

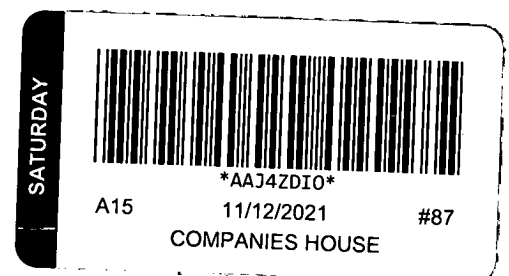
Company registration number: 10967805

**ANNUAL REPORT AND FINANCIAL  
STATEMENTS**

**FOR THE YEAR ENDED**

**31 MARCH 2021**

**CUSHON GROUP LIMITED  
(PREVIOUSLY SMARTER  
FINANCIAL SERVICES  
(HOLDINGS) LIMITED)**



**MENZIES**  
**BRIGHTER THINKING**

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## COMPANY INFORMATION

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<b>Directors</b>	B Pollard P J Hollingdale D C Howorth S Stuckey T A Clutterbuck (appointed 4 April 2020) C J Hull (appointed 4 April 2020) T C Levene (appointed 1 June 2021)
<b>Registered number</b>	10967805
<b>Registered office</b>	Highdale Headley Road Leatherhead Surrey KT22 8QE
<b>Independent auditors</b>	Menzies LLP Chartered Accountants & Statutory Auditor Victoria House 50-58 Victoria Road Farnborough Hampshire GU14 7PG

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2021

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### Introduction

I am pleased to report another year of significant progress for Cushon in providing workplaces savings to individuals through our market leading technology platform. Losses before tax increased from £2.0m to £3.6m as we continued to invest in our employees and the growth of the business, the balance sheet remains strong with net assets of £5.6m at the year-end (2020: £1.7m), it was further bolstered after the year-end with a further equity investment of £6m.

### Our purpose

Cushon's mission is very simple. It is to improve people's financial futures through healthier savings habits. Our approach is to make saving for the future simpler, more rewarding and engaging. Our approach is to celebrate the small victories, whether that's signing up for our app, increasing contributions or having your say on an ESG voting issue.

Cushon believes in 'doing the right thing' and using its platform to drive societal change. In January 2021 Cushon launched the world's first Net Zero Now Pension to widespread public and industry acclaim.

Cushon's strategy for growth is to extend the benefits of the proposition and technology to as many customers as possible, through both organic and acquisitive strategies. The growth strategy considers organic and acquisitive strategies as equally valuable in building scale through customer numbers, regular recurring inflows and accumulated Assets Under Management (AUM).

### Our clients

Our aim is to support our clients to elevate financial wellbeing as a major workplace initiative. During 2020 and 2021, Covid has highlighted the uncertain world that we live in and the importance of financial planning and resilience. The focus on wellbeing has therefore increased, and our Client success teams work with HR and Reward professionals to deliver exciting launches and renewals of our workplace savings platform. We have seen significant increases in levels of engagement through the year.

### Our people

We are fortunate to have a highly energetic, experienced and motivated team of people who have been instrumental in Cushon's achievements to date. All staff can share in Cushon's success through an all-employee share option arrangement. We continue to recruit high calibre staff to our team as our growth continues. We continue to support our clients and grow the business through the challenges brought by Covid.

I would like to thank all our staff for their contribution to Cushon's progress in the year.

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Business review

#### Development of the business

During the year, we achieved the following milestones:

- Entered the workplace pension market in April 2020 through the acquisition of Salvus Master Trust, giving us an additional 3,000 employers, 70,000 members and £200m AUM at the time of acquisition. We now offer to employers a holistic workplace savings platform – enabling employees to save for a range of life's goals, with our savings pots now covering pension, ISA, LISA, JISA and a General Investment Account – all available on our App which has a wide range of functionality and features enabling people to engage with their money.
- Increased our number of workplace savings corporate clients by 40% to 184, adding brand names such as MMC, Heineken and Kraft Heinz to an already impressive brand roster.
- Grown our total assets under administration to £375m at the year end, with regular monthly inflows growing materially.
- Increased our headcount to 31, investing across the business in sales and marketing, customer service and technology development
- Secured further capital from new and existing shareholders to support our journey to become one of the leading workplace savings and investment platforms in the UK
- Increased market recognition significantly, including winning or being shortlisted for a number of UK Employee Benefit technology awards.

#### Looking ahead

We look forward full of confidence and excitement, with market leading technology, a very strong pipeline of opportunities, a motivated team of people and an enormous opportunity in front of us.

The Government continues to have an agenda that aims to drive greater financial awareness and sustainability across the UK population, and we believe that the workplace will remain a centrepiece for driving savings ratios. Recent announcements aimed at ensuring the workplace pension market offers Value for Money across all forms of Defined Contribution pensions will lead to significant opportunities for Master Trusts over the coming few years.

As we scale the business, we will look for attractive acquisition opportunities as well as organic routes to growth, with consolidation of Master Trusts remaining a near term opportunity. We were delighted to bring the Worker's Pension Trust into the group in June 2021. This added some 5,000 employers, 100,000 members and £340m AUM to our business.

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### **Principal risks and uncertainties**

#### **Financial risk**

The main financial risks that have been assessed on the basis of their potential impact on our Statement of financial position are:

- Market risk
- Credit risk
- Liquidity risk

We operate a group-wide risk management framework. The principal financial risks relating to our Group and associated strategies to defend and protect against those risks are set out in the notes.

We hold capital against these financial risks and review the risks on an ongoing basis.

Financial projections are produced and reviewed on a regular basis by the Board. As well as forecasting under a set of central assumptions, stressed scenarios are also produced.

Insurance is in place for those risks where it is possible and sensible to insure against them.

#### **Strategic risk (business strategy)**

This is the risk that the Company could fail to communicate or implement its strategies effectively. Risks to delivering the strategy need to be properly understood and managed to deliver long-term growth.

We have a clear focus in place to deliver our growth, financial stability and customer satisfaction vision.

We monitor progress against these areas and any risks to their delivery. These are regularly reviewed by the Leadership Team and the Board.

We ensure that the strategy is communicated and understood by all our people on a continual basis.

#### **Operational risk (IT systems and infrastructure)**

The Group's operations are dependent on the ability to process a very large number of transactions accurately and efficiently. Any significant disruption or failure could result in service disruption. Failure to manage the implementation of change successfully may result in increased costs or service disruption.

We work on a near continual basis to ensure that systems remain suitable for both our strategic needs and the risk environment.

We have extensive controls in place to maintain the integrity and efficiency of our systems, including detailed recovery plans in the event of a significant failure.

We ensure that robust testing is completed before introducing a system change.

We maintain key performance and key risk indicators which are regularly reviewed and reported and action is taken as required.

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### **Operational risk (cyber-attacks)**

The Group relies on IT in all aspects of its operations. Cyber crime continues to be a threat. The risk remains that new, evolving forms of this type of crime have the potential to move ahead of our ability to defend our systems against them.

We are committed to safeguarding data and invest regularly in maintaining strong and reliable threat monitoring tools.

We monitor operations to defend and protect against the threat of a malicious electronic attack. This is regularly reviewed and documented.

We maintain IT equipment in a controlled environment and the maintenance and development of systems, applications and software is authorised, tested and approved before implementation.

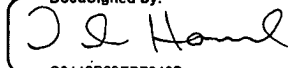
### **Operational risk (impact of legal and regulatory changes and non-adherence)**

The Group operates in a highly regulated environment and is subject to a variety of complex, demanding and evolving legal and regulatory risks. Changes in law and regulation can have a significant impact on our operating model – both positive and negative. We continue to remain in a period of significant regulatory change, particularly in the pensions industry.

We continually scan the legislative, regulatory and policy landscapes for potential change. This allows us to identify change at the earliest possible stage and plan ahead to ensure we appropriately manage the change into our processes and systems.

We actively engage with regulators and government bodies, often with our stakeholders, to support and develop the industry and the interests of our members. Our Advisory board assists us in understanding future trends, opportunities and risks.

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

DocuSigned by:  
  
.....C0442823E87640B.....  
**D C Howorth**  
Director

Date: 30-Nov-2021

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2021

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The directors present their report and the financial statements for the year ended 31 March 2021.

### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements 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 financial statements;
- 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 to 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.

### **Results and dividends**

The loss for the year, after taxation, amounted to £3,554,192 (2020 - loss £1,893,784).

During the year the company did not pay any dividends. The directors have also not proposed any dividends.

### **Directors**

The directors who served during the year were:

B Pollard  
P J Hollingdale  
D C Howorth  
S Stuckey  
T A Clutterbuck (appointed 4 April 2020)  
C J Hull (appointed 4 April 2020)

### **Matters covered in the strategic report**

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the company's Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.



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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

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### Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

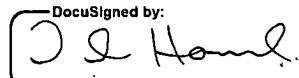
### Auditors

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

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

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

DocuSigned by:  
  
.....C0442827EB7640B.....  
**D C Howorth**  
Director

Date: 30-Nov-2021

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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### Opinion

We have audited the financial statements of Cushon Group Limited (previously Smarter Financial Services (Holdings) Limited) (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2021, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 March 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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

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.

### 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 Auditors' 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

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED) (CONTINUED)

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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.

### **Opinion 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.

### **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 its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement on page 5, 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.

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED) (CONTINUED)

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### **Auditors' responsibilities for the audit of the financial statements**

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

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

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including The Companies Act, Health and Safety regulations, the Restriction of Hazardous Substances Directive and Conflict Minerals Regulation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

We understood how the Company is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.

The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non-compliance with laws and regulations. The assessment did not identify any issues in this area.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:

- Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- Challenging assumptions and judgments made by management in its significant accounting estimates; and
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.

As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Lack of segregation of duties in the accounts department.
- Posting of unusual journals.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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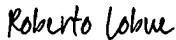
## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED) (CONTINUED)

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### Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:



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Roberto Lobue FCA (Senior Statutory Auditor)

for and on behalf of  
**Menzies LLP**

Chartered Accountants  
Statutory Auditor

Victoria House  
50-58 Victoria Road  
Farnborough  
Hampshire  
GU14 7PG  
Date: 30-Nov-2021

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	2020 £
Turnover	4	1,631,842	1,879
Administrative expenses		(4,980,383)	(2,037,633)
<b>Operating loss</b>	5	<b>(3,348,541)</b>	<b>(2,035,754)</b>
Interest payable and similar expenses		(393,341)	-
<b>Loss before tax</b>		<b>(3,741,882)</b>	<b>(2,035,754)</b>
Tax on loss	8	187,690	141,970
<b>Loss after tax</b>		<b>(3,554,192)</b>	<b>(1,893,784)</b>
Retained earnings at the beginning of the year		(3,234,685)	(1,340,901)
		(3,234,685)	(1,340,901)
Loss for the year attributable to the owners of the parent		(3,554,192)	(1,893,784)
<b>Retained earnings at the end of the year</b>		<b>(6,788,877)</b>	<b>(3,234,685)</b>

The notes on pages 20 to 34 form part of these financial statements.

**CUSHON GROUP LIMITED (PREVIOUSLY  
SMARTER FINANCIAL SERVICES  
(HOLDINGS) LIMITED)**  
REGISTERED NUMBER:10967805

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	9	5,527,772	-
Tangible assets	10	23,665	30,251
		<u>5,551,437</u>	<u>30,251</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	624,836	1,136,756
Cash at bank and in hand		1,616,589	1,023,824
		<u>2,241,425</u>	<u>2,160,580</u>
Creditors: amounts falling due within one year	13	(2,263,922)	(491,524)
<b>Net current (liabilities)/assets</b>		<u>(22,497)</u>	<u>1,669,056</u>
<b>Total assets less current liabilities</b>		<u>5,528,940</u>	<u>1,699,307</u>
Creditors: amounts falling due after more than one year	14	(120,000)	-
<b>Provisions for liabilities</b>			
Deferred tax	15	(1,807)	-
		<u>(1,807)</u>	<u>-</u>
<b>Net assets</b>		<u><u>5,407,133</u></u>	<u><u>1,699,307</u></u>

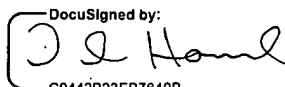
**CUSHON GROUP LIMITED (PREVIOUSLY  
SMARTER FINANCIAL SERVICES  
(HOLDINGS) LIMITED)**  
REGISTERED NUMBER:10967805

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital	16	1,608	1,445
Share premium account	17	7,102,087	4,932,547
Other reserves	17	5,092,315	-
Profit and loss account	17	(6,788,877)	(3,234,685)
		<u>5,407,133</u>	<u>1,699,307</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
 .....C0442B23EB7640B.....  
**D C Howorth**  
 Director

Date: 30-Nov-2021

The notes on pages 20 to 34 form part of these financial statements.



**CUSHON GROUP LIMITED (PREVIOUSLY  
SMARTER FINANCIAL SERVICES  
(HOLDINGS) LIMITED)**  
REGISTERED NUMBER: 10967805

**COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	10	23,665	30,251
Investments	11	6,643,069	1,000
		<u>6,666,734</u>	<u>31,251</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	574,142	1,136,756
Cash at bank and in hand		632,149	1,023,824
		<u>1,206,291</u>	<u>2,160,580</u>
Creditors: amounts falling due within one year	13	(2,071,131)	(492,524)
<b>Net current (liabilities)/assets</b>		<u>(864,840)</u>	<u>1,668,056</u>
<b>Total assets less current liabilities</b>		<u>5,801,894</u>	<u>1,699,307</u>
Creditors: amounts falling due after more than one year	14	(120,000)	-
<b>Provisions for liabilities</b>			
Deferred taxation	15	(1,807)	-
		<u>(1,807)</u>	<u>-</u>
<b>Net assets</b>		<u>5,680,087</u>	<u>1,699,307</u>
<b>Capital and reserves</b>			
Allotted, called up and fully paid share capital	16	1,608	1,445
Share premium account	17	7,102,087	4,932,547
Other reserves	17	5,092,315	-
Profit and loss account	17	(6,515,923)	(3,234,685)
		<u>5,680,087</u>	<u>1,699,307</u>

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**CUSHON GROUP LIMITED (PREVIOUSLY  
SMARTER FINANCIAL SERVICES  
(HOLDINGS) LIMITED)**  
REGISTERED NUMBER: 10967805

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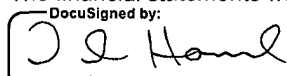
**COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED)  
AS AT 31 MARCH 2021**

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The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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 £3,281,238 (2020: £1,893,784).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:  
  
.....C0442B23587640B.....  
**D C Howorth**  
Director

Date: 30-Nov-2021

The notes on pages 20 to 34 form part of these financial statements.

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	-	-	-	(1,340,901)	(1,340,901)
Loss for the year	-	-	-	(1,893,784)	(1,893,784)
Shares issued during the year	1,445	4,932,547	-	-	4,933,992
<b>At 1 April 2020</b>	1,445	4,932,547	-	(3,234,685)	1,699,307
Loss for the year	-	-	-	(3,554,192)	(3,554,192)
Shares issued during the year	163	2,169,540	-	-	2,169,703
Share based payment movement	-	-	92,315	-	92,315
Convertible loan	-	-	5,000,000	-	5,000,000
<b>At 31 March 2021</b>	<b>1,608</b>	<b>7,102,087</b>	<b>5,092,315</b>	<b>(6,788,877)</b>	<b>5,407,133</b>

The notes on pages 20 to 34 form part of these financial statements.

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
<b>At 1 April 2019</b>	-	-	-	(1,340,901)	(1,340,901)
Loss for the year	-	-	-	(1,893,784)	(1,893,784)
Shares issued during the year	1,445	4,932,547	-	-	4,933,992
<b>At 1 April 2020</b>	1,445	4,932,547	-	(3,234,685)	1,699,307
Loss for the year	-	-	-	(3,281,238)	(3,281,238)
Shares issued during the year	163	2,169,540	-	-	2,169,703
Share based payment movement	-	-	92,315	-	92,315
Convertible loan	-	-	5,000,000	-	5,000,000
<b>At 31 March 2021</b>	<b>1,608</b>	<b>7,102,087</b>	<b>5,092,315</b>	<b>(6,515,923)</b>	<b>5,680,087</b>

The notes on pages 20 to 34 form part of these financial statements.

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(3,554,192)	(1,893,784)
<b>Adjustments for:</b>		
Amortisation of intangible assets	614,197	-
Depreciation of tangible assets	6,586	2,678
Decrease/(increase) in debtors	511,920	(904,901)
Increase in creditors	1,892,398	398,802
Increase in provisions	1,807	-
Share based payment charge	92,315	-
<b>Net cash generated from operating activities</b>	<b>(434,969)</b>	<b>(2,397,205)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	-	32,929
Sale of tangible fixed assets	-	(65,858)
Purchase of fixed asset investments	(6,141,969)	-
<b>Net cash from investing activities</b>	<b>(6,141,969)</b>	<b>(32,929)</b>
<b>Cash flows from financing activities</b>		
Issue of ordinary shares	2,169,703	2,572,422
New convertible loan	5,000,000	-
<b>Net cash used in financing activities</b>	<b>7,169,703</b>	<b>2,572,422</b>
<b>Net increase in cash and cash equivalents</b>	<b>592,765</b>	<b>142,288</b>
Cash and cash equivalents at beginning of year	1,023,824	881,536
<b>Cash and cash equivalents at the end of year</b>	<b>1,616,589</b>	<b>1,023,824</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	1,616,589	1,023,824
	<b>1,616,589</b>	<b>1,023,824</b>

The notes on pages 20 to 34 form part of these financial statements.

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2021

	At 1 April 2020 £	Cash flows £	At 31 March 2021 £
Cash at bank and in hand	1,023,824	592,765	1,616,589
Debt due within 1 year	(6,948)	(7,209)	(14,157)
	<u>1,016,876</u>	<u>585,556</u>	<u>1,602,432</u>

The notes on pages 20 to 34 form part of these financial statements.

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 1. General information

Cushon Group Limited, previously Smarter Financial Services (Holdings) Limited, is a private company limited by shares, registered in the United Kingdom. The address of its registered office which is the same as its principal place of business is disclosed on the company information page.

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

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 Income and Retained Earnings in these financial statements.

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 Statement of Financial Position, 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 Income and Retained Earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

#### 2.3 Going concern

The Coronavirus pandemic is creating significant uncertainty globally and the company is not immune to this.

The directors are working to ensure the safety of their employees and maintaining the continuity of their operations as far as they are able, whilst adhering to Government advice. Whilst the pandemic will have a financial impact on the company, at this stage it is not possible to reliably forecast what this may be. However, the directors have taken all relevant measures to ensure they are able to safeguard cashflows and ongoing projects to put them in the best possible position to be able to pick up on opportunities as they arise once business starts to return to normal. The company also has a healthy cash reserve which will support existing trading activities for a significant period of time.

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### **2. Accounting policies (continued)**

#### **2.4 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.

#### **2.5 Research and development**

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, which range from 3 to 6 years.

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.

#### **2.6 Share based payments**

Where share options are awarded to employees, the fair value of the options at the date of grant is charged to profit or loss over the vesting period. Non-market vesting conditions are taken into account by adjusting the number of equity instruments expected to vest at each Statement of Financial Position date so that, ultimately, the cumulative amount recognised over the vesting period is based on the number of options that eventually vest. Market vesting conditions are factored into the fair value of the options granted. The cumulative expense is not adjusted for failure to achieve a market vesting condition.

The fair value of the award also takes into account non-vesting conditions. These are either factors beyond the control of either party (such as a target based on an index) or factors which are within the control of one or other of the parties (such as the Group keeping the scheme open or the employee maintaining any contributions required by the scheme).

Where the terms and conditions of options are modified before they vest, the increase in the fair value of the options, measured immediately before and after the modification, is also charged to profit or loss over the remaining vesting period.

Where equity instruments are granted to persons other than employees, profit or loss is charged with fair value of goods and services received.

#### **2.7 Convertible loans**

Where loans are provided that contain the potential for conversion to equity exist, the substance of the loan is assessed and where applicable (for example if the intention is for the loan to be converted, full control on this lies with the recipient and conversion has subsequently happened) the loan is recognised as equity in the first instance.



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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### 2. Accounting policies (continued)

#### 2.8 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 Consolidated Statement of Income and Retained Earnings over its useful economic life of 10 years.

#### 2.9 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:

Computer equipment	-	20% Straight line basis
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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.

#### 2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.11 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 Statement of Financial Position 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 Statement of Financial Position.

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 2. Accounting policies (continued)

#### 2.12 Financial instruments

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 debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Consolidated Statement of Income and Retained Earnings.

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

#### Significant judgements

The members do not consider there to be any significant judgements made in the process of applying the entity's accounting policies.

#### Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and by their nature, will rarely equal the related actual outcome. The members do not consider that there are any key sources of estimation uncertainty that impact the Company.

### 4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Commission	1,631,842	1,879
	<u>1,631,842</u>	<u>1,879</u>

All turnover arose within the United Kingdom.

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 5. Operating loss

The operating loss is stated after charging:

	2021 £	2020 £
Auditors' remuneration	18,775	4,500
Amortisation of intangible assets, including goodwill	438,036	-
Depreciation of tangible fixed assets	6,586	2,678
Operating lease rentals	71,758	-
Defined contribution pension cost	46,459	24,727
	<u>46,459</u>	<u>24,727</u>

### 6. Employees

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	1,809,413	1,053,927	1,692,543	1,053,927
Social security costs	217,405	119,943	205,826	119,943
Cost of defined contribution scheme	46,459	24,727	43,559	24,727
	<u>2,073,277</u>	<u>1,198,597</u>	<u>1,941,928</u>	<u>1,198,597</u>

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

	Group 2021 No.	Group 2020 No.	Company 2021 No.	Company 2020 No.
Employees	31	24	29	24

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 7. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	271,439	130,000
Company contributions to defined contribution pension schemes	5,010	-
	<u>276,449</u>	<u>130,000</u>

During the year retirement benefits were accruing to 3 directors (2020 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £122,239 (2020 - £60,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,600 (2020 - £NIL).

### 8. Taxation

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	(189,497)	(141,970)
	<u>(189,497)</u>	<u>(141,970)</u>
<b>Total current tax</b>	<u>(189,497)</u>	<u>(141,970)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,807	-
<b>Total deferred tax</b>	<u>1,807</u>	<u>-</u>
<b>Taxation on loss on ordinary activities</b>	<u>(187,690)</u>	<u>(141,970)</u>

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 8. Taxation (continued)

#### Factors affecting tax charge for the year

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

	2021 £	2020 £
Loss on ordinary activities before tax	<b>(3,565,721)</b>	<b>(2,035,754)</b>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	<b>(677,487)</b>	<b>(386,793)</b>
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	<b>127,941</b>	<b>28,026</b>
Losses carried forward	<b>551,353</b>	<b>277,885</b>
R&D tax credit	<b>(189,497)</b>	<b>(61,088)</b>
<b>Total tax charge for the year</b>	<b>(187,690)</b>	<b>(141,970)</b>

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 9. Intangible assets

#### Group

	Goodwill £
<b>Cost</b>	
Additions	6,141,969
At 31 March 2021	<u>6,141,969</u>
<b>Amortisation</b>	
Charge for the year	614,197
At 31 March 2021	<u>614,197</u>
<b>Net book value</b>	
At 31 March 2021	<u><u>5,527,772</u></u>
At 31 March 2020	<u><u>-</u></u>

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 10. Tangible fixed assets

#### Group and Company

	Computer equipment £
<b>Cost</b>	
At 1 April 2020	32,929
At 31 March 2021	32,929
<b>Depreciation</b>	
At 1 April 2020	2,678
Charge for the year on owned assets	6,586
At 31 March 2021	9,264
<b>Net book value</b>	
At 31 March 2021	23,665
At 31 March 2020	30,251

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 11. Fixed asset investments

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 April 2020	1,000
Additions	6,642,069
At 31 March 2021	<u>6,643,069</u>

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Cushon MT Limited	Highdale Headley Road, Leatherhead, KT22 8QE	Ordinary	100%
Cushon Money Limited	Highdale Headley Road, Leatherhead, KT22 8QE	Ordinary	100%
Cushon Nominees Limited	Highdale Headley Road, Leatherhead, KT22 8QE	Ordinary	100%

Cushon MT Limited and Cushon Money Limited are subsidiaries of Cushon Group Limited by way of their 100% shareholding. Cushon Nominees Limited is 100% owned by Cushon Money Limited and is therefore an indirect subsidiary of Cushon Group Limited. The above have all been included within the group consolidation.



# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 12. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	1,800	-	-	-
Amounts owed by group undertakings	-	-	138,343	-
Other debtors	319,457	675,977	330,477	675,977
Prepayments and accrued income	303,579	460,779	105,322	460,779
	<b>624,836</b>	<b>1,136,756</b>	<b>574,142</b>	<b>1,136,756</b>

### 13. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	132,045	263,167	39,883	263,167
Amounts owed to group undertakings	-	-	1,000	1,000
Other taxation and social security	77,079	40,931	77,079	40,931
Other creditors	1,775,765	6,948	1,775,765	6,948
Accruals and deferred income	279,033	180,478	177,404	180,478
	<b>2,263,922</b>	<b>491,524</b>	<b>2,071,131</b>	<b>492,524</b>

### 14. Creditors: Amounts falling due after more than one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accruals and deferred income	120,000	-	120,000	-
	<b>120,000</b>	<b>-</b>	<b>120,000</b>	<b>-</b>

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 15. Deferred taxation

#### Group

2021  
£

Charged to profit or loss

(1,807)

At end of year

(1,807)

#### Company

2021  
£

Charged to profit or loss

(1,807)

At end of year

(1,807)

Accelerated capital allowances

Group  
2021  
£

Company  
2021  
£

(1,807)

(1,807)

(1,807)

(1,807)

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 16. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
1,608,236 (2020 - 1,445,197) Ordinary shares of £0.001 each	<b>1,608</b>	<b>1,445</b>

During the year 163,039 ordinary £0.001 shares were issued. These shares had an aggregate nominal value of £163 and consideration of £2,169,703 was received by the entity.

### 17. Reserves

#### Share premium account

This reserve records the amount above the nominal value received for shares sold, less transaction costs.

#### Other reserves

Other reserves record the equity value of a convertible loan, together with the estimated fair value of share options issued to employees.

#### Profit and loss account

This reserve records the retained earnings and trade post acquisition of the subsidiaries.

# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

### 18. Share based payments

The Group has a share option scheme for all employees of the group. The Group takes part in this group share-based payment plan, and recognises and measures its allocation of the share-based payment expense on a pro-rata basis.

Options are exercisable at a price equal to the estimated fair value of the Group's shares on the date of grant. The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the Group before the options vest.

	Weighted average exercise price (pence) 2021	Number 2021	Weighted average exercise price (pence) 2020	Number 2020
Outstanding at the beginning of the year	1,076	89,500	1,000	59,750
Granted during the year	1,339	59,541	1,230	29,750
<b>Outstanding at the end of the year</b>	<b>1,181</b>	<b>149,041</b>	<b>1,076</b>	<b>89,500</b>

The fair value of the share options at the grant date was calculated using the Black Scholes model, which is considered to be the most appropriate generally accepted valuation method of measuring fair value.

The Group recognised total expenses of £92,315 (2020 - £0) related to equity-settled share-based payment transactions in the year.

### 19. Commitments under operating leases

At 31 March 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	58,500	-	58,500	-
Later than 1 year and not later than 5 years	52,500	-	52,500	-
	<b>111,000</b>	<b>-</b>	<b>111,000</b>	<b>-</b>

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# CUSHON GROUP LIMITED (PREVIOUSLY SMARTER FINANCIAL SERVICES (HOLDINGS) LIMITED)

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

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### **20. Related party transactions**

The company has taken advantage of the exemption permitted by Section 33 FRS 102 and not provided disclosures surrounding transactions entered into with other wholly owned members of the group.

During the year, 3 of the directors provided guarantees totalling £3.5m on the convertible loan note. Interest is payable on the guarantees at 8% per annum and £273,341 was paid to the directors during the year.

### **21. Post balance sheet events**

On 1 June 2021, the group completed the acquisition of 100% of the share capital in Construction First Ltd.

On 1 June 2021, Cushon Group Limited's £5m convertible loan was converted fully into 373,413 preference shares at a par value of £0.001.

On 18 June 2021, Cushon Group Limited issued 39,896 ordinary shares at a par value of £0.001.

On 1 June 2021, Cushon Group Limited issued 272,331 preference shares at a par value of £0.001.