Holdings Limited were repaid on 16/03/2021.

18. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2022	2021
	£'000	£'000
Within one year	511	515
Between one and five years	2,117	2,125
In more than five years	3,087	3,590
	<u>5,715</u>	<u>6,230</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2022

19. SECURED DEBTS

Intriva Resolution Advisors LLP as security agent on behalf of Warwick Funding 2 S.A.R.L dated 15th March 2021, 22nd October 2021 and 30th September 2022 created fixed and floating charges over all the property and undertakings of the company. These also contain negative pledges.

Oaknorth Bank PLC dated 29th September 2022, created fixed and floating charges over all the property and undertakings of the company. These also contain negative pledges.

20. DEFERRED TAX

	£'000
Balance at 1st March 2021	<u>(5)</u>
Balance at 28th February 2022	<u>(5)</u>

The deferred tax balance is made up solely of timing differences in relation to the excess of capital allowances over depreciation.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2022 £'000	2021 £'000
7,747	Ordinary	£1.00	8	8
253	Ordinary A	£1.00	-	-
1,099	Deferred	£1.00	<u>1</u>	<u>1</u>
			<u>9</u>	<u>9</u>

The ordinary shares and ordinary A shares carry equal voting rights. Deferred shares have no voting rights and have no rights to receive a dividend. In the event of winding up of the Company, the deferred shareholders shall receive up to the amount of the nominal value held, proportional with ordinary and ordinary A shareholders, with the balance of any remaining assets distributed proportionally to ordinary and ordinary A shareholders.

22. ULTIMATE PARENT COMPANY

The immediate parent undertaking at the balance sheet date was Moneyplus Midco Limited and the ultimate parent undertaking was Moneyplus Holdings Limited, both companies are registered in England and Wales and their registered office is Riverside, New Bailey Street, Manchester M3 5FS.

The parent company of the largest group that includes the company and for which consolidated financial statements are prepared is Moneyplus Holdings Limited. Copies of these financial statements can be obtained from the registered office at Riverside, New Bailey Street, Manchester M3 5FS.

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