

Registered number: 02519424

EUROCHANGE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2022



EUROCHANGE LIMITED

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EUROCHANGE LIMITED

COMPANY INFORMATION

Directors	C S Stewart P Bowcock
Registered number	02519424
Registered office	Essex House Medway Corporate Centre Rutherford Close Stevenage SG1 2EF
Independent auditors	PricewaterhouseCoopers Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

EUROCHANGE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 30 JUNE 2022

Introduction

The directors present the Strategic Report of Eurochange Limited (the "Company") for the year ended 30 June 2022.

Business review

The performance of the business for the financial year has improved on prior year as the restrictions on travel has been lifted. Turnover increased 134% to £28,824,000 (2021: £12,320,000), the directors believe that as the demand for travel money increases, the business is well placed to rapidly respond and take full advantage of the increase.

Overall for the year, the Company achieved a profit before taxation of £1,195,000 (2021 restated: loss £8,610,000), significantly higher than the previous year due to the lifting of travel restrictions.

During the financial year, dividends of £3,480,000 (£1.15 per share) (2021: £3,480,000 (£1.15 per share)) were paid.

At June 2022, net assets of the Company were £20,415,000 (2021 restated: £23,235,000).

Principal risks and uncertainties

The principal risks faced by the Company are general market and economic risks, still slightly underpinned by the lower cash usage as the country continues to recover from the COVID-19 pandemic. The directors aim to manage and mitigate the impact from these and others on a group basis, further information is set out in the Directors' Report of NM Money Holdings Limited.

Financial instruments

The Company operates a centralised treasury function which is responsible for managing the liquidity, interest and foreign currency risks associated with the Company's activities.

The Company's principal financial instruments include derivative financial instruments, the purpose of which is to manage currency risks arising from the Company's activities and bank overdraft facility which is for working capital purposes. In addition, the Company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from its operations. Derivative transactions which the Company enters into principally comprise forward exchange contracts. In accordance with the Company's treasury policy, derivative instruments are not entered into for speculative purposes.

EUROCHANGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Financial risk management

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

Liquidity risk

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

Foreign currency risk

The Company's principal foreign exchange exposures arise from holding foreign currency bank note stocks for trading purposes. Company policy permits, but does not demand, that these exposures may be hedged in order to minimise this exposure. The hedging activity involves the use of foreign exchange forward contracts.

Credit risk

Investments of cash surpluses are made through the Company's principal bankers.

All customers that wish to trade on credit terms are subject to credit verification procedures. Debtor balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Financial key performance indicators

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

Likely future developments

As the Company responded to the COVID-19 pandemic it restructured many parts of its operations to improve its efficiency and cost base. The business continues to operate on this reduced cost base with a focus on maintaining its infrastructure and continuously looking at finding efficiencies within the business. As demand is growing for travel money the business is well placed to rapidly respond to take full advantage of the demand.

EUROCHANGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Statement by the directors in relation to their statutory duties under Section 172 of the Companies Act 2006

The directors, in line with their duties under s172 of the Companies Act 2006, act individually and collectively in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members and stakeholders, and in doing so have regard, to the:

- Likely consequences on any decision in the long term.
- Interests of the Group's employees.
- Need to foster the Group's business relationships with suppliers, customers and others.
- Impact of the Group's operations on the community and the environment.
- Desirability of the Group maintaining a reputation for high standards of business conduct.
- Need to act fairly between members and stakeholders of the Group.

These matters are embedded in the directors' decision-making process, through the Group's business strategy, culture, management information flows and stakeholder engagement processes.

The board promotes a culture of upholding the highest standards of business conduct, while focusing on achieving success for the Group in the long-term. The board ensures the high standards are embedded within all levels of the Group through employee communication, training programmes and the policies and procedures.

The board recognises that building strong and lasting relationships with our stakeholders will help us to deliver our strategy in line with our values and operate a sustainable business.

Stakeholders

The board understands the importance of engagement with all of its stakeholders and gives appropriate weighting to the outcome of its decisions for the relevant stakeholders in weighing up how to promote the success of the Group.

The board regularly discusses issues concerning employees, customers, suppliers, community and environment and shareholders, which it takes into account in its decision-making process. In order to understand the interests and views of the stakeholders, the board and Group engages directly with them when required.

The Group's key stakeholders and how they are engaged is shown below.

Employees - Our employees contribute to our positive working environment. In aiming to be a responsible employer by offering competitive pay and benefits, we continue to engage with our employees to ascertain the training and development requirements of our employees. This approach assists with raising productivity and offers employees the opportunity to reach their full potential.

We have a culture that invites new ideas, alternative perspectives and opportunities for growth. We ensure our employees feel that they are valued and that their hard work is recognised by the management team and directors. We hold monthly management meetings from which communication is shared between management and directors which is then fed down to all employees ensuring that everyone understands the direction the Group is taking.

Customers - Our supplier base ranges from small independent companies for large multi-nationals, for all of the suppliers, the board ensures that the Group remains committed to being fair and transparent in our dealings with all our suppliers. The Group has procedures to ensure due diligence of all our suppliers including anti-bribery, data protection and modern slavery. The Group has procedures in place that ensure that all suppliers are paid in a timely manner for the goods and services they provide.

Community and environment - The Directors ensure that social responsibility, diversity and the surrounding community is of high importance to everyone within the Group. Corporate social responsibility principles are part of the Group's culture and decision-making processes. The board continues to commit and expand the Group's work and associations with local organisations and charities.

Shareholders - The board also seeks to behave in a responsible manner towards our shareholders. The Board communicates information relevant to the shareholders via monthly CEO updates and financial reports.

EUROCHANGE LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Global Greenhouse Gas (GHG) emissions

In accordance with the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013, the new Streamlined Energy & Carbon Reporting ('SECR') regulations came into effect on 1 April 2019, and we follow the guidelines to comply with these regulations.

The Group is committed to managing its environmental impact and has well established waste management initiatives across the Group, including recycling bins to mitigate waste. In addition, the Group implements energy efficient solutions wherever possible, including fitting LED lighting in a number of offices and branches. Further initiatives will be implemented to continue to improve the Groups' energy efficiency in the coming years.

The methodology used to calculate our emissions is based upon the 'Environmental Reporting Guidelines: including streamlined energy and carbon reporting guidance' (March 2019) issued by DEFRA.

Year ending 30 June 2022

	Tonnes of CO ₂ e	kWh	%
Scope 1 (direct emissions)	31.9	149,212	10.8%
Scope 2 (indirect emissions)	165.4	772,308	55.9%
Scope 3	98.4	460,069	33.3%
Total	295.7		

Intensity measurement

Total tonnes Co₂e by employee 0.61

Year ending 30 June 2021

	Tonnes of Co ₂ e	kWh	%
Scope 1 (direct emissions)	55.4	264,881	21.27%
Scope 2 (indirect emissions)	204.8	980,446	78.73%
Total	260.2		

Intensity measurement

Total tonnes Co₂e by employee 0.61

This report was approved by the board on 6 April 2023 and signed on its behalf.



P Bowcock
Director

EUROCHANGE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2022

The directors present their annual report and the audited financial statements of Eurochange Limited (the "Company") for the year ended 30 June 2022.

Principal activity

The principal activity of the Company during the year was that of retail and wholesale foreign exchange trading and international payments.

Results and dividends

The profit for the year, after taxation, amounted to £660,000 (2021 restated - loss £6,895,000).

During the financial year dividends of £3,480,000 (£1.15 per share) (2021: £3,480,000 (£1.15 per share)) were paid.

Directors

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

P Bowcock (appointed 03 October 2022)
C S Stewart (appointed 30 November 2021)
S Makaritis (appointed 1 February 2022, resigned 3 October 2022)
P D McNamara (resigned 20 September 2021)
L Perrett (resigned 1 February 2022)
C E Evans (resigned 30 November 2021)

Qualifying third party indemnity provisions

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

Matters covered in the strategic report

The directors have considered the financial instruments used by the Company and their associated risks to be of strategic importance. Therefore the risk management policies for the financial instruments have been disclosed in the Strategic Report.

Future developments

A commentary on future developments is set out in the Strategic Report.

Going concern

The directors have undertaken a detailed forecast exercise. Forecasts for the period to June 2024 have been prepared and apply suitable caution to the current economic environment, however, do reflect recovery from the pandemic as can be seen in the actual profit recovery profile of the business. The forecasts demonstrate the Group (of which the Company is part) will continue to generate sufficient free cashflows to service the business. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

In October 2022, following the disposal of a portion of the group, the Group's external loan facility with a third-party financial Institution was fully repaid and the group remains debt free.

EUROCHANGE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Employee engagement

The Company is committed to attracting, developing and retaining the best employees. We do this by offering competitive remuneration packages, a definitive career path and a working environment that gives everyone the opportunity to achieve their aspirations through commitment, loyalty and trust.

We believe in building on strengths and improving on weaknesses through a number of training and development programmes on an internal and external basis.

Reward and recognition

To ensure employees share in our success, the Company offers competitive pay and benefit packages that are directly linked to performance. This is controlled through the achievement of commercially based targets.

Equal opportunities policy

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

The Company is committed to ensuring that all of our employees and job applicants are treated fairly, have equal opportunity and are not discriminated against. The Company does not discriminate on the grounds of gender, sexual orientation, marital status, age, ethnic origin, colour, nationality, disability, religion or religious belief.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the audited financial statements of Eurochange Limited (the "Company") in accordance with applicable law and regulations.

Company law requires the directors to prepare audited financial statements of Eurochange Limited (the "Company") for each financial year. Under that law the directors have elected to prepare the audited financial statements of Eurochange Limited (the "Company") in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the audited financial statements of Eurochange Limited (the "Company") unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these audited financial statements of Eurochange Limited (the "Company"), the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the audited financial statements of Eurochange Limited (the "Company") on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

EUROCHANGE LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2022

Disclosure of information to auditors

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- 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's auditors are aware of that information.

Post balance sheet events

On 3 October 2022, the board of directors announced that several companies within the Group of which the Company is part, Notemachine UK Limited, ATM Services Limited, Notemachine Limited and Testlink Services Limited had been sold to The Brink's Company. This deal is in line with the Group's long-term strategy.

Following the sale on 3 October 2022, the external debt of the Group of £132,250,000 which was repayable on 31 March 2023, was repaid in full. The security held over the assets of the Group companies has been satisfied in full.

Auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers 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.

This report was approved by the board on 6 April 2023 and signed on its behalf.



P Bowcock
Director

EUROCHANGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROCHANGE LIMITED

Independent auditors' report to the members of Eurochange Limited

Report on the audit of the financial statements

Opinion

In our opinion, Eurochange Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Statement of Financial Position as at 30 June 2022; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

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

Independence

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

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

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

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

EUROCHANGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROCHANGE LIMITED

Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 June 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

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

- Discussions with management and the directors, including consideration of known or suspected instances of non-compliance with laws and regulations, claims and fraud;
- Reviewing relevant minutes of board meetings;
- Challenging assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, using a risk-based audit approach, with a particular focus on entries posted with unusual combinations that increased revenues; and
- Performing unpredictable audit procedures which are changed year on year.

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

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

Use of this report

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

EUROCHANGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EUROCHANGE LIMITED

Other required reporting

Companies Act 2006 exception reporting

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

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

We have no exceptions to report arising from this responsibility.

Stuart Couch

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

6 APRIL 2023

EUROCHANGE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022**

		2022	<i>As restated</i>
		£000	<i>(note 28)</i>
	Note		2021
			£000
Turnover	4	28,824	12,320
Cost of sales		(13,682)	(8,732)
Gross profit		15,142	3,588
Administrative expenses		(12,726)	(12,846)
Exceptional administrative expenses		-	(158)
Other operating income	5	407	2,435
Operating profit/(loss)	6	2,823	(6,981)
Interest receivable and similar income	10	12	2
Interest payable and similar expenses	11	(1,640)	(1,631)
Profit/(loss) before tax		1,195	(8,610)
Tax on profit/(loss)	12	(535)	1,715
Profit/(loss) for the financial year		660	(6,895)
Total comprehensive income for the year		660	(6,895)

The notes on pages 16 to 33 form part of these financial statements.

EUROCHANGE LIMITED
REGISTERED NUMBER: 02519424

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2022

As restated
 (note 28)

	Note	2022 £000	2021 £000
Fixed assets			
Intangible assets	15	747	265
Tangible assets	16	23,416	24,926
		<u>24,163</u>	<u>25,191</u>
Current assets			
Debtors: amounts falling due within one year	17	5,539	3,103
Cash at bank and in hand	18	23,448	22,899
		<u>28,987</u>	<u>26,002</u>
Creditors: amounts falling due within one year	19	(15,194)	(11,200)
Net current assets		<u>13,793</u>	<u>14,802</u>
Total assets less current liabilities		<u>37,956</u>	<u>39,993</u>
Creditors: amounts falling due after more than one year	20	(17,542)	(16,758)
		<u>20,414</u>	<u>23,235</u>
Provisions for liabilities			
Deferred taxation	22	1	-
		<u>1</u>	<u>-</u>
Net assets excluding pension asset		<u>20,415</u>	<u>23,235</u>
Net assets		<u>20,415</u>	<u>23,235</u>
Capital and reserves			
Called up share capital	23	3,026	3,026
Profit and loss account	24	17,389	20,209
		<u>20,415</u>	<u>23,235</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 April 2023.



P Bowcock
 Director

EUROCHANGE LIMITED
REGISTERED NUMBER: 02519424

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2022

The notes on pages 16 to 33 form part of these financial statements.

EUROCHANGE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 July 2020 (as previously stated)	3,026	30,668	33,694
Prior year adjustment - correction of error	-	(84)	(84)
At 1 July 2020 (as restated)	3,026	30,584	33,610
Comprehensive income for the year			
Loss for the year	-	(6,895)	(6,895)
Total comprehensive income for the year	-	(6,895)	(6,895)
Contributions by and distributions to owners			
Dividends: Equity capital	-	(3,480)	(3,480)
Total transactions with owners	-	(3,480)	(3,480)
At 1 July 2021	3,026	20,209	23,235
Comprehensive income for the year			
Profit for the year	-	660	660
Total comprehensive income for the year	-	660	660
Contributions by and distributions to owners			
Dividends: Equity capital	-	(3,480)	(3,480)
Total transactions with owners	-	(3,480)	(3,480)
At 30 June 2022	3,026	17,389	20,415

The notes on pages 16 to 33 form part of these financial statements.

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

1. General information

Eurochange Limited (the "Company") principal activity is that of retail and wholesale foreign exchange trading.

The Company is a private company limited by shares and is incorporated and domiciled in England and Wales. The address of its registered office is Essex House, Medway Corporate Centre, Rutherford Close, Stevenage, SG1 2EF.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements are presented in Pound Sterling, which is Eurochange Limited's functional and presentation currency.

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

2.2 Financial Reporting Standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

This information is included in the consolidated financial statements of EC Money Holdings Limited (formerly NM Money Holdings Limited) as at 30 June 2022 and these financial statements may be obtained from Company Secretary, EC Money Holdings Limited, Essex House, Medway Corporate Centre, Rutherford Close, Stevenage, SG1 2EF.

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.3 New or amended accounting standards and interpretations adopted

The Company has adopted all of the new or amended accounting standards and interpretations issued by the Financial Reporting Council ('FRC') that are mandatory for the current reporting period.

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting year ended 30 June 2022.

The adoption of these accounting standards and interpretations for this year did not have any significant impact on the financial performance of the Company.

2.4 Going concern

The directors have undertaken a detailed forecast exercise. Forecasts for the period to June 2024 have been prepared and apply suitable caution to the current economic environment, however, do reflect recovery from the pandemic as can be seen in the actual profit recovery profile of the business. The forecasts demonstrate the Group will continue to generate sufficient free cashflows to service the business. Therefore, the directors continue to adopt the going concern basis in preparing the financial statements.

In October 2022, following the disposal of a portion of the group, the Group's external loan facility with a third-party financial institution was fully repaid and the group remains debt free.

2.5 Forward contracts

The Company uses forward exchange contracts for hedging purposes. All contracts are taken out to cover general currency exposure rather than to match specific transactions. The Company treats a forward contract separately from other transactions. The premium or discount arising on each contract is accounted for over the life of the contract and the contract is market to market as the contract progresses. The net amount receivable or payable as computed on this basis is included in other debtors or creditors as appropriate.

2.6 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. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.8 Finance costs

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

2.9 Pensions

Defined contribution pension plan

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

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

2.10 Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.11 Exceptional items

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

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.12 Intangible assets

Intangible assets acquired separately are initially recognised at cost. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually.

Amortisation is provided on the following bases:

Computer software	- 20 % Straight line
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2.13 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.

Depreciation is provided on the following basis:

Freehold property	- 2% to 10% straight line
Short-term leasehold land and buildings	- 15% reducing balances
Motor vehicles	- 25% reducing balances
Fixtures and fittings	- 20% straight line
Computer equipment	- 25% straight line

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.

2.14 Debtors

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

2.15 Cash and cash equivalents

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

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.16 Creditors

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

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

2.17 Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value.

Financial assets

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

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

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the Statement of Comprehensive Income.

Financial liabilities

The Company classifies all of its financial liabilities at amortised cost.

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

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

2. Accounting policies (continued)

2.18 Lease liabilities

All qualifying leases are recognised as a right of use asset and a corresponding lease liability is recognised at the date at which the leased asset is available for use.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentive receivables,
- variable lease payments that are based on an index or a rate, initially measured using the index rate or rate at the commencement date,
- amounts expected to be payable under residual value guarantees,
- the exercise prices of a purchase option if the Company is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

The lease payments are discounted using the interest implicit in the lease. If the rate cannot be determined, the lessee's incremental borrowing rate is used. The interest element of the finance cost is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received, any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

2.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company 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 the Statement of Comprehensive Income in the year that the Company 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.

2.20 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

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 reviewed if the revision affects only that period or the period in which the estimate is reviewed if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Accounting for leases under IFRS 16

A key judgement is determining the incremental borrowing rates to be applied. Management considered all factors that incorporate the three key elements: risk-free rate, credit spread and an adjustment to asset class. Increasing or decreasing the incremental borrowing rate by 1% will not have a material impact to the Group.

Another key judgement in determining the right-of-use asset and lease liability is establishing whether it is reasonably certain that an option to extend the lease will be exercised. Distinguishing whether a lease will be extended or otherwise will have a material impact on the value of the right-of-use assets and lease liabilities recognised on the Balance Sheet but may not have a material impact on the income statement.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The majority of extension and termination options held are exercisable only by the Company and not by the respective lessor.

Most extension options in the Company's offices and branch locations have been included in the lease liability because of the costs and business disruption that may occur if the leases are not extended. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstance occurs, which affects this assessment, and that which is within the control of the lessee.

The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

Recoverability of deferred tax asset

Forecasts for the next 5 years have been prepared that apply suitable caution to the current economic environment and recovery from the pandemic. Based on these forecasts, the directors have concluded that it is probable that sufficient future taxable profits will be generated to allow for the recovery of deferred tax assets recognised in respect of taxable losses.

4. Turnover

The whole of the turnover is attributable to the principal activity of the Company, being that of retail and wholesale foreign exchange trading.

All turnover arose within the United Kingdom.

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

5. Other operating income

	2022 £000	2021 £000
Other operating income	396	208
Other income - furlough	11	2,227
	<u>407</u>	<u>2,435</u>

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2022 £000	As restated 2021 £000
Depreciation of tangible fixed assets	1,545	1,902
Amortisation of intangible assets, including goodwill	152	102
Operating lease rentals	246	546
Gain on derivative financial instruments	-	4
Depreciation of right-of-use assets	<u>4,603</u>	<u>3,949</u>

7. Auditors' remuneration

During the year, the Company obtained the following services from the Company's auditors:

	2022 £000	2021 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	34	34

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

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

EUROCHANGE LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022****8. Employees**

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

	2022	2021
	£000	£000
Wages and salaries	9,070	8,035
Social security costs	784	541
Cost of defined contribution scheme	184	135
Furlough income	(11)	(2,227)
	10,027	6,484

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

	2022	2021
	No.	No.
Operations	13	16
Managerial and administration	42	46
Cashiers & mail order	431	379
	486	441

9. Directors' remuneration

	2022	2021
	£000	£000
Directors' emoluments	85	-

The highest paid director received remuneration of £85,000 (2021: £nil).

The payment to directors of £140,000 in 2021 was borne by another Group Company.

Other directors remuneration is borne by another Group Company (Notemachine UK Limited).

10. Interest receivable

	2022	2021
	£000	£000
Other interest receivable	12	2

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

11. Interest payable and similar expenses

	2022 £000	As restated 2021 £000
Bank interest payable	42	42
Other loan interest payable	-	1
Interest on lease liabilities	1,598	1,588
	<u>1,640</u>	<u>1,631</u>

12. Taxation

	2022 £000	As restated 2021 £000
Current tax on profits for the year	-	(156)
Adjustments in respect of previous periods	-	156
	<u>-</u>	<u>-</u>
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	(1,352)
Effects of changes to tax rates	440	(503)
Adjustment in respect of prior years	3	140
Current year	92	-
	<u>535</u>	<u>(1,715)</u>
Total deferred tax	<u>535</u>	<u>(1,715)</u>
Taxation on profit/(loss) on ordinary activities	<u>535</u>	<u>(1,715)</u>

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £000	As restated 2021 £000
Profit/(loss) on ordinary activities before tax	1,195	(8,610)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	227	(1,636)
Effects of:		
Expenses not deductible	114	142
Tax rate changes	441	(502)
Adjustments to tax charge in respect of prior periods	(16)	281
Income not taxable	(36)	-
Effects of group relief/other reliefs	(195)	-
Total tax charge for the year	535	(1,715)

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published 24 May 2021, with royal assent received on 10 June 2021). This legislated for an increase to the corporation tax rate to 25% from 1 April 2023. As such, deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25%.

13. Dividends

Dividends paid during the financial year were as follows:

	2022 £000	2021 £000
Dividends paid of £3,480,000 (2021 £3,480,000) equivalent to £1.15 (2021: £1.15) per share	3,480	3,480
	3,480	3,480

EUROCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

14. Exceptional items

	2022 £000	2021 £000
Redundancy costs	-	158

15. Intangible assets

	Computer software £000
Cost	
At 1 July 2021	1,602
Additions	634
At 30 June 2022	2,236
Amortisation	
At 1 July 2021	1,337
Charge for the year	152
At 30 June 2022	1,489
Net book value	
At 30 June 2022	747
At 30 June 2021	265

EUROCHANGE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**

16. Tangible fixed assets

	Freehold property £000	Short-term leasehold land and buildings £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Right-of- use assets £000	Total £000
Cost or valuation							
At 1 July 2021 (as previously stated)	1,030	2,275	47	14,444	766	25,394	43,956
Prior Year Adjustment	-	-	-	-	-	3,108	3,108
At 1 July 2021 (as restated)	1,030	2,275	47	14,444	766	28,502	47,064
Additions	-	68	-	375	39	323	805
Adjustments	-	-	-	-	-	3,834	3,834
At 30 June 2022	1,030	2,343	47	14,819	805	32,659	51,703
Depreciation							
At 1 July 2021 (as previously stated)	382	1,185	33	11,296	649	7,884	21,429
Prior Year Adjustment	-	-	-	-	-	710	710
At 1 July 2021 (as restated)	382	1,185	33	11,296	649	8,594	22,139
Charge for the year	18	166	4	1,292	65	4,603	6,148
At 30 June 2022	400	1,351	37	12,588	714	13,197	28,287
Net book value							
At 30 June 2022	630	992	10	2,231	91	19,462	23,416
At 30 June 2021 (as restated)	646	1,090	14	3,149	117	19,906	24,926

Right-of-use assets relates to land and buildings.

During 2022, the Company discovered that a number of leases had been excluded from the previous years' IFRS16 calculations. As a consequence, the Net Book Value of right-of-use assets in the prior year had been understated by £2,398k. The error has been corrected by restating each of the affected financial statement line items for the prior period. More detail is shown in note 28.

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

17. Debtors

	2022 £000	2021 £000
Trade debtors	2,106	411
Amounts owed by group undertakings	1,154	234
Other debtors	90	80
Corporation tax receivable	155	-
Prepayments and accrued income	476	284
Deferred taxation	1,558	2,094
	<u>5,539</u>	<u>3,103</u>

The amounts owed by group undertakings are unsecured and bear interest at 8%.

18. Cash and cash equivalents

	2022 £000	2021 £000
Cash at bank and in hand	23,448	22,899

Cash includes currencies held for trading of £17,013,528 (2021: £7,293,803).

19. Creditors: Amounts falling due within one year

	2022 £000	As restated 2021 £000
Trade creditors	2,536	1,293
Other taxation and social security	242	97
Lease liabilities	4,320	3,652
Other creditors	2,266	950
Accruals and deferred income	5,830	5,208
	<u>15,194</u>	<u>11,200</u>

Amounts owed to group undertakings bear no specific repayment terms and bear interest at 8%.

During 2022, the Company discovered that a number of leases had been excluded from the previous years' IFRS16 calculations. As a consequence, current lease liabilities in prior year had been understated by £562k. The error has been corrected by restating each of the affected financial statement line items for the prior period. More detail is shown in note 28.

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

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

	2022	As restated 2021
	£000	£000
Lease liabilities	16,633	16,758
Amounts owed to group undertakings	909	-

During 2022, the Company discovered that a number of leases had been excluded from the previous years' IFRS16 calculations. As a consequence, non-current lease liabilities in prior year had been understated by £2,018k. The error has been corrected by restating each of the affected financial statement line items for the prior period. More detail is shown in note 28.

21. Hire purchase and finance leases

Future minimum lease payments for:

	2022	As restated 2021
	£000	£000
Within one year	5,653	3,822
Between 1-5 years	19,763	13,342
Over 5 years	-	4,191
	<u>25,416</u>	<u>21,355</u>

Obligations under leases are secured against the related right of use assets as disclosed in note 16.

22. Deferred taxation

	2022	2021
	£000	£000
At beginning of year	2,094	379
Charged to profit or loss	(532)	1,856
Adjustment in respect of prior periods	(3)	(141)
At end of year	<u>1,559</u>	<u>2,094</u>

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

22. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2022 £000	2021 £000
Accelerated capital allowances	152	286
Losses	1,304	1,668
Temporary differences trading	103	141
	<u>1,559</u>	<u>2,095</u>

23. Called up share capital

	2022 £000	2021 £000
Authorised, allotted, called up and fully paid		
3,025,788 (2021 - 3,025,788) Ordinary shares of £1.00 (2021: £1.00) each	<u>3,026</u>	<u>3,026</u>

24. Reserves

Profit and loss account

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

25. Contingent liabilities

The Company has guaranteed the bank borrowings of a fellow Group Company amounting to £130,477,600 (2021: £172,850,600). These guarantees are secured by a legal charge over all the Company's assets.

This balance was repaid in full following the sale of several group companies on 3 October 2022, this guarantee has been satisfied in full.

26. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £184,326 (2021: £134,607).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2022**
27. Post balance sheet events

On 3 October 2022, the board of directors announced that several companies within the Group of which the Company is part, Notemachine UK Limited, ATM Services Limited, Notemachine Limited and Testlink Services Limited had been sold to The Brink's Company. This deal is in line with the Group's long-term strategy.

Following the sale on 3 October 2022, the external debt of the Group of £132,250,000 which was repayable on 31 March 2023, was repaid in full. The security held over the assets of the Group companies has been satisfied in full.

28. Restatement

During 2022, the Company discovered that a number of leases had been excluded from the prior financial years' IFRS16 calculations. As a consequence, numerous lines on the financial statements were misstated. The errors have been corrected by restating each of the prior year's affected financial statement line items. The following tables summarise the impacts on the Company's financial statements.

i. Statement of financial position

	As previously reported £000	Adjustments £000	As restated £000	
Intangible assets	265	-	265	
Tangible assets	22,528	2,398	24,926	
Debtors within one year	3,057	45	3,057	3,102
Cash at bank and in hand	22,899	-	22,899	
Total assets	48,749	2,398	51,447	51,192
Creditors falling due within one year	(10,637)	(562)	(11,199)	
Creditors falling due after one year	(14,740)	(2,018)	(16,758)	
Total liabilities	(25,377)	(2,580)	(27,957)	
Net assets	23,372	(182)	23,190	23,23
Called up share capital	3,026	-	3,026	
Profit and loss account	20,346	(137)	20,209	
Total shareholders funds	23,372	(137)	23,235	

EUROCHANGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

ii. Statement of comprehensive income

	As previously reported £000	Adjustments £000	As restated £000
Turnover	12,320	-	12,320
Cost of sales	(9,311)	579	(8,732)
Gross profit	3,009	579	3,588
Administrative expenses	(12,380)	(466)	(12,846)
Exceptional administrative expenses	(158)	-	(158)
Other operating income	2,435	-	2,435
Operating loss	(7,094)	113	(6,981)
Interest receivable and similar income	2	-	2
Interest payable and similar expenses	(1,420)	(211)	(1,631)
Loss before tax	(8,512)	(98)	(8,610)
Tax on loss	1,670	45	1,715
Loss for the year	(6,842)	(53)	(6,895)

Exemption from preparing a third balance sheet has been taken by the Company, per paragraph 10(f) of IAS 1.

29. Ultimate parent undertaking and controlling party

At 30 June 2022 the directors regard funds managed by Corsair Capital LLC as being the ultimate controlling party by virtue of their control of Corsair Mint III Limited (the ultimate parent company). Eurochange Holdings Limited (formerly Notemachine Holdings Limited) is considered to be the immediate parent company by virtue of its holding of 100% of the issued ordinary share capital of the Company at 30 June 2022.

Corsair Mint III Limited is the parent of the largest group for which consolidated financial statements are prepared and in which the Company's results are consolidated. EC Money Holdings Limited (formerly NM Money Holdings Limited) is the parent of the smallest group for which consolidated financial statements are prepared and in which the Company's results are consolidated.

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

Copies of the consolidated financial statements of EC Money Holdings Limited (formerly NM Money Holdings Limited) may be obtained from the Company Secretary, EC Money Holdings Limited, Essex House, Medway Corporate Centre, Rutherford Close, Stevenage, SG1 2EF.