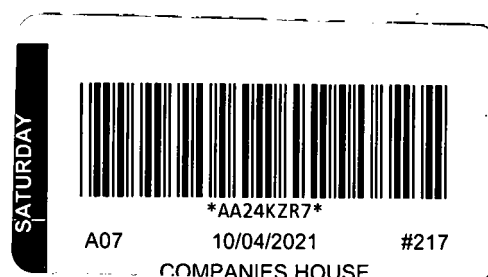


# **Notemachine Finance Limited**

**Company Number 07454420**

## **Annual Report and Financial Statements - 30 June 2020**



## **Notemachine Finance Limited**

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**30 June 2020**

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### **General information**

The financial statements cover Notemachine Finance Limited as an individual entity. The financial statements are presented in Pound sterling, which is Notemachine Finance Limited's functional and presentation currency.

Notemachine Finance Limited is a company limited by shares, incorporated and domiciled in the United Kingdom. Its registered office and principal place of business is:

Russell House  
Elvicta Business Park  
Crickhowell  
Powys  
NP8 1DF

A description of the nature of the company's operations and its principal activities are included in the strategic report, which is not part of the financial statements.

**Notemachine Finance Limited**  
**Corporate directory**  
**30 June 2020**

Directors	P D McNamara C E Evans G J Foley (Appointed 4 November 2019)
Registered number	07454420
Company secretary	G J Foley (Appointed 4th November 2019)
Registered office	Russell House Elvicta Business Park Crickhowell Powys NP8 1DF
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW
Solicitors	Taylor Wessing LLP 5 New Street Square London EC4A 3TW
Bankers	Barclays Bank PLC 1 Churchill Place London E14 5HP

**Notemachine Finance Limited**  
**Strategic report**  
**30 June 2020**

The directors present their strategic report on the company for the year ended 30 June 2020.

**Business Review**

The company's principal activity is the provision of finance for Notemachine Holdings Group.

The company's results can only be considered in the context of the results of the Group of which the company is part. Therefore, a detailed review of business and future developments is set out in the strategic report of NM Money Holdings Limited.

Nonetheless the directors believe that the company has performed satisfactorily for the year.

**Principal risks and uncertainties**

Details of the risks and uncertainties that face the group, of which the company is part, are included in the strategic report of NM Money Holdings Limited.

**Financial key performance indicators**

An analysis of performance in relation to the group's key performance indicators is set out in the strategic report of NM Money Holdings Limited.

This report was approved by the board and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P.D. McNamara', is written over a horizontal line.

P.D. McNamara  
Director

18 March 2021

**Notemachine Finance Limited**  
**Directors' report**  
**30 June 2020**

The directors present their report, together with the audited financial statements, on the company for the year ended 30 June 2020.

**Directors**

The following persons were directors of the company during the whole of the financial year and up to the date of this report, unless otherwise stated:

P D McNamara  
C E Evans  
N P Constable (Resigned 27 January 2020)  
M K Kingston (Resigned 4 November 2019)  
G J Foley (Appointed 4 November 2019)

**Results and dividends**

The loss for the financial year amounted to £32,000, (2019: Profit £42,000)

No dividend has been proposed in respect of the year ended 30 June 2020 (2019: £NIL)

The directors are of the view that the company's performance was satisfactory for the year to 30 June 2020.

**Principal activities**

The principal activity of the company is the provision of finance for the Notemachine Holdings Group.

**Future developments**

The company's results can only be fully assessed in context of the results of the integrated group, of which it is part. Therefore, a detailed review of future developments is set out in the directors' report of NM Money Holdings Limited.

**Going concern**

The Company has received a letter of support from NM Money Holdings Limited (the "Group Parent Company"), stating that it is their intention to provide any necessary support to enable the company to meet its liabilities as and when they fall due, for a period of no shorter than 12 months from the date of signing of these financial statements.

In considering the going concern position of the Company, the Directors are mindful of the impact that COVID-19 has had on the Company, the Group Parent Company and the consolidated NM Money Holdings Limited Group (the "Group") as a whole. As the Company is part of a Group wide financing facility, the directors have considered the Group going concern assessment for the purpose of these financial statements and reflected any Company specific additional assumptions to the extent necessary.

The directors have undertaken a detailed forecast exercise. Those forecasts have been prepared using sensitised historical pre-pandemic data in conjunction with ATM and consumer information obtained during the first and subsequent lockdowns, taking into account a reasonable level of recovery in consumers use of cash and a gradual recovery in the travel money market as the economy recovers from the restrictions imposed as a result of the COVID-19 pandemic.

Due to the impact of COVID-19 on the Group, the Group requested and obtained covenant waivers on its September and December 2020 covenants from its lenders. In February 2021 the Group's loan facility was also renegotiated with revised quarterly covenants as the Group recovers. These covenants include an ongoing liquidity covenant, a quarterly minimum EBITDA for the UK ATM business covenant and a quarterly leverage ratio test from December 2021 onwards. The loan facility is due to expire on 23 March 2022.

These forecasts show that the Group will be able to operate within the level of its debt facilities for at least 12 months from the approval date of these financial statements. Furthermore, the ongoing rollout of vaccines in the UK and globally is very positive, in the event that cash usage and travel recovers more strongly than anticipated the Group is well positioned to perform better than forecast.

The directors have also modelled a number of scenarios that they consider to be reasonable worst-case scenarios. The most severe of which is where the Group sees a sustained reduction in performance such that EBITDA was 20% lower than forecast for each month. In this scenario, the Group would still be able to operate in compliance with its covenant requirements, but a further decline would require mitigating actions by the Group.

**Notemachine Finance Limited**  
**Directors' report**  
**30 June 2020**

However, the directors recognise that future events in relation to the UK recovery from the pandemic are uncertain and that it is possible the Group's performance is ultimately weaker than forecast. This could arise through a combination of a slower than anticipated return to pre-COVID operating levels because of the level and timing of current and future lockdowns and the potential impact of future consumer habits with respect to the declining use of cash. In the event that the Group's performance is weaker than forecast and mitigating actions are not sufficient to address the fall, there could be a breach of covenants potentially requiring the repayment of debt which the Group would not have sufficient liquidity to do. In addition, a weaker performance may delay or threaten the Group's refinancing or strategic plans ahead of a required re-financing before 23 March 2022. Accordingly, whilst the directors have a reasonable expectation that the Group will be able to continue operating for the foreseeable future, these factors do give rise to a material uncertainty that may cast significant doubt about the Group's and therefore the Company's ability to continue as a going concern. However, the directors continue to adopt the going concern basis in preparing the financial statements and the financial statements do not include any adjustments required if the Company were unable to continue as a going concern.

**Financial risk management**

Financial risk is managed on a group basis, details of financial risk management processes and policies are set out in the directors' report of NM Money Holdings Limited.

**Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently still in force. The company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

**Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are 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.

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.

**Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as each director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Notemachine Finance Limited**  
**Directors' report**  
**30 June 2020**

**Independent auditor**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP 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 financial statements with the registrar, whichever is earlier.

This report was approved by the board on 18 March 2021 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'P. D. McNamara', is written over a horizontal line.

**P. D. McNamara**  
**Director**

18 March 2021

**Notemachine Finance Limited**  
**Statement of comprehensive income**  
**For the year ended 30 June 2020**

	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Expenses</b>			
Exceptional administrative expenses/(credits)		-	8
Administrative expenses		<u>1</u>	<u>15</u>
<b>Operating profit</b>		<b>1</b>	<b>23</b>
Interest payable and similar expenses	<b>6</b>	(6,579)	(6,238)
Interest receivable and similar income	<b>7</b>	<u>6,546</u>	<u>6,257</u>
<b>Profit/(loss) before income tax expense</b>		<b>(32)</b>	<b>42</b>
Income tax expense	<b>8</b>	<u>-</u>	<u>-</u>
<b>Profit/(loss) after income tax expense for the year</b>	<b>14</b>	<b>(32)</b>	<b>42</b>
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
<b>Total comprehensive (loss)/income for the year</b>		<b><u>(32)</u></b>	<b><u>42</u></b>

*The above statement of comprehensive income should be read in conjunction with the accompanying notes*



**Notemachine Finance Limited**  
**Statement of financial position**  
**As at 30 June 2020**

	Note	2020 £'000	2019 £'000
<b>Non-current assets</b>			
Investments in subsidiary companies	9	310	310
Debtors - amounts falling due after more than one year	10	88,528	81,770
Total non-current assets		<u>88,838</u>	<u>82,080</u>
<b>Current assets</b>			
Debtors - amounts falling due within one year	11	-	13
Total current assets		<u>-</u>	<u>13</u>
<b>Current liabilities</b>			
Creditors - amounts falling due within one year		1	-
Total current liabilities		<u>1</u>	<u>-</u>
<b>Net current assets/(liabilities)</b>		<u>(1)</u>	<u>13</u>
<b>Total assets less current liabilities</b>		<u>88,837</u>	<u>82,093</u>
<b>Non-current liabilities</b>			
Creditors - amounts falling due after more than one year	12	88,596	81,820
Total non-current liabilities		<u>88,596</u>	<u>81,820</u>
<b>Net assets</b>		<u>241</u>	<u>273</u>
<b>Equity</b>			
Retained profits	14	241	273
<b>Total equity</b>		<u>241</u>	<u>273</u>

Notemachine Finance Limited's company number is 07454420.

The financial statements on pages 6 - 15 were approved by the board of directors and were signed on its behalf by:



**P. D. McNamara**  
**Director**

**18 March 2021**

**Notemachine Finance Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2020**

	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
Balance at 1 July 2018	231	231
Profit after income tax expense for the year	42	42
Other comprehensive income for the year, net of tax	-	-
Total comprehensive income for the year	42	42
Balance at 30 June 2019	273	273
	<b>Profit and loss account £'000</b>	<b>Total equity £'000</b>
Balance at 1 July 2019	273	273
Loss after income tax expense for the year	(32)	(32)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive loss for the year	(32)	(32)
Balance at 30 June 2020	241	241

*The above statement of changes in equity should be read in conjunction with the accompanying notes*

**Note 1. General information**

Notemachine Finance Limited's (the "Company") principal activity is the provision of finance for the Notemachine Holdings Group.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is: Russell House, Elvicta Business Park, Crickhowell, Powys, NP8 1DF.

**Note 2. Significant accounting policies**

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

**New or amended Accounting Standards and Interpretations adopted**

The company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

**Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101

- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 'Presentation of Financial Statements';
- the requirements of IAS 7 'Statement of Cash Flows';
- the requirements of paragraphs 30 and 31 of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors';
- the requirements of paragraph 17 of IAS 24 'Related Party Disclosures';
- the requirements in IAS 24 'Related Party Disclosures' to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

**Basis of preparation**

The financial statements have been prepared on the going concern basis, under the historical cost convention as modified by the recognition of certain financial assets and liabilities measured at fair value and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework', and the Companies Act 2006.

The Company has chosen to modify the presentation of its balance sheet and profit and loss account as permitted by the Companies Act 2006.

The Company has received a letter of support from NM Money Holdings Limited (the "Group Parent Company"), stating that it is their intention to provide any necessary support to enable the company to meet its liabilities as and when they fall due, for a period of no shorter than 12 months from the date of signing of these financial statements.

In considering the going concern position of the Company, the Directors are mindful of the impact that COVID-19 has had on the Company, the Group Parent Company and the consolidated NM Money Holdings Limited Group (the "Group") as a whole. As the Company is part of a Group wide financing facility, the directors have considered the Group going concern assessment for the purpose of these financial statements and reflected any Company specific additional assumptions to the extent necessary

The directors have undertaken a detailed forecast exercise. Those forecasts have been prepared using sensitised historical pre-pandemic data in conjunction with ATM and consumer information obtained during the first and subsequent lockdowns, taking into account a reasonable level of recovery in consumers use of cash and a gradual recovery in the travel money market as the economy recovers from the restrictions imposed as a result of the COVID-19 pandemic.

**Note 2. Significant accounting policies (continued)**

Due to the impact of COVID-19 on the Group, the Group requested and obtained covenant waivers on its September and December 2020 covenants from its lenders. In February 2021 the Group's loan facility was also renegotiated with revised quarterly covenants as the Group recovers. These covenants include an ongoing liquidity covenant, a quarterly minimum EBITDA for the UK ATM business covenant and a quarterly leverage ratio test from December 2021 onwards. The loan facility is due to expire on 23 March 2022.

These forecasts show that the Group will be able to operate within the level of its debt facilities for at least 12 months from the approval date of these financial statements. Furthermore, the ongoing rollout of vaccines in the UK and globally is very positive, in the event that cash usage and travel recovers more strongly than anticipated the Group is well positioned to perform better than forecast.

The directors have also modelled a number of scenarios that they consider to be reasonable worst-case scenarios. The most severe of which is where the Group sees a sustained reduction in performance such that EBITDA was 20% lower than forecast for each month. In this scenario, the Group would still be able to operate in compliance with its covenant requirements, but a further decline would require mitigating actions by the Group.

However, the directors recognise that future events in relation to the UK recovery from the pandemic are uncertain and that it is possible the Group's performance is ultimately weaker than forecast. This could arise through a combination of a slower than anticipated return to pre-COVID operating levels because of the level and timing of current and future lockdowns and the potential impact of future consumer habits with respect to the declining use of cash. In the event that the Group's performance is weaker than forecast and mitigating actions are not sufficient to address the fall, there could be a breach of covenants potentially requiring the repayment of debt which the Group would not have sufficient liquidity to do. In addition, a weaker performance may delay or threaten the Group's refinancing or strategic plans ahead of a required re-financing before 23 March 2022. Accordingly, whilst the directors have a reasonable expectation that the Group will be able to continue operating for the foreseeable future, these factors do give rise to a material uncertainty that may cast significant doubt about the Group's and therefore the Company's ability to continue as a going concern. However, the directors continue to adopt the going concern basis in preparing the financial statements and the financial statements do not include any adjustments required if the Company were unable to continue as a going concern.

**Basis of consolidation**

Consolidated financial statements have not been prepared as the company is itself a subsidiary undertaking of a company incorporated in England and Wales and is included in the consolidated results of NM Money Holdings Limited, as permitted by Section 400 of the Companies Act 2006.

**Financial Instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

**Financial assets**

The company classifies all of its financial assets at amortised cost.

Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as a separate line item in the profit or loss under 'net impairment losses on financial and contract assets'.

**Financial liabilities**

The company classifies all of its financial liabilities as liabilities at amortised cost.

Financial liabilities at amortised cost including amounts due to group companies are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the statement of financial position.

**Note 2. Significant accounting policies (continued)**

**Creditors**

Creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

**Finance Costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

**Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

**Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

**Note 3. Critical accounting judgements, estimates and assumptions**

The directors do not believe that the financial statements are impacted by any significant judgments of estimation or uncertainty during the current and prior year.

**Note 4. Employees**

The company has no employees other than directors (2019: none), the remuneration of the directors for this and prior periods is borne by another group company (Notemachine UK Limited).

**Notemachine Finance Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 5. Directors' remuneration**

Remuneration of the directors for this and prior years is borne by another group company (Notemachine UK Limited), it is not possible to apportion these costs between the different entities.

	2020 £'000	2019 £'000
Aggregate remuneration in respect of qualifying services	-	-
Aggregate amounts received or receivable under long-term incentive schemes in respect of qualifying services	-	-
Aggregate amounts of contributions to pension schemes in respect of qualifying services	-	-
Highest paid director - aggregate remuneration	-	-

There are currently no accruals for post-employment benefits under defined benefit schemes (2019: Nil). No directors were members of defined contribution schemes (2019: None).

**Note 6. Interest payable and similar expenses**

	2020 £'000	2019 £'000
Group interest payable	<u>6,579</u>	<u>6,238</u>

**Note 7. Interest receivable and similar income**

	2020 £'000	2019 £'000
Group interest receivable	<u>(6,546)</u>	<u>(6,257)</u>

**Note 8. Income tax expense**

The tax assessed for the year is higher than (2019: lower than) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £'000	2019 £'000
<i>Numerical reconciliation of income tax expense and tax at the statutory rate</i>		
Profit/(loss) before income tax expense	<u>(32)</u>	<u>42</u>
Tax at the statutory tax rate of 19%	(6)	8
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Income not taxable	-	(4)
Effects of group relief/other reliefs	<u>6</u>	<u>(4)</u>
Income tax expense	<u>-</u>	<u>-</u>

**Notemachine Finance Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 8. Income tax expense (continued)**

**Factors that may affect future tax changes**

On 17 March 2020, the government substantially enacted legislation to postpone the reduction of corporation tax to 17% until 1 April 2021, therefore the corporation tax and deferred tax rates used in these financial statements are at the current rate of 19% (2019: 19%).

**Note 9. Investments in subsidiary companies**

	2020 £'000	2019 £'000
Investment in subsidiary companies	<u>310</u>	<u>310</u>

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

**Note 10. Debtors - amounts falling due after more than one year**

	2020 £'000	2019 £'000
Amounts owed by group undertakings	<u>88,528</u>	<u>81,770</u>

The amounts owed by group undertakings bear no specific repayment terms and bear interest at 8% (15% interest on balances with NM Money Holdings Limited, Corsair Mint II Limited and Corsair Mint III Limited). They have no fixed repayment terms but are not repayable prior to 1 July 2021.

**Note 11. Debtors - amounts falling due within one year**

	2020 £'000	2019 £'000
Other debtors	<u>-</u>	<u>13</u>

**Note 12. Creditors - amounts falling due after more than one year**

	2020 £'000	2019 £'000
Amounts owed to group undertakings	<u>88,596</u>	<u>81,820</u>

The amounts owed by group undertakings bear no specific repayment terms and bear interest at 8% (15% interest for balances with NM Money Holdings Limited, Corsair Mint II Limited and Corsair Mint III Limited). They have no fixed repayment terms but are not repayable prior to 1 July 2021.

**Note 13. Issued capital**

	2020 No. Shares	2019 No. Shares	2020 £'000	2019 £'000
Shares classified as equity allotted, called up and fully paid, Ordinary share of £1	<u>1</u>	<u>1</u>	<u>-</u>	<u>-</u>

**Notemachine Finance Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 14. Retained profits**

	2020 £'000	2019 £'000
Retained profits at the beginning of the financial year	273	231
Profit/(loss) after income tax expense for the year	<u>(32)</u>	<u>42</u>
Retained profits at the end of the financial year	<u>241</u>	<u>273</u>

The profit and loss account represents the accumulated profits, losses and distributions of the company.

**Note 15. Dividends**

There were no dividends paid, recommended or declared during the current or previous financial year.

**Note 16. Auditors remuneration**

Fellow group companies paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2020 £'000	2019 £'000
<i>Audit services</i>		
Audit of the financial statements	<u>4</u>	<u>3</u>

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the group financial statements of the parent company.

**Note 17. Contingent liabilities**

The company has guaranteed the bank borrowings of a fellow group company amounting to £177,850,600 (2019: £179,113,500). These guarantees are secured by a legal charge over all the companies assets.

**Note 18. Related party transactions**

The company is exempt from disclosing related party transactions as they are with other companies that are wholly owned within the NM Money Holdings Limited group.

**Note 19. Interests in subsidiaries**

The following are subsidiary undertakings of the Company:

Name	Country of incorporation	Proportion held %
Notemachine Adria D.O.O	Croatia	100.00%

Registered address: Notemachine Adria D.O.O: Hektoroviceva2, Zagreb

The liability of this subsidiary at the year end was £2,766k (2019: £2,405k).



**Notemachine Finance Limited**  
**Notes to the financial statements**  
**30 June 2020**

**Note 20. Controlling party**

At 30 June 2020 the directors regard funds managed by Corsair Capital LLC as being the ultimate controlling party by virtue of their control of Corsair Mint III Limited (the ultimate parent company). Notemachine Holdings Limited is considered to be the immediate parent company by virtue of its holding 100% of the issued ordinary share capital of the company at 30 June 2020.

Corsair Mint III limited is the parent of the largest group for which consolidated financial statements are prepared and in which the company's results are consolidated. NM Money Holdings Limited is the parent of the smallest group for which consolidated financial statements are prepared and in which the company's results are consolidated.

Copies of the consolidated financial statements of Corsair Mint III Limited may be obtained from the Company Secretary, Corsair Mint III Limited, c/o Buzzacott LLP, 130 Wood Street, London, EC2V 7DL.

Copies of the consolidated financial statements of NM Money Holdings Limited may be obtained from the Company Secretary, NM Money Holdings Limited, c/o Taylor Wessing, 5 New Street Square, London, EC4A 3TW.

# ***Independent auditors' report to the members of Notemachine Finance Limited***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, Notemachine Finance Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of financial position as at 30 June 2020; the Statement of comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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### **Material uncertainty related to going concern**

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The impact of COVID-19 has required the directors of the Group Parent Company, NM Money Holdings Limited, to renegotiate their banking covenants for their debt facilities that are due to expire on 23 March 2022. Management's assessment shows that the group can continue as a going concern and the covenant requirements will be achievable. However, because of the inherent uncertainty associated with forecasting the economic recovery from the COVID-19 pandemic, if the performance of the consolidated NM Money Holdings Limited Group (the "Group") is weaker than anticipated and mitigating actions are not sufficient to address the fall, there could be a breach of covenants potentially requiring the repayment of debt which the Group would not have sufficient liquidity to do. In addition, a weaker performance may delay or threaten the Group's refinancing or strategic plans ahead of a required refinancing before 23 March 2022. These conditions, along with the other matters explained in note 2 to the financial statements, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

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### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic Report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

**Notemachine Finance Limited**  
**Independent auditor's report to the members of Notemachine Finance Limited**  
**30 June 2020**

***Strategic Report and Directors' report***

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' report for the year ended 30 June 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' report.

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**Responsibilities for the financial statements and the audit**

***Responsibilities of the directors for the financial statements***

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

***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 an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

***Use of this report***

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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**Other required reporting**

**Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

*Stuart Couch*

Stuart Couch (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Cardiff  
18 March 2021