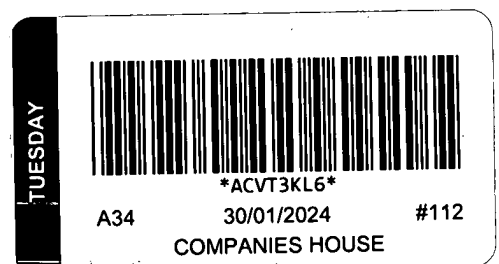


Company Registration No. 03056267 (England and Wales)

MOOREPAY COMPLIANCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023



MOOREPAY COMPLIANCE LIMITED

COMPANY INFORMATION

Directors	John Petter Alan Kinch Anthony Vollmer (appointed 28 April 2023)
Secretary	Chris Fox
Company number	03056267
Registered office	740 Waterside Drive Aztec West Almondsbury Bristol BS32 4UF
Auditor	Grant Thornton UK LLP 2 Glass Wharf Bristol BS2 0EL
Business address	Lowry Mill Lees Street Swinton Manchester M27 6DB

MOOREPAY COMPLIANCE LIMITED

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MOOREPAY COMPLIANCE LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2023

The directors present their annual report and financial statements for the year ended 30 April 2023.

Principal activities

The principal activity of the company during the year was that of Personnel and Health and Safety consultants.

Results and performance

The results for the year are set out on page 7. No dividends were declared during the year under review (2022: nil).

Directors

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

John Petter

Alan Kinch

Anthony Vollmer (appointed 28 April 2023)

Going Concern

The Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements as detailed in note 1 on page 10 of the financial statements.

Auditor

The auditor, Grant Thornton UK LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006. The auditor, Grant Thornton UK LLP, has indicated their willingness to continue in office as auditor. The reappointment of the auditor will be approved by the Annual General Meeting.

Statement of disclosure to auditor

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

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

On behalf of the board



Alan Kinch

Director

29th January 2024

MOOREPAY COMPLIANCE LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 APRIL 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (UK accounting standards and applicable law), including FRS 101 Reduced Disclosure Framework.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

By Order of the Board of Directors and signed on behalf of the Board:



Alan Kinch
Director
29th January 2024

MOOREPAY COMPLIANCE LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MOOREPAY COMPLIANCE LIMITED

Opinion

We have audited the financial statements of Moorepay Compliance Limited (the 'company') for the year ended 30 April 2023, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2023 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the group's and the parent company's business model including effects arising from macro-economic uncertainties such as interest rate rises, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the group's and the parent company's financial resources or ability to continue operations over the going concern period.

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

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

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

MOOREPAY COMPLIANCE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOOREPAY COMPLIANCE LIMITED

Other information

The other information comprises the information included in the directors' report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the directors' report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the 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 themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 strategic report.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 2, 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 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.

MOOREPAY COMPLIANCE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOOREPAY COMPLIANCE LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of how the Company is complying with significant legal and regulatory frameworks through inquiries of management and discussions with in-house legal. We corroborated the results of our inquiries to board minutes and other supporting documentation;
- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified international accounting standards and Companies Act 2006, along with legal legislation relating to employment, health & safety, data protection and environmental issues, as those most likely to have a material affect if non-compliance were to occur;
- We communicated relevant laws and potential fraud risks to all engagement team members and remained alert to any indicators of fraud or non-compliance with laws and regulations throughout the audit;
- We assessed the susceptibility of the Group's and Parent Company's financial statements to material misstatement, including how fraud may occur. We considered the opportunity and incentives for management to perpetrate fraud, and the potential impact on the financial statements;
- In assessing the potential risks of material misstatement, we obtained an understanding of;
 - the Company's operations, including the nature of its revenue sources and its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in the risks that may result in risks of material misstatement;
 - the Company's key performance indicators and their propensity to influence efforts made by management to manage earnings;
 - the Company's control environment including the finance system and controls which includes controls over journal postings, that the group has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitor the finance system and controls;
 - where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. Our audit procedures involved journal entry testing and undertaking substantive procedures within revenue.
 - In addition, we completed audit procedures to conclude on the compliance of disclosures within the annual report and financial statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

MOOREPAY COMPLIANCE LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF MOOREPAY COMPLIANCE LIMITED

- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's;
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation;
 - knowledge of the industry in which the Company operates; and
 - understanding of the legal and regulatory requirements specific to the Company.
- We did not identify any material matters relating to non-compliance with laws and regulations or relating to fraud.

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

Use of our report

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



Tim Lincoln
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Bristol
29th January 2024

MOOREPAY COMPLIANCE LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 30 APRIL 2023**

		2023	2022
	Notes	£	Restated £
Turnover	3	4,785,260	4,632,522
Cost of sales		<u>(1,087,560)</u>	<u>(1,126,731)</u>
Gross profit		3,697,700	3,505,791
Administrative expenses		(3,178,232)	(2,982,832)
Significant separately disclosed items	4	<u>(17,306)</u>	<u>(98,059)</u>
Operating profit		502,162	424,900
Finance income	7	613,284	459,326
Finance costs	8	(504,660)	(303,559)
Profit before taxation		610,786	580,667
Tax charge on profit	9	<u>(9,964)</u>	<u>(190,662)</u>
Profit for the financial year		600,822	390,005

The notes on page 10 to 19 are an integral part of these financial statements.

MOOREPAY COMPLIANCE LIMITED**BALANCE SHEET****AS AT 30 APRIL 2023**

		2023		2022 Restated	
	Notes	£	£	£	£
Non-current assets					
Deferred tax asset	11	40,269		50,233	
Current assets					
Trade and other receivables	10	11,519,285		8,394,374	
Cash at bank and in hand		829,692		741,184	
Total assets		12,389,246		9,185,791	
Creditors: amounts falling due within one year	12	(8,004,623)		(5,401,990)	
Net assets			4,384,623		3,783,801
Capital and reserves					
Called up share capital	13		2,000,000		2,000,000
Share premium account			19,030		19,030
Capital redemption reserve			11,666		11,666
Profit and loss reserves			2,353,927		1,753,105
Total equity			4,384,623		3,783,801

The notes on page 10 to 19 are an integral part of these financial statements.

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 29th January 2024 and are signed on its behalf by:

A. R. L.

Alan Kinch

Director

Company Registration No. 03056267

MOOREPAY COMPLIANCE LIMITED**STATEMENT OF CHANGES IN EQUITY****AS AT 30 APRIL 2023**

	Share capital £	Share premium account £	Capital Redemption Reserve £	Retained Earnings	Total £
As at 1 May 2021 (reported)	2,000,000	19,030	11,666	1,284,770	3,315,466
Prior year adjustment (note 2)	-	-	-	78,330	78,330
Balance at 1 May 2021 (restated)	2,000,000	19,030	11,666	1,363,100	3,393,796
Issue of share capital	-	-	-	-	-
Profit for the year (restated)	-	-	-	390,005	390,005
Balance at 30 April 2022 (restated)	2,000,000	19,030	11,666	1,753,105	3,783,801
Issue of share capital	-	-	-	-	-
Profit for the year	-	-	-	600,822	600,822
Balance at 30 April 2023	2,000,000	19,030	11,666	2,353,927	4,384,623

The notes on page 10 to 19 are an integral part of these financial statements.

MOOREPAY COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies

Company information

Moorepay Compliance Limited is a private company limited by shares incorporated in England and Wales. The registered office is 740 Waterside Drive, Aztec West, Almondsbury, Bristol, BS32 4UF.

1.1 Accounting convention

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and the requirements of the Companies Act 2006 (the Act). FRS 101 sets out a reduced disclosure framework for a 'qualified entity' as defined in the standard which addresses the financial reporting requirement and disclosure exemptions in the individual financial statement of qualifying entities that otherwise apply the recognition, measurement and disclosure requirement of the Act.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Director's Report on page 1. In addition, note 14 to the financial statements includes the wider Group's long-term debt position. The company's financial statements are prepared on a going concern basis for the following reasons:

The Company has made a profit for the year of £601k (2022 restated: £390k). The Company has net assets of £4.4m (2022 restated: £3.8m) for the year ended 30 April 2023.

The directors have considered the cash flow of the company for a period of 12 months from the date of approval of these financial statements. Given that the cash generated by the company will be used to service external loans of the group (held in other group companies), cash available to the company to meet its obligations is impacted by the liabilities of the wider group. Accordingly, the directors manage the cash flow of the company together with the cash flow of the wider group headed by Zellis Holdings Limited and have prepared forecasts for the 12-month period from the date of approval of these financial statements for the group headed by Zellis Holdings Limited, which indicate the group is cash generative on a base and sensitised basis, taking into account reasonable possible changes in trading performance.

Going concern of the company is thus dependent on availability of short-term funding from the group, if needed, and also upon the group companies not seeking repayment of the amounts currently due to the group companies, which at 30 April 2023 amounted to £7.4m (2022: £4.9m).

The company has received written assurance from Zellis Holdings Limited for financial assistance to the company as it is necessary for it to continue as a going concern and to settle its liabilities as and when due for the period of at least 12 months from the date of approval of these financial statements.

After due consideration, the Directors have a reasonable expectation that the Company has adequate liquidity to continue as going concern for the foreseeable future. Therefore, these accounts have been prepared on a going concern basis.

MOOREPAY COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies (continued)

1.3 Turnover

The recognition of the company's revenue was in line with the Group's policy on revenue recognition, which is as follows:

The company generates revenue from two types of services:

- health & safety and employment law Consulting services;
- Sale of insurance contracts

Payments and receivables related to implementation prior to go live of HR and administration services are deferred to the Balance Sheet along with associated cost until go live, as the implementation service does not deliver a performance obligation to the customer. Implementation is not a performance obligation, nor are any operations cost incurred prior to go live. The release of deferred implementation revenue and costs will be recognised on a straight-line basis over the life of the contract. The adjusted monthly revenue from the provision of services will be recognised each month that we provide the service for a performance obligation.

The Group also enters into contracts with customers for installation, customisation, maintenance or other technical services or consultancy on third party software. Each promise under these contracts is a separate performance obligation and revenue is recognised for such contracts on time and material basis or percentage of completion method. Timing of payments tends to be similar to timing of revenue.

The sale of a read only licence is recognised at contract date, as the performance obligation is met on 'delivery' of the licence.

The Group recognises revenue based on 5 basic principles described in IFRS15:

- Identify the contract with a customer;
- Identify all the individual performance obligations within the contract;
- Determine the transaction price;
- Allocate the price to the performance obligations;
- Recognise revenue as the performance obligations are fulfilled.

If a customer pays, or the Group has an unconditional right to receive consideration before the performance obligation is completed, then the revenue is not recognised, and contract liability is recognised.

If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, the revenue is recognised, and accrued income recorded.

There may be separate performance obligations within a single customer contract. Where the obligations are defined, these will be dealt with as a separate go live instance, and the transaction price will be apportioned appropriately. Where the separate obligations are not defined, then unless deemed to be material the contract will be treated as one performance obligation.

The transaction price for the contract is determined as the sum of fixed consideration, other variable items, less an estimate of volume discounts if any. Other variable items such as higher/ lower employee numbers for PEPM charge (per employee per month amount charged to customer), credits for service level, third party penalties or inflationary increases are taken in the month they are received or incurred. Termination fees are taken at a point in time when the termination is complete.

MOOREPAY COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies (continued)

1.4 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.5 Financial assets

The company has elected to apply exemptions from the requirements of IFRS to all of its financial instruments, in accordance with FRS 101.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Other financial assets

All of the company's financial assets are basic financial instruments.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. Trade creditors are recognised initially at transaction price.

Other financial liabilities

All of the company's financial liabilities are basic financial instruments.

MOOREPAY COMPLIANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2023

1 Accounting policies (continued)

1.6 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not there will be suitable taxable profits from which the future reversal of the underlying timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.8 Employee benefits

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

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

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

1.9 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

MOOREPAY COMPLIANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2023**

1 Accounting policies (continued)**1.10 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.11 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described above, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Expected Credit Losses on Trade Receivables

IFRS 9 introduced an Expected Credit Loss ('ECL') model. This requires an entity to consider historic, current and forward-looking information while assessing trade receivables impairment.

Trade receivables in the company arise from revenue transactions in accordance with IFRS 15 with no existing significant financing arrangement. Therefore, the simplified approach under IFRS 9 is adopted and lifetime ECL is applied.

Based on analysis of actual write offs, a provision matrix is applied for the trade receivables as follows:

Not yet due	1%
0-89 days overdue	10%
90-179 days overdue	65%
180-269 days overdue	100%
270-359 days overdue	100%

MOOREPAY COMPLIANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2023****2 Restatement of prior year balances**

Prior year restatements have been made to account for a historic over-recovery of VAT in addition to the removal of provisions for credit losses on amounts owed by Group undertakings where no signs of impairment were present.

The effect of restatement on the Balance Sheet as at 30 April 2022 was as follows:

£'000	As previously reported	Restatements	As restated
Trade and other receivables	8,105,787	288,587	8,394,374
Total assets	8,897,204	288,587	9,185,791
Trade and other payables	5,229,860	172,130	5,401,990
Total current liabilities	5,229,860	172,130	5,401,990
Retained earnings	1,636,648	116,457	1,753,105
Total equity	3,667,344	116,457	3,783,801

The effect of restatement on the Income Statement as at 30 April 2022 was as follows:

£'000	As previously reported	Restatements	As restated
Administrative expenses	(3,020,959)	38,127	(2,982,832)
Profit for the financial year	351,878	38,127	390,005

The effect of restatement on the Balance Sheet as at 30 April 2021 was as follows:

£'000	As previously reported	Restatements	As restated
Trade and other receivables	5,655,181	288,587	5,943,768
Total assets	6,293,092	288,587	6,581,679
Retained earnings	1,284,770	163,808	1,448,578
Total equity	3,315,466	163,808	3,479,274

3 Revenue

An analysis of the company's revenue is as follows:

	2023 £'000	2022 £'000
Continuing operations		
HR services (UK)	4,785,260	4,632,522

No revenue has been recognised from performance obligations satisfied in previous periods.

	2023 £'000	2022 £'000
Unsatisfied long-term contracts		
Aggregate amount of contracts partially or fully unsatisfied as at 30 April	7,851,966	6,441,376

Management expects that of the transaction price allocated to the unsatisfied contracts as of 30 April 2023, that £7.9m will be recognised as revenue in the next reporting periods. £3.0m, £2.7m, £1.6m, £0.4m will be recognised as revenue in reporting periods ending 30 April 2024, 30 April 2025, 30 April 2026 and 30 April 2027 respectively; with £0.2m recognised in reporting periods thereafter.

MOOREPAY COMPLIANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2023****4 Significant separately disclosed items**

	2023	2022
	£	£
Severance and restructuring	-	70,609
Significant events	17,306	27,450
	<u>17,306</u>	<u>98,059</u>

During the year the company paid a one-off lump sum to eligible colleagues in recognition of the impact of the cost-of-living crisis. These expenses have been classified as a significant separately disclosed item.

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was 35 (2022: 37).

	2023	2022
	£	£
Their aggregate remuneration comprised:		
Wages and salaries	1,603,009	1,620,006
Social security costs	175,348	167,587
Pension costs	93,818	93,885
	<u>1,872,175</u>	<u>1,881,478</u>

Directors' remuneration

The directors' remuneration in respect of services to the company have not been disclosed as it is not possible to accurately allocate directors' time to each legal entity within the group. As a result, the full disclosure is presented in the consolidated financial statements of the parent entity, Zellis Holdings Limited

6 Auditors Remuneration

	2023	2022
	£	£
Fees payable to the company's auditor:		
For audit services		
Audit of the financial statements of the company	<u>4,000</u>	<u>3,000</u>

The remuneration of the auditor was borne by another group undertaking in the current and previous year and recharged to the company. There are no non-audit services fees payable to the company's auditor.

MOOREPAY COMPLIANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2023****7 Finance income**

	2023	2022
	£	£
Interest income:		
Interest receivable from group companies	<u>613,284</u>	<u>459,326</u>

8 Finance costs

	2023	2022
	£	£
Interest expense:		
Interest payable on group undertakings	<u>504,660</u>	<u>303,559</u>

9 Income tax expense

The charge for the year can be reconciled to the profit per the income statement as follows:

	2023	2022
	£	£
Profit before taxation	<u>610,786</u>	<u>580,667</u>
Expected tax charge based on a corporation tax rate of 19.50% (2022: 19.00%)	119,103	110,327
Effect of expenses not deductible in determining tax profit	-	-
Adjustment in respect of prior periods	2,466	257,590
Effect of change in UK corporation tax rate in relation to current period charge	1,650	2,195
Effect of change in UK corporation tax rate in relation to brought forward balances	0	(76,072)
Group relief	<u>(113,255)</u>	<u>(103,378)</u>
Tax charge for the year	<u>9,964</u>	<u>190,662</u>

10 Trade and other receivables

	2023	2022
	£	£
Amounts falling due within one year:		
Trade receivables	86,543	66,915
Less allowance for expected credit losses	<u>(16,479)</u>	<u>(12,075)</u>
Net trade receivables	70,064	54,840
Amounts owed by group undertakings	10,774,409	7,544,652
Accrued income	149,216	297,271
Other debtors	<u>525,596</u>	<u>497,611</u>
	<u>11,519,285</u>	<u>8,394,374</u>

MOOREPAY COMPLIANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2023****11 Deferred Tax**

	Accelerated Capital allowances	Tax Losses	Other	Total
At May 2021	38,602	150,267	52,026	240,895
Adjustments in respect of prior years	7	(197,718)	(59,879)	(257,590)
Charge to the income statement	(9,144)	-	-	(9,144)
Credit to the income statement in relation to changes in tax rates	12,192	47,451	16,429	76,072
At 30 April 2022	41,657	-	8,576	50,233
Adjustments in respect of prior years	-	-	(2,466)	(2,466)
Charge to the income statement	(7,498)	-	-	(7,498)
At 30 April 2023	34,159	-	6,110	40,269

The following is the analysis of the deferred tax balances for financial reporting purposes:

	2023	2022
	£	£
Deferred Tax Asset	40,269	50,233

12 Creditors: amounts falling due within one year

	2023	2022 Restated
	£	£
Taxation and social security	339,835	206,202
Accruals and deferred income	199,857	315,758
Other creditors	14,939	8,045
Amounts owed to fellow undertakings	7,449,992	4,871,985
	8,004,623	5,401,990

MOOREPAY COMPLIANCE LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 30 APRIL 2023****13 Called up share capital**

	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
2,000,000 Ordinary shares of £1 each	2,000,000	2,000,000

14 Contingent liabilities

The company has in the normal course of business issued guarantees securing the performance by itself and other group undertakings of certain contracts and undertakings from which no liabilities are expected to arise other than those provided for in these accounts.

The company participates in the group's syndicated banking facility agreement.

The group has syndicated Senior facility agreements with the bank providing £290m of available funding. Of this facility, the group has the following available committed floated rate borrowing activities as at 30 April 2023 in respect of which all conditions precedent had been met at that date:

	2023	2022
	£'000	£'000
Expiring between 1 and 10 years	335,259	315,003

15 Related party disclosures

The next most senior parent undertaking preparing consolidated financial statements is Zellis Holdings Limited. The Group and Company have taken the exemption to not disclose transactions between wholly owned subsidiaries.

On an annual basis the Company undertakes a full review of related party relationships with companies controlled by Bain Capital. During the year, no such relationships existed.

16 Parent company

The immediate parent company is Moorepay Limited, a company registered in England and Wales. The ultimate parent company is Zellis Holdco S.à.r.l, a company registered in Luxembourg. The Company is ultimately controlled by Bain Capital Fund IV LP.

The smallest undertaking for which the company is a member and for which group financial statements are prepared is Zellis Holdings Limited, a company registered in England and Wales, with a registered office of 740 Waterside Drive, Aztec West, Almondsbury, Bristol, England, BS32 4UF.

The largest group in which the results of the company for the year ending 30 April 2023 are consolidated is Zellis Holdco S.à.r.l. Copies of both group accounts can be obtained from 740 Waterside Drive, Aztec West, Almondsbury, Bristol, England, BS32 4UF.