

Company registration number 09069081 (England and Wales)

CASH MANAGEMENT SOLUTIONS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

CASH MANAGEMENT SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	Mr P T Baker Mr R Dell'Aquila Mr D Hawks III Mr M LaConti
Secretary	Mr N J Bell
Company number	09069081
Registered office	Leeway House Leeway Industrial Estate Newport NP19 4SL
Auditor	UHY Hacker Young Bradbury House Mission Court Newport Gwent United Kingdom NP20 2DW

CASH MANAGEMENT SOLUTIONS LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Profit and loss account	8
Group statement of comprehensive income	9
Group balance sheet	10
Company balance sheet	11
Group statement of changes in equity	12
Company statement of changes in equity	13
Group statement of cash flows	14
Notes to the financial statements	15 - 34

CASH MANAGEMENT SOLUTIONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Review of the business

The results for the year as set out in page 8, show a loss on ordinary activities before taxation of £99,180 (2021: (£2,070,805)) and turnover of £10,591,989 (2021: £10,455,977). However the year ended 31 December 2021 included exceptional costs of £1,296,045. Turnover is the group's key indicator of operational effectiveness; sales increased marginally by £136,012 (1.3%). Gross profit % reduced slightly from 61.3% to 59.9% largely due to the product mix. EBITDA, earnings before, interest, tax, depreciation and amortisation (excluding exceptional expenses) was £820,914 compared to £958,053 for the year ended 31 December 2021. The reduction in adjusted EBITDA is due to foreign currency movements and general cost inflation.

The Group continues to secure legacy product orders from an established international customer base which underpins the revenue numbers and allows for strong Gross Margins. In turn, strategically, this allows the Group to invest in new technologies which will present enhanced Sales opportunities going forward into existing and new customers, with potential for multiyear purchasing, software licensing and support agreements.

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. Electronic cash counting will remain an important part of many retailers' cash processes globally due to increasing labour costs, increasing costs for CIT (Cash In Transit) and a general increase in the cost to "handle" cash.

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 key customers (with average tenures in excess of 10 years), 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.

Key performance indicators

The Group's key financial indicator is sales growth. With a relatively large, fixed cost base, any variation in turnover is normally quickly translated to a variation in profit. The Group's continued investment in its new solution based products has diversified the revenue mix and is expected to support its future sales growth ambition.

On behalf of the board

Mr P T Baker
Director

21 September 2023

CASH MANAGEMENT SOLUTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P T Baker
Mr R Dell'Aquila
Mr D Hawks III
Mr M LaConti

Energy and carbon report

As the group has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

Going Concern

The group's forecasts and projections, taking account of reasonable possible changes in trading performance show that the company 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 company continues to adopt the going concern basis in preparing its consolidated financial statements.

In light of the current uncertainty in global markets and risks of potential recession, the Board has revisited its forecast for the 12 month period ending 31 December 2022 and has concluded that the company 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 company's revenue being generated by recurring orders from legacy customers who have continued to order on a quarterly basis. .

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 potential retail recession induced reduced sales and have developed a cost down approach to our core products which would enable cost savings,. 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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

Mr P T Baker
Director

21 September 2023

CASH MANAGEMENT SOLUTIONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, and of the 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the ;
- prepare the on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CASH MANAGEMENT SOLUTIONS LIMITED

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 2022 which comprise the group profit and loss account, the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including 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 the parent company's affairs as at 31 December 2022 and of the group's profit 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 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

CASH MANAGEMENT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CASH MANAGEMENT SOLUTIONS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

As explained more fully in the directors' responsibilities statement, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

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.

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.

Our approach to identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the relevant sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006;
- we assessed the extent of compliance with laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatements, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

CASH MANAGEMENT SOLUTIONS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CASH MANAGEMENT SOLUTIONS LIMITED

To address risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from the financial statements, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Mr John Griffiths (Senior Statutory Auditor)

For and on behalf of UHY Hacker Young

21 September 2023

Chartered Accountants

Statutory Auditor

Bradbury House
Mission Court
Newport
Gwent
United Kingdom
NP20 2DW

CASH MANAGEMENT SOLUTIONS LIMITED

**GROUP PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	2021 £
Turnover	3	10,591,989	10,455,977
Cost of sales		(4,250,680)	(4,043,839)
Gross profit		6,341,309	6,412,138
Distribution costs		(706,420)	(676,971)
Administrative expenses		(4,992,022)	(5,223,505)
Other operating income		5,000	29,938
Exceptional administrative expenses	4	-	(1,296,045)
Goodwill amortisation	11	(564,884)	(1,112,105)
Operating profit/(loss)	5	82,983	(1,866,550)
Interest receivable and similar income	9	1	-
Interest payable and similar expenses	10	(182,164)	(204,255)
Loss before taxation		(99,180)	(2,070,805)
Tax on loss	11	295,541	(425,337)
Profit/(loss) for the financial year	26	196,361	(2,496,142)

Profit/(loss) for the financial year is all attributable to the owners of the parent company.

CASH MANAGEMENT SOLUTIONS LIMITED

**GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£	£
Profit/(loss) for the year	196,361	(2,496,142)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>196,361</u>	<u>(2,496,142)</u>

Total comprehensive income for the year is all attributable to the owners of the parent company.

CASH MANAGEMENT SOLUTIONS LIMITED

GROUP BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Goodwill	12		-		564,884
Other intangible assets	12		504,835		608,271
Total intangible assets			504,835		1,173,155
Tangible assets	13		106,433		161,834
			611,268		1,334,989
Current assets					
Stocks	17	1,475,271		1,622,735	
Debtors	18	1,659,352		2,219,072	
Cash at bank and in hand		1,019,546		1,940,513	
			4,154,169		5,782,320
Creditors: amounts falling due within one year	19	(3,658,994)		(5,467,911)	
Net current assets			495,175		314,409
Total assets less current liabilities			1,106,443		1,649,398
Creditors: amounts falling due after more than one year	20		(1,511,807)		(1,935,858)
Provisions for liabilities					
Provisions	22	150,000		150,000	
Deferred tax liability	23	52,754		358,160	
			(202,754)		(508,160)
Net liabilities			(608,118)		(794,620)
Capital and reserves					
Called up share capital	25	5,201,063		5,201,033	
Other reserves	26	163,852		173,741	
Profit and loss reserves	26	(5,973,033)		(6,169,394)	
Total equity			(608,118)		(794,620)

The financial statements were approved by the board of directors and authorised for issue on 21 September 2023 and are signed on its behalf by:

Mr P T Baker
Director

Company registration number 09069081 (England and Wales)

CASH MANAGEMENT SOLUTIONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Investments	14		7,520,000		7,520,000
Current assets					
Debtors	18	564,531		584,133	
Creditors: amounts falling due within one year	19	(4,059,031)		(3,315,023)	
Net current liabilities			(3,494,500)		(2,730,890)
Total assets less current liabilities			4,025,500		4,789,110
Creditors: amounts falling due after more than one year	20		(1,511,807)		(1,935,858)
Net assets			2,513,693		2,853,252
Capital and reserves					
Called up share capital	25		5,201,063		5,201,033
Profit and loss reserves	26		(2,687,370)		(2,347,781)
Total equity			2,513,693		2,853,252

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £339,589 (2021 - £4,493,712 loss).

The financial statements were approved by the board of directors and authorised for issue on 21 September 2023 and are signed on its behalf by:

Mr P T Baker
Director

Company registration number 09069081 (England and Wales)

CASH MANAGEMENT SOLUTIONS LIMITED
GROUP STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Foreign exchange reserve	Profit and loss reserves	Total
Notes	£	£	£	£
Balance at 1 January 2021	5,201,033	165,649	(3,673,252)	1,693,430
Year ended 31 December 2021:				
Loss and total comprehensive income	-	-	(2,496,142)	(2,496,142)
Other movements	-	8,092	-	8,092
Balance at 31 December 2021	5,201,033	173,741	(6,169,394)	(794,620)
Year ended 31 December 2022:				
Profit and total comprehensive income	-	-	196,361	196,361
Issue of share capital	25 30	-	-	30
Other movements	-	(9,889)	-	(9,889)
Balance at 31 December 2022	5,201,063	163,852	(5,973,033)	(608,118)

CASH MANAGEMENT SOLUTIONS LIMITED
COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2021		5,201,033	2,145,931	7,346,964
Year ended 31 December 2021:				
Loss and total comprehensive income for the year		-	(4,493,712)	(4,493,712)
Balance at 31 December 2021		5,201,033	(2,347,781)	2,853,252
Year ended 31 December 2022:				
Profit and total comprehensive income		-	(339,589)	(339,589)
Issue of share capital	25	30	-	30
Balance at 31 December 2022		5,201,063	(2,687,370)	2,513,693

CASH MANAGEMENT SOLUTIONS LIMITED

**GROUP STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	29	(190,395)		1,536,998	
Interest paid		(82,168)		(104,555)	
Income taxes paid		(155,172)		(169,447)	
Net cash (outflow)/inflow from operating activities		(427,735)		1,262,996	
Investing activities					
Purchase of intangible assets		(8,366)		(83,909)	
Purchase of tangible fixed assets		(5,373)		(85,831)	
Net cash used in investing activities		(13,739)		(169,740)	
Financing activities					
Proceeds from issue of shares	30	-		-	
Repayment of bank loans		(479,523)		(406,457)	
Net cash used in financing activities		(479,493)		(406,457)	
Net (decrease)/increase in cash and cash equivalents		(920,967)		686,799	
Cash and cash equivalents at beginning of year		1,940,513		1,253,714	
Cash and cash equivalents at end of year		1,019,546		1,940,513	

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Cash Management Solutions Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is .

The group consists of Cash Management Solutions Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. If the historical cost convention is not applicable, then the financial statements are prepared under the fair value convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company Cash Management Solutions Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2022. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group balance sheet at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1.4 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies **(Continued)**

1.6 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.7 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 8 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.8 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	8 years
Patents & licences	8 years
Development costs	8 years

1.9 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	4 - 5 years straight line
Fixtures and fittings	3 - 5 years straight line
Computers	3 years straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

(Continued)

1.10 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.11 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.12 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.13 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.14 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 Accounting policies

(Continued)

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.19 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2022 £	2021 £
Turnover analysed by class of business		
Sale of goods	10,591,989	10,455,977
	<u>10,591,989</u>	<u>10,455,977</u>
	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	750,320	648,990
Rest of the world	9,841,669	9,806,987
	<u>10,591,989</u>	<u>10,455,977</u>
	2022 £	2021 £
Other revenue		
Interest income	1	-
	5,000	29,968
	<u>5,000</u>	<u>29,968</u>

4 Exceptional item

	2022 £	2021 £
Impairment of patents	-	115,534
Impairment of development costs	-	1,180,511
	<u>-</u>	<u>1,296,045</u>

Provision for impairment of Intangible Assets

As at 31 December 2021, management deemed it prudent to account for a provision for impairment for the carrying value of development costs (£1,180,511) and patent costs (£115,534) capitalised within Intangible assets associated with the Live Drawer product. This was given the market disruption associated with the global pandemic. The Board believes that the development costs will reap benefits in future periods, and hence will annually assess if there is a need to reverse the impairment provision.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

5 Operating profit/(loss)

	2022	2021
	£	£
Operating profit/(loss) for the year is stated after charging:		
Exchange losses	83,591	35,981
Research and development costs	21,542	16,106
Depreciation of owned tangible fixed assets	61,245	91,333
Amorisation of intangible assets	676,686	1,437,225
Impairment of intangible assets	-	1,296,045
Operating lease charges	97,299	211,261
	<u> </u>	<u> </u>

6 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	60,500	106,058
	<u> </u>	<u> </u>
For other services		
Other assurance services	-	18,624
Taxation compliance services	6,500	29,496
Other taxation services	-	5,168
All other non-audit services	-	20,735
	<u> </u>	<u> </u>
	<u>6,500</u>	<u>74,023</u>
	<u> </u>	<u> </u>

7 Employees

The average monthly number of persons (including directors) employed by the group and company during the year was:

	Group		Company	
	2022	2021	2022	2021
	Number	Number	Number	Number
Production	9	13	-	-
Selling and distribution	9	11	-	-
Administrative	28	30	-	-
Research and development	11	9	-	-
Marketing	2	4	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	59	67	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Employees **(Continued)**

Their aggregate remuneration comprised:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Wages and salaries	2,535,472	2,547,625	-	-
Social security costs	201,237	168,617	-	-
Pension costs	93,310	86,126	-	-
	<u>2,830,019</u>	<u>2,802,368</u>	<u>-</u>	<u>-</u>

8 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	387,322	540,619
Company pension contributions to defined contribution schemes	25,239	24,404
	<u>412,561</u>	<u>565,023</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	160,406	309,000
Company pension contributions to defined contribution schemes	12,113	12,000
	<u>172,519</u>	<u>321,000</u>

No directors were remunerated through this Company. Three of the directors are remunerated by affiliates of Brookside Equity Partners LLC. The remaining directors are remunerated through the subsidiary company Tellermate Limited.

9 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	1	(55,756)
Interest receivable from group companies	-	55,756
	<u>1</u>	<u>-</u>
Total income	<u>1</u>	<u>-</u>

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	182,164	204,255
	<u> </u>	<u> </u>

11 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	15,555	208,336
Adjustments in respect of prior periods	(5,690)	161,389
	<u> </u>	<u> </u>
Total current tax	9,865	369,725
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(286,239)	(55,945)
Changes in tax rates	-	111,557
Adjustment in respect of prior periods	(19,167)	-
	<u> </u>	<u> </u>
Total deferred tax	(305,406)	55,612
	<u> </u>	<u> </u>
Total tax (credit)/charge	(295,541)	425,337
	<u> </u>	<u> </u>

The actual (credit)/charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2022	2021
	£	£
Loss before taxation	(99,180)	(2,070,805)
	<u> </u>	<u> </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(18,844)	(393,453)
Tax effect of expenses that are not deductible in determining taxable profit	19,795	545,712
Adjustments in respect of prior years	-	25,114
Effect of change in corporation tax rate	2,183	96,963
Permanent capital allowances in excess of depreciation	(28,262)	(4,152)
Research and development tax credit	431	-
Effect of overseas tax rates	28,407	48,410
Under/(over) provided in prior years	(13,011)	-
Deferred tax adjustments in respect of prior years	(286,240)	1,167
Movement in deferred tax not recognised	-	105,576
	<u> </u>	<u> </u>
Taxation (credit)/charge	(295,541)	425,337
	<u> </u>	<u> </u>

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

12 Intangible fixed assets

Group	Goodwill	Software	Patents & licences	Development costs	Total
	£	£	£	£	£
Cost					
At 1 January 2022	8,905,672	283,970	129,249	3,117,779	12,436,670
Additions	-	-	-	8,366	8,366
At 31 December 2022	8,905,672	283,970	129,249	3,126,145	12,445,036
Amortisation and impairment					
At 1 January 2022	8,340,788	126,333	129,249	2,667,145	11,263,515
Amortisation charged for the year	564,884	31,789	-	80,013	676,686
At 31 December 2022	8,905,672	158,122	129,249	2,747,158	11,940,201
Carrying amount					
At 31 December 2022	-	125,848	-	378,987	504,835
At 31 December 2021	564,884	157,637	-	450,634	1,173,155

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

13 Tangible fixed assets

Group	Plant and equipment £	Fixtures and fittings £	Computers £	Total £
Cost				
At 1 January 2022	608,170	154,511	218,014	980,695
Additions	-	-	5,373	5,373
Disposals	(8,885)	(2,005)	(65,520)	(76,410)
Exchange adjustments	11,488	9,282	7,631	28,401
At 31 December 2022	610,773	161,788	165,498	938,059
Depreciation and impairment				
At 1 January 2022	478,863	144,366	195,632	818,861
Depreciation charged in the year	40,660	8,303	12,282	61,245
Eliminated in respect of disposals	(8,885)	(2,005)	(65,520)	(76,410)
Exchange adjustments	10,979	9,387	7,564	27,930
At 31 December 2022	521,617	160,051	149,958	831,626
Carrying amount				
At 31 December 2022	89,156	1,737	15,540	106,433
At 31 December 2021	129,307	10,145	22,382	161,834

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

14 Fixed asset investments

	Notes	Group 2022 £	2021 £	Company 2022 £	2021 £
Investments in subsidiaries	15	-	-	7,520,000	7,520,000

Movements in fixed asset investments

Company	Shares in subsidiaries £
Cost or valuation	
At 1 January 2022 and 31 December 2022	7,520,000
Carrying amount	
At 31 December 2022	7,520,000
At 31 December 2021	7,520,000

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
Tellermate Holdings Limited	Leeway House, Leeway Industrial Estate, Newport, NP19 4SL	Ordinary	100.00	-
Tellermate Limited	Leeway House, Leeway Industrial Estate, Newport, NP19 4SL	Ordinary	-	100.00
Tellermate Europe SARL	117 Avenue, Victor hugo, Bologne-Billancourt, Hauts-De-Seine, 92100	Ordinary	-	100.00
Tellermate Japan & Co Limited	3-19 Hayabusa-cho, Tokyo, 102-0092, Japan	Ordinary	-	100.00
Tellermate GmbH	Waldhofer Str. 102, 69123 Heidelberg, Germany	Ordinary	-	100.00
Tellermate Iberica SL	Calle Juan de Mariana 15, 28045 - Madrid, Spain	Ordinary	-	100.00
Tellermate Inc	3600 Mansell Road, Suite 375, Alpharetta, GA, 30022	Ordinary	-	100.00

16 Financial instruments

17 Stocks

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Raw materials and consumables	1,003,643	1,190,318	-	-
Work in progress	55,373	-	-	-
Finished goods and goods for resale	416,255	432,417	-	-
	<u>1,475,271</u>	<u>1,622,735</u>	<u>-</u>	<u>-</u>

Stocks are stated after provisions for impairment of £155,900 (2021: £191,717).

18 Debtors

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Amounts falling due within one year:				
Trade debtors	1,422,517	1,892,794	-	-
Corporation tax recoverable	(31,224)	97,903	-	-
Amounts owed by group undertakings	1	-	539,673	561,347
Other debtors	131,609	40,981	-	-
Prepayments and accrued income	136,449	187,394	24,858	22,786
	<u>1,659,352</u>	<u>2,219,072</u>	<u>564,531</u>	<u>584,133</u>

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

18 Debtors

(Continued)

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

19 Creditors: amounts falling due within one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans	21	438,160	493,632	438,160	493,632
Trade creditors		1,368,469	1,529,799	23,122	22,133
Amounts owed to group undertakings		-	-	2,984,420	2,306,618
Corporation tax payable		(24,569)	120,738	-	-
Other taxation and social security		62,662	11,780	-	-
Other creditors		543,407	468,718	393,153	293,157
Accruals and deferred income		1,270,865	2,843,244	220,176	199,483
		<u>3,658,994</u>	<u>5,467,911</u>	<u>4,059,031</u>	<u>3,315,023</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 (3) Limited, DBW Investments (10) and BEP Cash Holdings LLC.

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

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

20 Creditors: amounts falling due after more than one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Bank loans and overdrafts	21	<u>1,511,807</u>	<u>1,935,858</u>	<u>1,511,807</u>	<u>1,935,858</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 (3) Limited, DBW Investments (10) 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 GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

21 Loans and overdrafts

	Group 2022 £	2021 £	Company 2022 £	2021 £
Bank loans	1,949,967	2,429,490	1,949,967	2,429,490
Payable within one year	438,160	493,632	438,160	493,632
Payable after one year	1,511,807	1,935,858	1,511,807	1,935,858

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 (3) Limited, DBW Investments (10) and BEP Cash Holdings LLC.

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

HSBC UK Bank PLC

Included within loans is a balance of £72,917 (2021: £259,467) owed to HSBC UK Bank PLC in relation to the Coronavirus Business Interruption Loan as detailed below. The prior year balance included £61,550 in relation to a term loan which was fully repaid during the year.

Coronavirus Business Interruption Loan

A £250,000 Coronavirus Business Interruption Loan facility was issued in July 2020 which is due for full repayment in 2023. For the first 12 months there are no repayments after which the loan is repaid in equal instalments over the remaining 24 months. The outstanding balance as at the year end is £72,917 (2021: £197,917).

The interest charged on this facility is charged at 3.49% + Bank of England base rate monthly on balance outstanding.

Development Bank Wales

Included within loans is a balance of £827,050 (2021: £1,120,024) owed to Development Bank Wales made up from two facilities.

i) Term Loan

A £1,250,000 loan facility was issued by DBW Investments (3) Limited in September 2019, due to be fully repaid in 2024. The repayment terms are repayments of equal amounts on a monthly basis of the 60 month term. Given the Coronavirus pandemic a 6 month payment holiday was granted from May 2020m which extended the term of the facility by 6 months and hence expected repayment is in 2025.

The outstanding balance as at the year end is £636,120 (2021: £880,749). The interest charged on this facility is charged at 9% compounded monthly.

CASH MANAGEMENT SOLUTIONS LIMITED

**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

21 Loans and overdrafts

(Continued)

Coronavirus Business Interruption Loan

A £250,000 Coronavirus Business Interruption Loan facility was issued by DBW Investments (20) Limited in July 2020 which is due for full repayment in 2026. For the first 12 months there are no repayments after which the loan is repaid in equal instalments over the remaining 60 months. The outstanding balance as at the year end is £190,930 (2021: £239,275).

The interest charged on this facility is charged at 3% compounded monthly.

BEP Cash Holding LLC

Included within loans is a balance of £1,050,000 (2021: £1,050,000) owed to BEP Cash Holdings LLC (Brookside Equity Partners), made up from two facilities.

i) 2018 Tranche (Junior)

A facility of £550,000 was issued in August 2018, which is repayable on demand once the 2019 tranche and balances owing to DBW Investments (3) Limited, DBW Investments (10) Limited and HSBC UK Bank PLC have been repaid. The outstanding balance as at the year end is £550,000 (2021: £550,000).

The interest charged on this facility is charged at 10% monthly on nominal amount outstanding (Note 28).

ii) 2019 Tranche (Senior)

A facility of £500,000 was issued in September 2019, which is repayable in 60 equal instalments, however these only become payable once all balances owing to HSBC UK Bank PLC have been repaid. At the point HSBC UK Bank PLC balances have been repaid, the accumulated due monthly instalments to that point become payable on demand. The outstanding balance as at the year end is £500,000 (2021: £500,000).

The interest charged on this facility is charged at 9% monthly on nominal amount outstanding (Note 28).

22 Provisions for liabilities

Group		Company	
2022	2021	2022	2021
£	£	£	£
150,000	150,000	-	-
=====	=====	=====	=====

Movements on provisions:

Group	£
At 1 January 2022 and 31 December 2022	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.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2022 £	Liabilities 2021 £
Group		
Accelerated capital allowances	110,457	408,877
Other	(57,703)	(50,717)
	<u>52,754</u>	<u>358,160</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £	Company 2022 £
Movements in the year:		
Liability at 1 January 2022	358,160	-
Credit to profit or loss	(305,406)	-
	<u>52,754</u>	<u>-</u>

24 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	93,310	86,126

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

As at the year end contributions payable within creditors amount to £15,574 (2021: £13,695).

25 Share capital

Group and company	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	5,200,000	5,200,000	5,200,000	5,200,000
Ordinary B shares of 0.1p each	1,063,000	1,032,660	1,063	1,033
	<u>6,263,000</u>	<u>6,232,660</u>	<u>5,201,063</u>	<u>5,201,033</u>

CASH MANAGEMENT SOLUTIONS LIMITED**NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022****25 Share capital****(Continued)**

During the year, the company issued a total of 30,522 Ordinary B shares with a nominal value of £0.001 at the year end for a total consideration of £30.53.

26 Reserves**27 Operating lease commitments****Lessee**

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Within one year	232,607	224,948	-	-
Between two and five years	336,384	348,449	-	-
In over five years	30,792	-	-	-
	<u>599,783</u>	<u>573,397</u>	<u>-</u>	<u>-</u>

The Company had no commitments under operating leases in either the current or prior year.

28 Related party transactions**Brookside Equity Partners LLC**

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 £20,735 (2021: £103,170). The accumulated management charge payable to Brookside Equity Partners LLC was £226,150 as at the year end (2021: £206,150).

Key management personnel

Key management personnel are considered to be the senior management and statutory directors who sit on the board of group. Key management personnel, other than the statutory directors as disclosed in note 8, received remuneration of £227,530 (2021: £223,263).

Other

The company has taken advantage of exemptions under FRS 102 which mean that transactions between wholly-owned group companies do not have to be disclosed.

CASH MANAGEMENT SOLUTIONS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

29 Cash (absorbed by)/generated from group operations

	2022	2021
	£	£
Profit/(loss) for the year after tax	196,361	(2,496,142)
Adjustments for:		
Taxation (credited)/charged	(295,541)	425,337
Finance costs	182,164	204,255
Investment income	(1)	-
Amor:isation and impairment of intangible assets	676,686	2,733,270
Depreciation and impairment of tangible fixed assets	61,245	91,333
Movements in working capital:		
Decrease/(increase) in stocks	147,464	(486,563)
Decrease in debtors	459,148	4,598,270
Decrease in creditors	(1,468,532)	(3,589,146)
Cash (absorbed by)/generated from operations	(41,006)	1,480,614
Difference	(564,884)	(1,296,045)
Per cash flow statement page	(605,890)	184,569

30 Analysis of changes in net debt - group

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	1,940,513	(920,967)	1,019,546
Borrowings excluding overdrafts	(2,429,490)	479,523	(1,949,967)
	(488,977)	(441,444)	(930,421)

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