

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 28TH FEBRUARY 2021  
FOR  
MONEYPLUS GROUP LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS**

for the Year Ended 28th February 2021

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# **MONEYPLUS GROUP LIMITED**

## **COMPANY INFORMATION**

for the Year Ended 28th February 2021

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**DIRECTORS:**

Mr C Davis  
Mr A Iversen  
Mr M Hutton  
Mr J Mills

**REGISTERED OFFICE:**

Riverside  
New Bailey Street  
Manchester  
Lancashire  
M3 5FS

**REGISTERED NUMBER:**

07310059

**AUDITORS:**

Kay Johnson Gee Limited  
Chartered Accountants and Statutory Auditors  
1 City Road East  
Manchester  
M15 4PN

**STRATEGIC REPORT**

**for the Year Ended 28th February 2021**

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The directors present their strategic report for the year ended 28th February 2021.

**BUSINESS REVIEW, STRATEGY & OUTLOOK**

Turnover for the year decreased to £9.5m from £18.2m in the prior period and the company's profit before tax decreased to a loss of £4.8m from a profit of £2.5m in the prior period.

The movement in turnover and profit can be attributed to various reasons:

- 1) In the prior accounting period the company accounted for a period of 18 months,  
In the present accounting period the company saw a significant decrease in revenue relating to PPI Claims Management due to the passing of the claims deadline in August 2019. In addition, the processing of cases by
- 2) banks, who were the defending parties in such actions were delayed by the onset of the Pandemic,  
In the present accounting period the company accounted for several exceptional and administrative items relating
- 3) to the exit of its previous private equity supporters as well as a refinancing exercise.

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).

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.

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) Banking facilities, 3) Attrition rates of consumers and 4) Marketplace.

**REGULATORY**

During the Pandemic the company has engaged regularly with its regulator The Financial Conduct Authority (FCA). These have been positive discussions in which the company has shared with the FCA how the Pandemic has been felt by its customer base.

**BANKING FACILITIES**

In March 2021 the company completed on a transaction which saw the company refinance its banking facilities as well as the exit of its private equity sponsors; both being replaced by a new sponsor that has resulted in a new 5 year facility being put in place. This support will enable the company to grow its customer base, both organically and by way of acquisition.

**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.

**STRATEGIC REPORT**

**for the Year Ended 28th February 2021**

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**MARKETPLACE**

What is clear is that the economy is facing challenges not seen before in particular the aftermath of the COVID - 19 Pandemic and the surge in the cost of living, most concerning being the increase in energy prices which will be felt by all. These shocks will be most felt by those in society who have lower levels of disposable income and higher levels of unsecured debt. In this regard the company is well placed to respond to what will no doubt be an increased demand for the provision of regulated debt advice.

**ON BEHALF OF THE BOARD:**

Mr C Davis - Director

22nd February 2022

**REPORT OF THE DIRECTORS**

**for the Year Ended 28th February 2021**

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The directors present their report with the financial statements of the company for the year ended 28th February 2021.

**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 2021 (2020: £NIL).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st March 2020 to the date of this report.

Mr C Davis  
Mr A Iversen  
Mr M Hutton

Other changes in directors holding office are as follows:

Mr J Mills was appointed as a director after 28th February 2021 but prior to the date of this report.

**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 2021**

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**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**

Under section 487(2) of the Companies Act 2006 Kay Johnson Gee Limited, will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

**ON BEHALF OF THE BOARD:**

Mr C Davis - Director

22nd February 2022

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

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## Opinion

We have audited the financial statements of Moneyplus Group Limited (the 'company') for the year ended 28th February 2021 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 2021 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**

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### **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 four and five, 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

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### 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.

### 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 irregularities;
- 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 being in the revenue recognition policy. 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;
- 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; and

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 (UK).

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our 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 Kay Johnson Gee Limited  
Chartered Accountants and Statutory Auditors  
1 City Road East  
Manchester  
M15 4PN

22nd February 2022

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

for the Year Ended 28th February 2021

		Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
	Notes		
<b>TURNOVER</b>	4	9,489	18,193
Cost of sales		(69)	(583)
<b>GROSS PROFIT</b>		9,420	17,610
Administrative expenses		(10,090)	(13,660)
		(670)	3,950
Other operating income	5	143	-
<b>OPERATING (LOSS)/PROFIT</b>	7	(527)	3,950
Staff settlements	8	(16)	-
Costs of fundamental reorganisation	8	(3,437)	(1)
		(3,980)	3,949
Interest payable and similar expenses	9	(887)	(1,426)
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		(4,867)	2,523
Tax on (loss)/profit	10	262	(376)
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		(4,605)	2,147
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR</b>		(4,605)	2,147

The notes form part of these financial statements

**STATEMENT OF FINANCIAL POSITION**

28th February 2021

		<b>2021</b>	<b>2020</b>
	Notes	<b>£'000</b>	<b>£'000</b>
<b>FIXED ASSETS</b>			
Intangible assets	11	10,575	12,956
Tangible assets	12	350	315
Investments	13	1,248	1,248
		<u>12,173</u>	<u>14,519</u>
<b>CURRENT ASSETS</b>			
Debtors	14	19,175	17,396
Cash at bank		3	149
		<u>19,178</u>	<u>17,545</u>
<b>CREDITORS</b>			
Amounts falling due within one year	15	(9,065)	(2,504)
<b>NET CURRENT ASSETS</b>		<u>10,113</u>	<u>15,041</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>22,286</b>	<b>29,560</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	16	(14,316)	(16,985)
<b>NET ASSETS</b>		<u>7,970</u>	<u>12,575</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	21	9	9
Retained earnings		7,961	12,566
<b>SHAREHOLDERS' FUNDS</b>		<u>7,970</u>	<u>12,575</u>

The financial statements were approved by the Board of Directors and authorised for issue on 22nd February 2022 and were signed on its behalf by:

Mr C Davis - Director

**STATEMENT OF CHANGES IN EQUITY**

for the Year Ended 28th February 2021

	Called up share capital £'000	Retained earnings £'000	Total equity £'000
<b>Balance at 1st September 2018</b>	9	10,419	10,428
Profit for the period	-	2,147	2,147
Total comprehensive income	-	2,147	2,147
<b>Balance at 29th February 2020</b>	9	12,566	12,575
Deficit for the year	-	(4,605)	(4,605)
Total comprehensive loss	-	(4,605)	(4,605)
<b>Balance at 28th February 2021</b>	9	7,961	7,970

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**

for the Year Ended 28th February 2021

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**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**

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. 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 2021. Similarly, turnover and expenditure for the period prior to 11 March 2020 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.

In the prior year, the accounting year had been extended and reflects a 18 month period which means the results are not directly comparable with the current period.

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

**Going concern**

The financial position of the company, its cash flows, liquidity position and borrowing facilities are described in detail in the Strategic Report. During the period the company has made an operating loss of £4,711k (2020 - £4,717k profit) and as at 29th February 2021 the company had outstanding borrowings of £14,316k (2020 - £16,985k) through facilities provided by PNC Business Credit ("PNC").

In December 2020, the company exchanged contracts on a transaction which when completed saw the exit of Private Equity Sponsors as well as PNC - the new investors became not only shareholders but also the providers of debt facilities. This transaction completed on the 15th March 2021 after being granted approval from the Financial Conduct Authority (FCA) and the Solicitors Regulation Authority (SRA).

On the basis of the above the accounts have been prepared on the going concern basis.

**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 2021

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**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 years straight line |
| Development costs | - 10 years 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                  |
| Website               | - 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 2021

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**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 2021

**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 (2020 - profit) before taxation are attributable to the one principal activity of the company.

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

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
Debt management	9,489	18,193
	<u>9,489</u>	<u>18,193</u>

An analysis of turnover by geographical market is given below:

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
United Kingdom	9,489	18,193
	<u>9,489</u>	<u>18,193</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2021

## 5. OTHER OPERATING INCOME

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
Government grants	<u>143</u>	<u>-</u>

## 6. EMPLOYEES AND DIRECTORS

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
Wages and salaries	2,374	4,692
Social security costs	327	553
Other pension costs	64	96
	<u>2,765</u>	<u>5,341</u>

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

	Year ended 28/2/21	Period 1/9/18 to 29/2/20
Administration	<u>111</u>	<u>142</u>

	Year ended 28/2/21 £	Period 1/9/18 to 29/2/20 £
Directors' remuneration	<u>-</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

for the Year Ended 28th February 2021

**7. OPERATING (LOSS)/PROFIT**

The operating loss (2020 - operating profit) is stated after charging:

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
Hire of plant and machinery	16	25
Other operating leases	619	685
Depreciation - owned assets	134	337
Contracts amortisation	2,535	3,891
Development costs amortisation	480	34
Auditors' remuneration	59	50
Auditors' remuneration for non audit work	-	5

**8. EXCEPTIONAL ITEMS**

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
Staff settlements	(16)	-
Costs of fundamental reorganisation	(3,437)	(1)
	<u>(3,453)</u>	<u>(1)</u>

Exceptional costs are 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 reporting date.

The staff settlements are in relation to settlement payments made to several staff members as a result of disputes with the company.

**9. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
Bank loan interest	857	1,425
Other interest paid	16	1
Interest on overdue tax paid	14	-
	<u>887</u>	<u>1,426</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2021

## 10. TAX ON PROFIT ON ORDINARY ACTIVITIES

**Analysis of the tax (credit)/charge**

The tax (credit)/charge on the loss for the year was as follows:

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
Current tax:		
UK corporation tax	(272)	434
Corporation tax prior years	(1)	(29)
Total current tax	(273)	405
Deferred tax	11	(29)
Tax on (loss)/profit	(262)	376

UK corporation tax has been charged at 19% (2020 - 19%).

**Reconciliation of total tax (credit)/charge 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:

	Year ended 28/2/21 £'000	Period 1/9/18 to 29/2/20 £'000
(Loss)/profit before tax	(4,867)	2,523
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(925)	479
Effects of:		
Expenses not deductible for tax purposes	14	479
Income not taxable for tax purposes	-	(417)
Depreciation in excess of capital allowances	473	558
Utilisation of tax losses	273	-
Adjustments to tax charge in respect of previous periods	(1)	(29)
Group relief surrendered / (claimed)	28	(610)
Deferred tax movement	11	(29)
Research and development credit	-	(55)
Losses not utilised	(135)	-
Total tax (credit)/charge	(262)	376

**NOTES TO THE FINANCIAL STATEMENTS - continued**

for the Year Ended 28th February 2021

**10. TAX ON PROFIT ON ORDINARY ACTIVITIES - continued**

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**

	<b>Contracts</b>	<b>Development</b>	
	<b>£'000</b>	<b>costs</b>	<b>Totals</b>
		<b>£'000</b>	<b>£'000</b>
<b>COST</b>			
At 1st March 2020	<b>34,042</b>	<b>964</b>	<b>35,006</b>
Additions	<b>127</b>	<b>410</b>	<b>537</b>
Reclassification/transfer	<b>-</b>	<b>245</b>	<b>245</b>
At 28th February 2021	<b>34,169</b>	<b>1,619</b>	<b>35,788</b>
<b>AMORTISATION</b>			
At 1st March 2020	<b>21,996</b>	<b>54</b>	<b>22,050</b>
Amortisation for year	<b>2,535</b>	<b>480</b>	<b>3,015</b>
Reclassification/transfer	<b>-</b>	<b>148</b>	<b>148</b>
At 28th February 2021	<b>24,531</b>	<b>682</b>	<b>25,213</b>
<b>NET BOOK VALUE</b>			
At 28th February 2021	<b>9,638</b>	<b>937</b>	<b>10,575</b>
At 29th February 2020	<b>12,046</b>	<b>910</b>	<b>12,956</b>

## NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2021

## 12. TANGIBLE FIXED ASSETS

	Short leasehold £'000	Plant and machinery £'000	Fixtures and fittings £'000
<b>COST</b>			
At 1st March 2020	503	41	435
Additions	63	-	3
Reclassification/transfer	-	-	-
At 28th February 2021	<u>566</u>	<u>41</u>	<u>438</u>
<b>DEPRECIATION</b>			
At 1st March 2020	488	41	418
Charge for year	15	-	6
Reclassification/transfer	-	-	-
At 28th February 2021	<u>503</u>	<u>41</u>	<u>424</u>
<b>NET BOOK VALUE</b>			
At 28th February 2021	<u>63</u>	<u>-</u>	<u>14</u>
At 29th February 2020	<u>15</u>	<u>-</u>	<u>17</u>

  

	Website £'000	Computer equipment £'000	Totals £'000
<b>COST</b>			
At 1st March 2020	245	1,198	2,422
Additions	-	200	266
Reclassification/transfer	(245)	-	(245)
At 28th February 2021	<u>-</u>	<u>1,398</u>	<u>2,443</u>
<b>DEPRECIATION</b>			
At 1st March 2020	148	1,012	2,107
Charge for year	-	113	134
Reclassification/transfer	(148)	-	(148)
At 28th February 2021	<u>-</u>	<u>1,125</u>	<u>2,093</u>
<b>NET BOOK VALUE</b>			
At 28th February 2021	<u>-</u>	<u>273</u>	<u>350</u>
At 29th February 2020	<u>97</u>	<u>186</u>	<u>315</u>

## NOTES TO THE FINANCIAL STATEMENTS - continued

for the Year Ended 28th February 2021

## 13. FIXED ASSET INVESTMENTS

	Shares in group undertakings £'000
<b>COST</b>	
At 1st March 2020	
and 28th February 2021	<u>3,793</u>
<b>PROVISIONS</b>	
At 1st March 2020	
and 28th February 2021	<u>2,545</u>
<b>NET BOOK VALUE</b>	
At 28th February 2021	<u>1,248</u>
At 29th February 2020	<u>1,248</u>

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 Limited *	England and Wales	Ordinary	100%	Dormant
The Debt Point Limited * <	England and Wales	Ordinary	100%	Dormant (dissolved)



**NOTES TO THE FINANCIAL STATEMENTS - continued**

for the Year Ended 28th February 2021

**13. FIXED ASSET INVESTMENTS - continued**

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 for 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.

< Subsidiary was dissolved on 25th May 2021 and was dormant up to this point.

The financial year end for all of the above subsidiaries is 28th February 2021.

**14. DEBTORS**

	2021 £'000	2020 £'000
Trade debtors	45	89
Amounts owed by group undertakings	17,119	16,247
Other debtors	147	74
Directors' current accounts	10	9
Deferred tax asset	5	16
Prepayments and accrued income	1,849	961
	<u>19,175</u>	<u>17,396</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £'000	2020 £'000
Other loans (see note 17)	500	-
Trade creditors	690	163
Amounts owed to group undertakings	1,714	658
Taxation	197	511
Social security and other taxation	1,115	193
VAT	248	78
Other creditors	86	81
Accruals and deferred income	4,515	820
	<u>9,065</u>	<u>2,504</u>

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

	2021 £'000	2020 £'000
Bank loans (see note 17)	<u>14,316</u>	<u>16,985</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

for the Year Ended 28th February 2021

**17. LOANS**

An analysis of the maturity of loans is given below:

	2021 £'000	2020 £'000
Less than one year	16,985	-
Between one and two years	-	16,985
	<u>16,985</u>	<u>16,985</u>

Bank loans represent amounts advanced under a facility provided by PNC Business Credit ("PNC").

The loan from PNC of £16,985k is repayable on 31 March 2021.

The PNC loan facility of £25,400k as at 28 February 2021 is secured on the forecast fee income receivable on the contracts from owned customer accounts

**18. LEASING AGREEMENTS**

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

	2021 £'000	2020 £'000
Within one year	422	426
Between one and five years	369	849
	<u>791</u>	<u>1,275</u>

**19. SECURED DEBTS**

PNC Financial Services UK Ltd held a guarantee and debenture charge, dated 3rd June 2011, creating fixed and floating charges over all the property and undertaking of the company. This also contains a negative pledge. This charge was satisfied post year end dated 16th March 2021 and replaced with a similar charge.

In addition, included within other creditors is a unlimited inter company composite guarantee, a fixed and floating charge over all the property and undertaking of the company of £1,331k (2020 - £1,331k) from Palatine Private Equity LLP, a shareholder of Moneyplus Holdings Limited. This charge was satisfied post year end dated 16th March 2021 and replaced with a similar charge.

Intriva Resolution Advisors LLP dated 15th March 2021 and 22nd October 2021, 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 2020	(16)
Provided during year	11
Balance at 28th February 2021	<u>(5)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**

for the Year Ended 28th February 2021

**20. DEFERRED TAX - continued**

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:	2021 £'000	2020 £'000
7,747	Ordinary	£1	8	8
253	Ordinary A	£1	-	-
1,099	Deferred	£1	<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.