

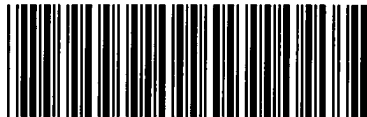
Registered number: 09069081

CASH MANAGEMENT SOLUTIONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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CASH MANAGEMENT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	R Dell'Aquila D Hawks III M LaConti J A Sopher (resigned 6 November 2020)
Company secretary	G R J Davies (resigned 4 November 2020)
Registered number	09069081
Registered office	Leeway House Leeway Industrial Estate Newport Gwent NP19 4SL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 3 Callaghan Square Cardiff South Glamorgan CF10 5BT

CASH MANAGEMENT SOLUTIONS LIMITED

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CASH MANAGEMENT SOLUTIONS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

Introduction

The directors present their strategic report for the year ended 31 December 2019.

Business review

The consolidated operating profit of the Group, after adding back goodwill amortisation, for the period to the 31 December 2019 was £0.05M compared to a loss of £0.37M profit for the prior year.

Turnover increased by 15.6% versus the prior year and the gross profit margin percentage was 2% lower than the prior year.

During the course of the year the Group took actions to increase sales and reduce cost and the Group returned to profitability as noted above. The Group revenues continue to be underpinned by legacy products being sold into an established international customer base with strong margins – which in turn creates a platform for Tellermate to bring new and exciting products quickly to the market.

The Group operates within the cash handling industry, providing cash handling solutions to retailers and banks. The industry is large and incorporates many technologies, of which electronic cash counting has always been a niche product. An alternative to cash for the Group's customers is electronic payments, in particular contactless payments. It is our belief that cash will remain the dominant form of payment for some time (evidenced by cash in circulation growing by over 7% over the prior 5 years, and further, that electronic cash counting will remain an important part of many retailers' cash processes here in the UK and in the international market.

Principal risks and uncertainties

The principal risks and uncertainties that affected the Group during the year were:

Competitive pressure in the markets in which the Group operates and the general economic environment are a continuing risk to the Group. The Group manages this risk by maintaining strong relationships with keys customers, providing high levels of service, and where applicable a customised solution.

The Group's sales are global and as such the Group has exposure to the risk of foreign exchange movements.

The main currencies the Group has exposure to are the US Dollar, Euro and Japanese Yen. Option dated forward exchange contracts are used to reduce and manage risk.

Some of the Group companies are based in Europe and there could potentially be an impact in the future from the UK's decision to leave the European Union as announced in the 2016 Referendum.

Any impact is difficult to quantify until the conditions around the departure are known with more certainty.

Financial key performance indicators

The Group has minimum targets within its credit agreement regarding interest cover, leverage and cash flow. As a result, the Group targets EBITDA and cash flow at levels that are in excess of these minimum targets. The Group's administrative expenses are relatively fixed and its cash flows are generally liquid; the financial performance of the Group is therefore highly dependent on sales. The Group targets sales stability and growth over the medium term to improve financial performance.

CASH MANAGEMENT SOLUTIONS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Going concern

The Group's forecasts and projections, taking account of reasonable possible changes in trading performance show that the Group will be able to operate within the level of its facilities for a forecast period of at least 12 months from the approval date of these financial statements. Accordingly, the Group continues to adopt the going concern basis in preparing its consolidated financial statements.

Given the disruption caused by the CV19 pandemic during early 2020, Tellermate proactively discussed the planned tasks for the year with its key stakeholders including the financiers and it turn agreed to delay the audit and the account filing time in order to prioritise re-structuring the debt finance within the business, which it successful achieved enabling the business to strengthen its balance sheet and safeguard the business assets.

The uncertainty as to the future impact on the Group of the recent Covid-19 outbreak in particular has been considered as part of the Group's adoption of the going concern basis. To date, we have outperformed our business models in FY20 and since moving to our Covid-19 models we have not observed any material impact, in fact as stated, we have continued to trade at 125% of target revenue and have been winning new opportunities in all our major markets (US/UK/Europe/Japan) which are already being delivered or are programmed to be delivered in FY21.

In light of the current Covid-19 pandemic, the Board has revisited its forecast for the 12 month period ending 31 December 2021 and has concluded that the Group has sufficient cash and covenant headroom during this period to conclude that the business remains a going concern.

The resilience of the business is underpinned by a large proportion of the Group's revenue being generated by recurring orders from legacy customers who have continued to order on a quarterly basis throughout the outbreak which accounted for approximately £9m revenue in FY20 and is expected to be repeated during FY21. The pandemic is still likely to have a material impact on the business in FY21 and as a team we have been prudent in our review. However we still expect to outperform FY21 with long term customers having already agreed to Pilot and roll out of Tellermate's new solutions, with revenues increasing approximately 23% above the budgeted bank levels due to new solution sales and the continued resilience of our traditional core business.

We have performed a number of downside and upside scenarios to consider the potential impact of Covid-19 on the Group's results, including performing reverse stress testing on our model.

In preparing our forecasts, the following key assumptions were used; the impact of reduced revenue using a worst case scenario basis across parts of our business and have forecast known reductions in expenditure within our business reflecting, for example, impacts on the retail sector for a period of time amongst others. We have used a bottom up methodology for both cost and revenue allowing the team to plan for potential issues arising from Covid-19/reduced sales and have developed a cost down approach to our core products which would enable cost savings, with a potential EBITDA uplift of 25%. We have also used a six-month continuation of the current situation to form the basis of our reverse stress testing. Our business planning and mitigating activities are driven by our key priorities during the Covid-19 situation – having flexibility to respond to the needs of the clients and the needs of our people. As part of our business planning and mitigating activities, we have created a series of internal and external KPI's which are monitored closely by the Leadership Team to ensure we have the most up to date information to hand in order to form business decisions to achieve the business priorities.

Even under the worst-case downside scenario comprising our reverse stress testing, we are confident that we can take sufficient mitigation action to ensure that our facilities remain sufficient over the forecast period and maintain compliance with our covenants.

CASH MANAGEMENT SOLUTIONS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

This report was approved by the board on 17 December 2020 and signed on its behalf.

Michael LaConti

M LaConti
Director

CASH MANAGEMENT SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 FRS 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 and profit or loss of the Group 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Results and dividends

The loss for the year, after taxation, amounted to £1,256,483 (2018: loss £1,702,738).

No dividends were declared or paid during the year.

Directors

The directors who served during the year were:

R Dell'Aquila
D Hawks III
M LaConti
J A Sopher (resigned 6 November 2020)

Future developments

The Group continues to invest in its product range and in particular the development of the intelligent cash drawer, LiveDrawer, which is expected to drive future sales growth.

Market conditions are expected to remain challenging, but the directors remain confident about the future prospects for the Group as its trading companies are well established and continue to focus on customer development, increasing market share and developing new products.

CASH MANAGEMENT SOLUTIONS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019**

Financial instruments

Financial instruments are all categorised as basic financial instruments under section 11 of FRS 102.

The Group has exposure to foreign exchange risk through the sale and purchase of products denominated in foreign currency. Option dated forward exchange contracts are used to reduce and manage risk. There were contracts open at the start and end of the year and these have been recognised on the Group balance sheet in accordance with FRS 102.

Research and development activities

A key element of Research and Development activity in the year related to the new high-end touch screen desktop cash counter. In addition, the company has continued to invest in its LiveDrawer Manager Software that will help customers maximise the benefits of its LiveDrawer range of intelligent cash drawers.

Disclosure of information to auditor

The directors confirm that:

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

Post balance sheet events

Since the year-end, what was an unknown virus that had been reported to the World Health Organisation has been identified as COVID-19 and is now a global pandemic. The impact on the company in terms of going concern has been further disclosed in the strategic report.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 December 2020 and signed on its behalf.

Michael LaConti

M LaConti
Director



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASH MANAGEMENT SOLUTIONS LIMITED

Opinion

We have audited the financial statements of Cash Management Solutions Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2019, which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Balance sheets, the Consolidated Statement of cash flows, the Consolidated and Company 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 Group's and of the parent Company's affairs as at 31 December 2019 and of the Group's 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 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Group and the parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASH MANAGEMENT SOLUTIONS LIMITED (CONTINUED)

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's report 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 there is a material misstatement in 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 in this regard.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASH MANAGEMENT SOLUTIONS LIMITED (CONTINUED)

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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 for the financial statements

As explained more fully in the Directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASH MANAGEMENT SOLUTIONS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Grant Thornton UK LLP

Rhian Owen BSc FCA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Cardiff

17 December 2020

CASH MANAGEMENT SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	12,056,084	10,429,479
Cost of sales		(4,941,022)	(4,053,998)
Gross profit		7,115,062	6,375,481
Distribution costs		(840,272)	(643,685)
Administrative expenses		(6,211,658)	(6,146,341)
Exceptional administrative expenses		(45,926)	-
Goodwill amortisation		(1,112,105)	(1,112,105)
Other operating income	5	30,145	45,000
Operating loss	6	(1,064,754)	(1,481,650)
Interest receivable and similar income	9	-	1,800
Interest payable and expenses	10	(193,579)	(175,245)
Loss before taxation		(1,258,333)	(1,655,095)
Tax on loss	11	1,850	(47,643)
Loss for the financial year		(1,256,483)	(1,702,738)
Foreign exchange adjustments		(18,348)	(57,303)
Other comprehensive income for the year		(18,348)	(57,303)
Total comprehensive income for the year		(1,274,831)	(1,760,041)
(Loss) for the year attributable to:			
Owners of the parent Company		(1,256,483)	(1,702,738)
		(1,256,483)	(1,702,738)

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

The notes on pages 18 to 38 form part of these financial statements.

CASH MANAGEMENT SOLUTIONS LIMITED
REGISTERED NUMBER:09069081

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	14	5,176,955	6,284,942
Tangible assets	15	184,469	247,992
		<u>5,361,424</u>	<u>6,532,934</u>
Current assets			
Stocks	17	1,046,528	1,290,962
Debtors: amounts falling due within one year	18	1,823,870	2,534,523
Cash at bank and in hand	19	518,828	692,800
		<u>3,389,226</u>	<u>4,518,285</u>
Creditors: amounts falling due within one year	20	(4,253,370)	(6,615,005)
Net current liabilities		<u>(864,144)</u>	<u>(2,096,720)</u>
Total assets less current liabilities		<u>4,497,280</u>	<u>4,436,214</u>
Creditors: amounts falling due after more than one year	21	(1,473,742)	-
Provisions for liabilities			
Deferred taxation	24	(221,032)	(358,877)
Other provisions	25	(150,000)	(150,000)
		<u>(371,032)</u>	<u>(508,877)</u>
Net assets		<u><u>2,652,506</u></u>	<u><u>3,927,337</u></u>
Capital and reserves			
Called up share capital	26	5,201,033	5,201,033
Foreign exchange reserve	27	140,259	158,607
Profit and loss account	27	(2,688,786)	(1,432,303)
Equity attributable to owners of the parent Company		<u><u>2,652,506</u></u>	<u><u>3,927,337</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020.

Michael LaConti

M LaConti
 Director

The notes on pages 18 to 38 form part of these financial statements.

CASH MANAGEMENT SOLUTIONS LIMITED
REGISTERED NUMBER:09069081

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	16	11,822,945	11,822,945
		<u>11,822,945</u>	<u>11,822,945</u>
Current assets			
Debtors: amounts falling due within one year	18	611,892	572,529
		<u>611,892</u>	<u>572,529</u>
Creditors: amounts falling due within one year	20	(3,291,887)	(4,489,012)
		<u>(2,679,995)</u>	<u>(3,916,483)</u>
Net current liabilities			
		<u>9,142,950</u>	<u>7,906,462</u>
Total assets less current liabilities			
Creditors: amounts falling due after more than one year	21	(1,473,742)	-
		<u>7,669,208</u>	<u>7,906,462</u>
Net assets			
Capital and reserves			
Called up share capital	26	5,201,033	5,201,033
Profit and loss account brought forward		2,705,429	2,989,125
Loss for the year		(237,254)	(283,696)
Profit and loss account carried forward		2,468,175	2,705,429
		<u>7,669,208</u>	<u>7,906,462</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 December 2020.

Michael LaConti

M LaConti
 Director

The notes on pages 18 to 38 form part of these financial statements.

CASH MANAGEMENT SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2018	5,200,700	215,910	270,435	5,687,045
Comprehensive income for the year				
Loss for the year	-	-	(1,702,738)	(1,702,738)
Foreign exchange movement	-	(57,303)	-	(57,303)
Total comprehensive income for the year	-	(57,303)	(1,702,738)	(1,760,041)
Shares issued during the year	333	-	-	333
Total transactions with owners	333	-	-	333
At 1 January 2019	5,201,033	158,607	(1,432,303)	3,927,337
Comprehensive income for the year				
Loss for the year	-	-	(1,256,483)	(1,256,483)
Foreign exchange movement	-	(18,348)	-	(18,348)
Total comprehensive income for the year	-	(18,348)	(1,256,483)	(1,274,831)
Total transactions with owners	-	-	-	-
At 31 December 2019	5,201,033	140,259	(2,688,786)	2,652,506

The notes on pages 18 to 38 form part of these financial statements.

CASH MANAGEMENT SOLUTIONS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	5,200,700	2,989,125	8,189,825
Loss for the year	-	(283,696)	(283,696)
Contributions by and distributions to owners			
Shares issued during the year	333	-	333
At 1 January 2019	5,201,033	2,705,429	7,906,462
Loss for the year	-	(237,254)	(237,254)
At 31 December 2019	5,201,033	2,468,175	7,669,208

The notes on pages 18 to 38 form part of these financial statements.

CASH MANAGEMENT SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2019

	2019 £	2018 £
Cash flows from operating activities		
Loss for the financial year	(1,256,483)	(1,702,738)
Adjustments for:		
Amortisation of intangible assets	1,422,508	1,349,018
Depreciation of tangible assets	112,940	116,057
Loss on disposal of tangible assets	14,149	-
Interest paid	193,579	175,245
Interest received	-	(1,800)
Taxation charge	(1,850)	47,643
Decrease/(increase) in stocks	244,434	(385,254)
Decrease/(increase) in debtors	682,602	(891,291)
(Decrease)/increase in creditors	(606,973)	1,078,395
Forex differences	(18,120)	(57,303)
Corporation tax (paid)/received	(157,388)	148,363
Net cash generated from operating activities	629,398	(123,665)
Cash flows from investing activities		
Purchase of intangible fixed assets	(317,444)	(500,103)
Sale of intangible assets	2,923	-
Purchase of tangible fixed assets	(53,985)	(179,621)
Sale of tangible fixed assets	(9,809)	-
Interest received	-	1,800
Net cash from investing activities	(378,315)	(677,924)
Cash flows from financing activities		
Issue of ordinary shares	-	333
New secured loans	2,330,000	550,000
Repayment of loans	(2,561,476)	(398,644)
Interest paid	(193,579)	(175,245)
Net cash used in financing activities	(425,055)	(23,556)
Net (decrease) in cash and cash equivalents	(173,972)	(825,145)

CASH MANAGEMENT SOLUTIONS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	£	£
Cash and cash equivalents at beginning of year	692,800	1,517,945
Cash and cash equivalents at the end of year	518,828	692,800
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	518,828	692,800
	518,828	692,800

The notes on pages 18 to 38 form part of these financial statements.

CASH MANAGEMENT SOLUTIONS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	At 1 January 2019 £	Cash flows £	Non-cash changes £	At 31 December 2019 £
Cash at bank and in hand	692,800	(173,972)	-	518,828
Debt due after 1 year	(2,877,664)	2,368,076	(662,858)	(1,172,446)
Debt due within 1 year	-	(2,136,600)	662,858	(1,473,742)
	<u>(2,184,864)</u>	<u>57,504</u>	<u>-</u>	<u>(2,127,360)</u>

The notes on pages 18 to 38 form part of these financial statements.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. General information

Cash Management Solutions Limited is a private company limited by shares incorporated in England and Wales, with its registered office at: Leeway House, Leeway Industrial Estate, Newport, Gwent, NP19 4SL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

There is currently a high level of macro-economic uncertainty due to Covid-19. The preparation of the financial statements requires the directors to make a number of estimates, including an assessment of the appropriateness of the going concern basis of preparation of the financial statements. This assessment includes a review of the future economic environment and the Company's future prospects and performance.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2015.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.3 Going concern**

Based on the trading and cash flow projections the directors deem it appropriate to prepare the financial statements on the going concern basis. These projections contain various judgements and assumptions which are considered both achievable and appropriate.

As at the Balance sheet date the Group was in a net current liability position, however, the directors consider the external funding and renegotiation of banking facilities which took place post year end to be sufficient to meet ongoing funding requirements and meet liabilities as and when they fall due.

Refer to the strategic report for further details on the going concern status of the group.

2.4 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue comprises sales of electronic business equipment, software and systems together with Tellermate cover on these sales. Revenue is recognised in the profit and loss account at the point of despatch at invoiced amount for the sale of equipment and where the Tellectcover is charged separately, over the period of the cover.

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.10 Pensions**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.12 Exceptional items

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

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.13 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

Goodwill is amortised over 8 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. They will be amortised over their expected life once sales commence of the development products.

The software will be amortised over the expected useful life and will commence once the software is in use.

The estimated useful lives range as follows:

Patents	-	8	years
Development expenditure	-	8	years
Goodwill	-	8	years
Software	-	8	years

2.14 Research and development costs

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Deferred research and development costs are reviewed annually, and where future benefits are deemed to have ceased or to be in doubt, the balance of any related research and development is written off to the Profit and loss account.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. Accounting policies (continued)

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 4 - 5 years
Fixtures, fittings and equipment	- 3 - 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)**2.20 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.22 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Profit and loss account.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)
2.22 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Many of the amounts included in the financial statements involve the use of judgement and / or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and / or the notes to the financial statements and the key areas are summarised below:

Depreciation

The company exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimated useful lives.

Amortisation

The company exercises judgement to determine useful lives of intangible fixed assets. The assets are amortised over their estimated useful lives.

Provisions

Provisions have been made for trade debtors and for slow moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

4. Turnover

	2019 £	2018 £
United Kingdom	724,785	746,224
Rest of the World	11,331,299	9,683,255
	<u>12,056,084</u>	<u>10,429,479</u>

5. Other operating income

	2019 £	2018 £
R & D Expenditure Credit	30,145	45,000
	<u>30,145</u>	<u>45,000</u>

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

6. Operating loss

The operating loss is stated after charging:

	2019	2018
	£	£
Research & development charged as an expense	72,568	63,785
Depreciation of tangible fixed assets	112,940	116,057
Amortisation of intangible assets, including goodwill	1,422,508	1,349,018
Fees payable to the Group's auditor and its associates for the audit of the company's annual accounts	44,570	34,793
Fees payable to the Group's auditors for non-audit services	144,075	75,620
Exchange differences	116,353	(11,402)
Defined contribution pension cost	132,344	109,650
	<u>3,227,757</u>	<u>3,555,366</u>

7. Employees

Staff costs, including directors' remuneration, were as follows:

	Group	Group
	2019	2018
	£	£
Wages and salaries	3,227,757	3,555,366
Social security costs	317,894	334,673
Cost of defined contribution scheme	132,344	109,650
	<u>3,677,995</u>	<u>3,999,689</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2019	2018
	No.	No.
Production	14	14
Selling and distribution	13	14
Administrative	31	30
Research and development	15	15
Marketing	4	5
	<u>77</u>	<u>78</u>

The Company has no employees other than the directors, who did not receive any remuneration (2018 - £Nil).

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. Directors' remuneration

During the year retirement benefits were accruing to no directors (2018: Nil) in respect of defined contribution pension schemes.

No directors are remunerated through this company. Directors of the subsidiary companies are remunerated through the subsidiary companies and the amounts are disclosed in the relevant financial statements.

The directors of Tellermate Limited are considered to be Key Management Personnel. Total remuneration paid to these directors amounted to £291,056 (2018: £408,562). The National insurance amounted to £34,119 (2018: £48,975).

9. Interest receivable

	2019 £	2018 £
Other interest receivable	-	1,800
	<u> </u>	<u> </u>

10. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	86,686	175,245
Other interest payable	106,893	-
	<u>193,579</u>	<u>175,245</u>

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation

	2019	2018
	£	£
Corporation tax		
Current tax on profits for the year	63,995	(60,737)
Adjustments in respect of previous periods	-	(8,800)
	<u>63,995</u>	<u>(69,537)</u>
Foreign tax		
Foreign tax on income for the year	72,000	81,016
	<u>72,000</u>	<u>81,016</u>
Total current tax	<u>135,995</u>	<u>11,479</u>
Deferred tax		
Origination and reversal of timing differences	(137,845)	36,164
Total deferred tax	<u>(137,845)</u>	<u>36,164</u>
Taxation on (loss)/profit on ordinary activities	<u>(1,850)</u>	<u>47,643</u>

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2018: *higher than*) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(1,258,333)</u>	<u>(1,655,095)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(239,084)	(314,468)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,726	3,993
Other permanent differences	20,273	-
Adjustments to deferred tax charge in respect of prior periods	(340)	3,618
Adjustments to tax charge in respect of prior periods	(31)	(8,800)
Overseas tax difference	55,720	157,904
Consolidation adjustment	152,706	150,799
Rate differences	-	1,626
Deferred tax not provided	-	52,971
Adjust closing deferred tax to average rate	(35,562)	-
Adjust closing deferred tax to average rate	35,742	-
Total tax charge for the year	<u><u>(1,850)</u></u>	<u><u>47,643</u></u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Exceptional items

	2019 £	2018 £
Exceptional items	<u><u>45,926</u></u>	<u><u>-</u></u>

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

13. Parent Company Profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The loss after tax of the parent Company for the year was £237,254 (2018: loss £283,696).

14. Intangible assets

Group

	Patents £	Developm- ent £	Software £	Goodwill £	Total £
Cost					
At 1 January 2019	69,559	2,707,433	283,111	8,905,672	11,965,775
Additions	33,596	277,725	6,123	-	317,444
Disposals	-	-	(2,923)	-	(2,923)
At 31 December 2019	<u>103,155</u>	<u>2,985,158</u>	<u>286,311</u>	<u>8,905,672</u>	<u>12,280,296</u>
Amortisation					
At 1 January 2019	377	645,257	30,726	5,004,473	5,680,833
Charge for the year on owned assets	2,864	275,510	32,029	1,112,105	1,422,508
At 31 December 2019	<u>3,241</u>	<u>920,767</u>	<u>62,755</u>	<u>6,116,578</u>	<u>7,103,341</u>
Net book value					
At 31 December 2019	<u>99,914</u>	<u>2,064,391</u>	<u>223,556</u>	<u>2,789,094</u>	<u>5,176,955</u>
At 31 December 2018	<u>69,182</u>	<u>2,062,176</u>	<u>252,385</u>	<u>3,901,199</u>	<u>6,284,942</u>

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

15. Tangible fixed assets

Group

	F&F and P&M £
Cost or valuation	
At 1 January 2019	865,589
Additions	53,985
Disposals	(22,979)
Exchange adjustments	(8,728)
	<hr/>
At 31 December 2019	887,867
Depreciation	
At 1 January 2019	617,597
Charge for the year on owned assets	112,940
Disposals	(18,639)
Exchange adjustments	(8,500)
	<hr/>
At 31 December 2019	703,398
Net book value	
At 31 December 2019	184,469
	<hr/> <hr/>
<i>At 31 December 2018</i>	<i>247,992</i>
	<hr/> <hr/>

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

16. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2019	11,822,945
At 31 December 2019	11,822,945
Net book value	
At 31 December 2019	11,822,945
At 31 December 2018	11,822,945

Direct subsidiary undertaking

The following was a direct subsidiary undertaking of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Tellermate Holdings Limited	England and Wales	Holding company	Ordinary	100%

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Tellermate Limited	England and Wales	Manufacturing and distribution	Ordinary	100%
Tellermate Europe SARL	France	Distribution	Ordinary	100%
Tellermate Japan & Co. Limited	Japan	Distribution	Ordinary	100%
Tellermate GmbH	Germany	Distribution	Ordinary	100%
Tellermate Iberica SL	Spain	Distribution	Ordinary	100%
Tellermate Inc	United States	Distribution	Ordinary	100%

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

17. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials and consumables	760,415	863,311	-	-
Finished goods and goods for resale	286,113	427,651	-	-
	1,046,528	1,290,962	-	-

18. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Trade debtors	1,369,277	2,041,830	-	-
Amounts owed by group undertakings	-	-	578,231	547,500
Other debtors	38,664	21,771	12,446	-
Prepayments and accrued income	219,397	239,330	21,215	25,029
Tax recoverable	196,532	231,592	-	-
	1,823,870	2,534,523	611,892	572,529

Included within debtors is a gain of £Nil (2018: £9,262) on open forward contracts at year end.

19. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	518,828	692,800	-	-

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

20. Creditors: Amounts falling due within one year

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Bank and other loans	1,172,446	2,877,664	1,172,446	2,877,664
Trade creditors	1,516,398	2,206,692	10,500	41,864
Amounts owed to group undertakings	-	-	1,929,421	1,539,484
Corporation tax	-	49,444	-	-
Other taxation and social security	72,878	104,054	-	-
Other creditors	446,364	141,312	-	-
Accruals and deferred income	1,045,284	1,235,839	179,520	30,000
	<u>4,253,370</u>	<u>6,615,005</u>	<u>3,291,887</u>	<u>4,489,012</u>

There is an unlimited cross guarantee provided between Tellermate Limited, Tellermate Holdings Limited and Cash Management Solutions Limited to guarantee the bank and other loans in place within Cash Management Solutions Limited.

There is a fixed and floating charge in place over the assets of the group. The charges are held by HSBC UK Bank PLC, DBW Investments Limited and BEP Cash Holdings LLC.

Priority in terms of recoverability and security of the debt is provided to HSBC UK Bank PLC.

Included in Bank loans and other loan is £1,050,000 owed to Brookside Equity Partners. Interest is charged at between 9% and 10% on this loan.

21. Creditors: Amounts falling due after more than one year

	Group 2019 £	<i>Group 2018 £</i>	Company 2019 £	<i>Company 2018 £</i>
Bank and other loans	<u>1,473,742</u>	<u>-</u>	<u>1,473,742</u>	<u>-</u>

There is an unlimited cross guarantee provided between Tellermate Limited, Tellermate Holdings Limited and Cash Management Solutions Limited to guarantee the bank and other loans in place within Cash Management Solutions Limited.

There is a fixed and floating charge in place over the assets of the group. The charges are held by HSBC UK Bank PLC, DBW Investments Limited and BEP Cash Holdings LLC.

Priority in terms of recoverability and security of the debt is provided to HSBC UK Bank PLC.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. Loans

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year				
Bank and other loans	1,172,446	2,877,664	1,172,446	2,877,664
Amounts falling due 1-2 years				
Bank and other loans	302,513	-	302,513	-
Amounts falling due 2-5 years				
Bank and other loans	1,171,229	-	1,171,229	-
	<u>2,646,188</u>	<u>2,877,664</u>	<u>2,646,188</u>	<u>2,877,664</u>

23. Financial instruments

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	518,828	692,800	-	-
Financial assets that are debt instruments measured at amortised cost	1,407,941	2,063,601	590,677	547,500
	<u>1,926,769</u>	<u>2,756,401</u>	<u>590,677</u>	<u>547,500</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(4,739,727)</u>	<u>(5,621,447)</u>	<u>(4,765,629)</u>	<u>(4,489,012)</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand and open forward contracts at year end.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, bank overdrafts, trade creditors, other creditors accruals and amounts owed to group undertakings.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

24. Deferred taxation

Group

	2018 £
At beginning of year	(358,877)
Charged to profit or loss	137,845
At end of year	(221,032)

The provision for deferred taxation is made up as follows:

	Group 2018 £	<i>Group 2018 £</i>
Accelerated capital allowances	(221,032)	(358,877)

25. Provisions

Group

	Provisions £
At 1 January 2019	150,000
At 31 December 2019	150,000

The provision relates to the group's leasehold property in Newport. It is based on the estimated liability for future obligations regarding dilapidations under the tenant lease.

The Company has no provisions.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

26. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
5,200,000 (2018: 5,200,000) Ordinary shares of £1.00 each	5,200,000	5,200,000
1,032,659 (2018: 1,032,660) Ordinary B shares of £0.001 each	1,033	1,033
	<u>5,201,033</u>	<u>5,201,033</u>

During 2017 and 2018 B shares were issued. The shares will only vest if certain conditions are met on sale and a target selling price achieved. The shares vest in proportion to the extent the hurdle is exceeded. On date of issue the share were valued by management and were considered to have a fair value equal to the nominal value and therefore no share based payment has been recognised. This was determined based on the likelihood of hurdle being achieved.

Both the Ordinary and B Ordinary shareholders are entitled to vote.

Income can be declared independently in respect of the Ordinary and Ordinary B shares. There is no obligation to pay any income.

27. Reserves**Foreign exchange reserve**

Foreign exchange reserve includes all current and prior period movements on foreign exchange.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

28. Capital commitments

At 31 December 2019, the group had capital commitments of £Nil (2018: £Nil).

29. Pension commitments

The group operates a defined contribution pension scheme. As at year end contributions payable within creditors amount to £14,286 (2018: £9,202)

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

30. Commitments under operating leases

At 31 December 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	<i>Group 2018 £</i>
Not later than 1 year	203,017	172,477
Later than 1 year and not later than 5 years	733,421	97,690
Later than 5 years	18,816	10,813
	<hr/> 955,254 <hr/>	<hr/> 280,980 <hr/>

31. Related party transactions

Under FRS 102, the group and company are not required to disclose transactions with other wholly owned entities within the group headed by Cash Management Solutions Limited.

The directors of Cash Management Solutions Limited are also directors of Brookside Equity Partners LLC, an entity incorporated in the United States. A management fee is payable to Brookside Equity Partners LLC for director services. The amount accrued in the current year was £85,581 (2018: £31,322). During the year Brookside Equity Partners LLC advanced a loan of £500,000 (2018: £550,000) to the company, interest of 10% is charged on this loan.

32. Controlling party

The immediate holding company of Cash Management Solutions Limited is Cash Management Solutions LLC, a company registered in the United States. The ultimate holdings company is BEP III LLC, a company also registered in the United States. Cash Management Solutions Limited heads the smallest and largest group for which results are consolidated.