

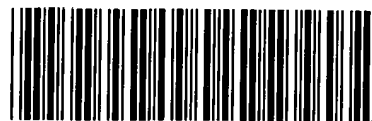
Registered number: 07454420

NOTEMACHINE FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2021

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NOTEMACHINE FINANCE LIMITED

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NOTEMACHINE FINANCE LIMITED

COMPANY INFORMATION

Directors	C E Evans L Perrett P Bowcock
Company secretary	J A Maiden
Registered number	07454420
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

NOTEMACHINE FINANCE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present the Strategic Report of Notemachine Finance Limited (the "Company") for the year ended 30 June 2021.

Business review

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

At 30 June 2021, net assets of the Company were £210,000 (2020: £241,000).

The directors believe that the Company has performed satisfactorily for the year.

Principal risks and uncertainties

The principal risks faced by the Company are general market and economic risks, underpinned by the ongoing uncertainties arising from the ongoing COVID-19 pandemic.

The directors aim to manage and mitigate the impact from these and others on a group basis.

Financial key performance indicators

In addition to the regular KPIs the Company has a suite of bespoke daily, weekly and monthly KPIs which are used to monitor performance. The Company also ensures that particular emphasis is given to cash management in terms of working capital and the cash cycle.

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



P Bowcock
Director

Date: 28 October 2021

NOTEMACHINE FINANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2021

The directors present their annual report and the audited financial statements of Notemachine Finance Limited (the "Company") for the year ended 30 June 2021.

Principal activities

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

Results and dividends

The loss for the financial year amounted to £31,000 (2020: loss of £32,000).

No dividend has been proposed in respect of the year ended 30 June 2021 (2020: £Nil).

The directors are of the view that the Company's performance was satisfactory for the year to 30 June 2021.

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

C E Evans
P D McNamara (resigned 20 September 2021)
L Perrett (appointed 31 May 2021)
G J Foley (resigned 31 May 2021)
P Bowcock (appointed 1 October 2021)

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.

Financial risk management

The Company's operations expose it to a variety of financial risks. The Company has a risk management process in place that seeks to manage and mitigate these risks.

Liquidity risk

The Company manages its cash and working capital to ensure that it has sufficient liquid resources to meet the operating needs of its business.

NOTEMACHINE FINANCE LIMITED

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

Going concern

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.

In February 2021 the Group's external loan facility with a third party financial institution was renegotiated with revised quarterly covenants set out to March 2022, which broadly reflected the anticipated recovery of the Group from the pandemic. Those covenants included an ongoing liquidity covenant, a quarterly minimum EBITDA for the UK ATM business covenant, a capex spend covenant and a quarterly leverage ratio test from December 2021 onwards. The existing loan facility is held by Notemachine Investments Limited and amounts to £172.9m as at 30 June 2021. It is due to expire on 23 March 2022. The Group is currently in discussions with a number of financial institutions to obtain new loan facilities that will extend for a period of 3-5 years beyond the expiration date of the current facility. Discussions are progressing positively, and whilst the specific terms of the package are yet to be agreed, a new facility is expected to be in place in December 2021.

Forecasts for the period to June 2023 have been prepared that apply suitable caution to the current economic environment and recovery from the pandemic. The forecasts demonstrate the Group will remain within its financial covenants for the period to March 2022 and subsequent to that date will continue to generate sufficient free cash flows to service the anticipated revised debt facility requirements. If forecast performance for the period to March 2022 is impacted by further adverse conditions, the Group will be able to take further actions to avoid breaching its current covenant arrangements.

Taking the above factors into account, the directors note that the Group has made good progress in its recovery from the initial impact of the pandemic and is forecast to continue doing so over the period to June 2023. However, the directors also recognise that in assessing the ability of the Company and the Group to continue as a going concern, both the Company and the Group are dependent on the ability of the Group to obtain a new loan facility prior to March 2022 and for the new facility to have terms and conditions that would be within realistic parameters for their financial forecasts. At this point in time, neither the securing of finance or the related terms and conditions can be forecast with any certainty. 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.

NOTEMACHINE FINANCE LIMITED

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

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. 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;
- 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; 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 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.

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.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the 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 ought to have been 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.

Independent auditors

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 and signed on its behalf by:



P Bowcock
Director

Date: 28 October 2021

NOTEMACHINE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOTEMACHINE FINANCE LIMITED

Report on the audit of the financial statements

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 2021 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, which comprise: the Statement of Financial Position as at 30 June 2021; the Statement of Comprehensive Income and 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.

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.

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 Company is part of the NM Money Holdings Limited group (the "Group"). The Group's existing loan facility is due to expire on 23rd March 2022. The Group is currently in discussions with a number of financial institutions to obtain loan facilities that will extend for a period of 3-5 years beyond the expiration date of the current facility. Whilst the specific terms of the package are yet to be agreed, the Directors anticipate a new facility being put in place in December 2021. However, the directors recognise that in assessing the ability of the Company to continue as a going concern, the Company is dependent on the ability of the Group to obtain new loan facilities prior to 23 March 2022 and for those loan facilities to have terms and conditions within realistic parameters for their financial forecasts. At this point in time, neither the securing of finance or the related terms and conditions can be forecast with certainty. 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 were unable to continue as a 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.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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.

NOTEMACHINE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOTEMACHINE FINANCE LIMITED (CONTINUED)

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 our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

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 2021 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries. Audit procedures performed by the engagement team included:

- Discussions with management and the Directors, including consideration of known or suspected instances of non-compliance with laws and regulation, claims and fraud;
- Reviewing relevant minutes of board meetings; and
- Identifying and testing journal entries, using a risk-based audit approach, with a particular focus on entries posted with unusual combinations.

NOTEMACHINE FINANCE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NOTEMACHINE FINANCE LIMITED (CONTINUED)

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: 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.

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 obtained 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
28 October 2021

NOTEMACHINE FINANCE LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2021**

	Note	2021 £000	2020 £000
Administrative expenses		-	1
Operating profit		-	1
Interest receivable and similar income	7	7,068	6,546
Interest payable and similar expenses	8	(7,099)	(6,579)
Loss before taxation		(31)	(32)
Tax on loss	9	-	-
Loss for the financial year		(31)	(32)
Total comprehensive expense for the financial year		(31)	(32)

The notes on pages 12 to 19 form part of these financial statements.

NOTEMACHINE FINANCE LIMITED
REGISTERED NUMBER: 07454420

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	10	310	310
Current assets			
Debtors: amounts falling due after more than one year	11	96,145	88,528
Creditors: amounts falling due within one year	12	-	(1)
Net current assets		<u>96,145</u>	<u>88,527</u>
Total assets less current liabilities		<u>96,455</u>	<u>88,837</u>
Creditors: amounts falling due after more than one year	13	(96,245)	(88,596)
Net assets		<u><u>210</u></u>	<u><u>241</u></u>
Capital and reserves			
Called up share capital	14	-	-
Profit and loss account	15	210	241
Total shareholders' funds		<u><u>210</u></u>	<u><u>241</u></u>

The financial statements on pages 9 to 19 were approved by the Board of Directors on 28 October 2021 and signed on its behalf by:



P Bowcock
Director

The notes on pages 12 to 19 form part of these financial statements.

NOTEMACHINE FINANCE LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2021**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 July 2019	-	273	273
Comprehensive expense for the financial year			
Loss for the financial year	-	(32)	(32)
Total comprehensive expense for the financial year	-	(32)	(32)
At 30 June 2020 and 1 July 2020	-	241	241
Comprehensive expense for the financial year			
Loss for the financial year	-	(31)	(31)
Total comprehensive expense for the financial year	-	(31)	(31)
At 30 June 2021	-	210	210

The notes on pages 12 to 19 form part of these financial statements.

NOTEMACHINE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

1. General information

Notemachine Finance Limited (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.

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are presented in pound sterling, which is Notemachine Finance Limited's functional and presentation currency.

The following principal accounting policies have been consistently applied throughout the year:

2.2 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 and 18A 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

2.3 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.

No new accounting standards, or amendments to accounting standards, or IFRIC interpretations that are effective for the year ended 30 June 2021, have had a material impact on the Company.

NOTEMACHINE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.4 Exemption from preparing consolidated financial statements

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.

2.5 Going concern

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.

In February 2021 the Group's external loan facility with a third party financial institution was renegotiated with revised quarterly covenants set out to March 2022, which broadly reflected the anticipated recovery of the Group from the pandemic. Those covenants included an ongoing liquidity covenant, a quarterly minimum EBITDA for the UK ATM business covenant, a capex spend covenant and a quarterly leverage ratio test from December 2021 onwards. The existing loan facility is held by Notemachine Investments Limited and amounts to £172.9m as at 30 June 2021. It is due to expire on 23 March 2022. The Group is currently in discussions with a number of financial institutions to obtain new loan facilities that will extend for a period of 3-5 years beyond the expiration date of the current facility. Discussions are progressing positively, and whilst the specific terms of the package are yet to be agreed, a new facility is expected to be in place in December 2021.

Forecasts for the period to June 2023 have been prepared that apply suitable caution to the current economic environment and recovery from the pandemic. The forecasts demonstrate the Group will remain within its financial covenants for the period to March 2022 and subsequent to that date will continue to generate sufficient free cash flows to service the anticipated revised debt facility requirements. If forecast performance for the period to March 2022 is impacted by further adverse conditions, the Group will be able to take further actions to avoid breaching its current covenant arrangements.

Taking the above factors into account, the directors note that the Group has made good progress in its recovery from the initial impact of the pandemic and is forecast to continue doing so over the period to June 2023. However, the directors also recognise that in assessing the ability of the Company and the Group to continue as a going concern, both the Company and the Group are dependent on the ability of the Group to obtain a new loan facility prior to March 2022 and for the new facility to have terms and conditions that would be within realistic parameters for their financial forecasts. At this point in time, neither the securing of finance or the related terms and conditions can be forecast with any certainty. 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.

NOTEMACHINE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.6 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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.

2.8 Creditors

Creditors are obligations to pay for goods or 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.

2.9 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.10 Finance costs

Finance costs are charged to profit or loss 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.

NOTEMACHINE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

2. Accounting policies (continued)

2.11 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.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

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

4. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	3	4

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.

The cost of auditors' remuneration has been borne by another group Company.

5. Employees

The Company has no employees (2020: none) other than the directors, who did not receive any remuneration (2020: £Nil).

6. Directors' remuneration

Remuneration of the directors for this and prior years is borne by another group company (Notemachine UK Limited), it is not possible (2020: not possible) to apportion these costs between the different entities.

7. Interest receivable and similar income

	2021 £000	2020 £000
Group interest receivable	7,068	6,546

NOTEMACHINE FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****8. Interest payable and similar expenses**

	2021 £000	2020 £000
Group interest payable	7,099	6,579

9. Tax on loss

	2021 £000	2020 £000
Corporation tax		
Current tax on losses for the financial year	-	-
Total tax	-	-

Factors affecting tax for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Loss before taxation	(31)	(32)
Loss before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(6)	(6)
Effects of:		
Effects of group relief/other reliefs	-	6
Amounts not recognised	/ 6	-
Total tax for the financial year	-	-

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% has been substantively enacted at the Balance Sheet date, its effects are included in these financial statements.

NOTEMACHINE FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****10. Investments**

	Investments in subsidiary companies £000
Cost and net book value	
At 1 July 2020	310
At 30 June 2021	<u>310</u>

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

Subsidiary undertaking

The following are subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Notemachine Adria D.O.O	Radnicka Cesta 80, Zagreb	Sale, rental and operation of ATMs	Ordinary	100%

The liability of this subsidiary at the year end was £1,817,000 (2020: £2,766,000).

11. Debtors: amounts falling due after more than one year

	2021 £000	2020 £000
Amounts owed by group undertakings	<u>96,145</u>	<u>88,528</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 2022.

NOTEMACHINE FINANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2021****12. Creditors: amounts falling due within one year**

	2021	2020
	£000	£000
Other creditors	-	1

13. Creditors: amounts falling due after more than one year

	2021	2020
	£000	£000
Amounts owed to group undertakings	96,245	88,596

The amounts owed to 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 2022.

14. Called up share capital

	2021	2020
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
1 (2020: 1) Ordinary share of £1 (2020: £1) each	-	-

15. Reserves**Profit and loss account**

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

16. Contingent liabilities

The Company has guaranteed the bank borrowings of a fellow group company amounting to £172,850,600 (2020: £177,850,600). These guarantees are secured by a legal charge over all the companies assets.

17. 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.

NOTEMACHINE FINANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2021

18. Ultimate parent undertaking and controlling party

At 30 June 2021 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 2021.

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.