

ANNUAL REPORT AND FINANCIAL
STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2022

CUSHON GROUP LIMITED

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CUSHON GROUP LIMITED

COMPANY INFORMATION

Directors	B Pollard P J Hollingdale D C Howorth S Stuckey T A Clutterbuck C J Hull T C Levene R A Beagles (appointed 25 July 2022) P J Fretwell (appointed 13 April 2022)
Registered number	10967805
Registered office	Stephenson House 2 Cherry Orchard Road Croydon CR0 6BA
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor Victoria House 50-58 Victoria Road Farnborough Hampshire GU14 7PG

CUSHON GROUP LIMITED

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CUSHON GROUP LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

I am pleased to report another year of significant progress for Cushon in providing workplace savings to individuals through our market leading technology platform. Losses before tax increased from £3.7m to £8.7m as we continued to invest in our employees and the growth of the business and the balance sheet remains strong with net assets of £7.2m at the year-end (2021: £5.4m).

Our purpose

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

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

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

Our clients

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

Our people

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

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

CUSHON GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Business review

Development of the business

During the year, we achieved the following milestones:

- Completed the acquisition of Workers Pension Trust (WPT), giving us an additional 5,000 employers, 120,000 members and £350m AUM at the time of acquisition. The acquisition of WPT positioned us as the largest master trust provider in Northern Ireland.
- Increased our number of workplace savings corporate clients by 70% to 317, adding brand names such as Marks and Spencer, Asda and Burberry to an already impressive brand roster.
- Grown our total assets under administration to over £800m at the year end, with regular monthly inflows growing materially.
- Increased our headcount to 78, investing across the business in sales and marketing, customer service and technology development
- Secured further capital from new and existing shareholders to support our journey to become one of the leading workplace savings and investment platforms in the UK
- Increased market recognition significantly, including winning or being shortlisted for a number of UK Employee Benefit technology awards.

Looking ahead

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

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

As we scale the business, we will look for attractive acquisition opportunities as well as organic routes to growth, with consolidation of Master Trusts remaining a near term opportunity. We were delighted to bring the Creative Pension Trust into the group in April 2022. This added a further 14,000 employers, 240,000 members and £730m AUM to our business along with an additional 60 experienced team members.

CUSHON GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

Principal risks and uncertainties

We operate a group-wide risk management framework. The principle risks related to our Group and associated strategies to defend and protect against those risks are set out below.

Financial risk

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

- Market risk
- Credit risk
- Liquidity risk

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

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

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

Strategic risk (business strategy)

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

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

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

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

Operational risk (IT systems and infrastructure)

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

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

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

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

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

Operational risk (cyber-attacks)

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

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

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

CUSHON GROUP LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

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

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

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

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

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

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

.....
D C Howorth
Director

Date: 13 January 2023

CUSHON GROUP LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

Results and dividends

The loss for the year, after taxation, amounted to £8,168,573 (2021 - loss £3,554,192).

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

Directors

The directors who served during the year were:

B Pollard
P J Hollingdale
D C Howorth
S Stuckey
T A Clutterbuck
C J Hull
T C Levene

Matters covered in the Group Strategic Report

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

CUSHON GROUP LIMITED

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

Disclosure of information to auditors

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

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

Auditors

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

Small companies note

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

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

.....
D C Howorth
Director

Date: 13 January 2023

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED

Opinion

We have audited the financial statements of Cushon Group Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2022 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED
(CONTINUED)**

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Group Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED (CONTINUED)

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 Group financial statements.

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

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the following laws and regulations were most significant including The Companies Act, Health and Safety regulations and Client Money regulations issued by the FCA. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

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

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

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

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

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

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

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

misrepresentation.

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CUSHON GROUP LIMITED
(CONTINUED)**

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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Roberto Lobue FCA (Senior Statutory Auditor)

for and on behalf of

Menzies LLP

Chartered Accountants

Statutory Auditor

Victoria House

50-58 Victoria Road

Farnborough

Hampshire

GU14 7PG

13 January 2023

CUSHON GROUP LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	5,501,052	1,631,842
Administrative expenses		(13,153,802)	(4,980,383)
Operating loss	6	(7,652,750)	(3,348,541)
Interest receivable and similar income		2,881	-
Interest payable and similar expenses	9	(897,841)	(393,341)
Loss before tax		(8,547,710)	(3,741,882)
Tax on loss	10	379,137	187,690
Loss after tax		<u>(8,168,573)</u>	<u>(3,554,192)</u>
Retained earnings at the beginning of the year		(6,788,877)	(3,234,685)
		(6,788,877)	(3,234,685)
Loss for the year attributable to the owners of the parent		(8,168,573)	(3,554,192)
Retained earnings at the end of the year		<u>(14,957,450)</u>	<u>(6,788,877)</u>

The notes on pages 21 to 37 form part of these financial statements.

CUSHON GROUP LIMITED

REGISTERED NUMBER:10967805

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	6,962,515	5,527,772
Tangible assets	12	27,592	23,665
		<u>6,990,107</u>	<u>5,551,437</u>
Current assets			
Debtors: amounts falling due within one year	14	3,654,477	624,836
Cash at bank and in hand	15	9,427,593	1,616,589
		<u>13,082,070</u>	<u>2,241,425</u>
Creditors: amounts falling due within one year	16	(4,537,825)	(2,263,922)
Net current assets/(liabilities)		<u>8,544,245</u>	<u>(22,497)</u>
Total assets less current liabilities		<u>15,534,352</u>	<u>5,528,940</u>
Creditors: amounts falling due after more than one year	17	(8,140,000)	(120,000)
Provisions for liabilities			
Deferred tax	18	-	(1,807)
		<u>-</u>	<u>(1,807)</u>
Net assets		<u><u>7,394,352</u></u>	<u><u>5,407,133</u></u>

CUSHON GROUP LIMITED

REGISTERED NUMBER:10967805

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Capital and reserves			
Called up share capital	19	2,432	1,608
Share premium account	20	21,996,185	7,102,087
Other reserves	20	353,185	5,092,315
Profit and loss account	20	(14,957,450)	(6,788,877)
		<u>7,394,352</u>	<u>5,407,133</u>

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

.....
D C Howorth

Director

Date: 13 January 2023

The notes on pages 21 to 37 form part of these financial statements.

CUSHON GROUP LIMITED

REGISTERED NUMBER:10967805

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	12	18,424	23,665
Investments	13	6,673,244	6,643,069
		<u>6,691,668</u>	<u>6,666,734</u>
Current assets			
Debtors: amounts falling due within one year	14	1,164,768	574,142
Cash at bank and in hand	15	3,729,735	632,149
		<u>4,894,503</u>	<u>1,206,291</u>
Creditors: amounts falling due within one year	16	(2,075,579)	(2,071,131)
Net current assets/(liabilities)		<u>2,818,924</u>	<u>(864,840)</u>
Total assets less current liabilities		<u>9,510,592</u>	<u>5,801,894</u>
Creditors: amounts falling due after more than one year	17	(140,000)	(120,000)
Provisions for liabilities			
Deferred taxation	18	-	(1,807)
		<u>-</u>	<u>(1,807)</u>
Net assets		<u><u>9,370,592</u></u>	<u><u>5,680,087</u></u>
Capital and reserves			
Called up share capital	19	2,432	1,608
Share premium account	20	21,996,185	7,102,087
Other reserves	20	353,185	5,092,315
Profit and loss account	20	(12,981,210)	(6,515,923)
		<u><u>9,370,592</u></u>	<u><u>5,680,087</u></u>

CUSHON GROUP LIMITED

REGISTERED NUMBER:10967805

COMPANY STATEMENT OF FINANCIAL POSITION (CONTINUED) AS AT 31 MARCH 2022

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The loss after tax of the parent Company for the year was £6,465,287 (2021: £3,281,238).

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

.....
D C Howorth

Director

Date: 13 January 2023

The notes on pages 21 to 37 form part of these financial statements.

CUSHON GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	1,445	4,932,547	-	(3,234,685)	1,699,307
Loss for the year	-	-	-	(3,554,192)	(3,554,192)
Shares issued during the year	163	2,169,540	-	-	2,169,703
Share based payment movement	-	-	92,315	-	92,315
Convertible loan	-	-	5,000,000	-	5,000,000
At 1 April 2021	1,608	7,102,087	5,092,315	(6,788,877)	5,407,133
Loss for the year	-	-	-	(8,168,573)	(8,168,573)
Shares issued during the year	824	14,894,098	-	-	14,894,922
Share based payment movement	-	-	89,239	-	89,239
Convertible loan	-	-	(5,000,000)	-	(5,000,000)
Capital contribution	-	-	171,631	-	171,631
At 31 March 2022	2,432	21,996,185	353,185	(14,957,450)	7,394,352

The notes on pages 21 to 37 form part of these financial statements.

CUSHON GROUP LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Share premium account	Other reserves	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2020	1,445	4,932,547	-	(3,234,685)	1,699,307
Loss for the year	-	-	-	(3,281,238)	(3,281,238)
Shares issued during the year	163	2,169,540	-	-	2,169,703
Share based payment movement	-	-	92,315	-	92,315
Convertible loan	-	-	5,000,000	-	5,000,000
At 1 April 2021	1,608	7,102,087	5,092,315	(6,515,923)	5,680,087
Loss for the year	-	-	-	(6,465,287)	(6,465,287)
Shares issued during the year	824	14,894,098	-	-	14,894,922
Share based payment movement	-	-	89,239	-	89,239
Convertible loan	-	-	(5,000,000)	-	(5,000,000)
Capital contribution	-	-	171,631	-	171,631
At 31 March 2022	2,432	21,996,185	353,185	(12,981,210)	9,370,592

The notes on pages 21 to 37 form part of these financial statements.

CUSHON GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from operating activities		
Loss for the financial year	(8,168,573)	(3,554,192)
Adjustments for:		
Amortisation of intangible assets	796,017	614,197
Depreciation of tangible assets	14,833	6,586
Revaluation due to adjustment to deferred consideration	44,568	-
Loss on disposal of tangible assets	83,793	-
Interest paid	897,841	-
Interest received	(2,881)	-
Taxation charge	(379,137)	-
(Increase)/decrease in debtors	(2,652,311)	511,920
Increase in creditors	2,285,119	1,892,398
Increase in provisions	-	1,807
Share based payment charge	89,239	92,315
Corporation tax liability from acquisition of subsidiary	8,784	-
Net cash generated from operating activities	(6,982,708)	(434,969)
Cash flows from investing activities		
Purchase of tangible fixed assets	(5,849)	-
Purchase of fixed asset investments	(2,372,032)	(6,141,969)
Interest received	2,881	-
Net cash from investing activities	(2,375,000)	(6,141,969)

CUSHON GROUP LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2022

	2022 £	2021 £
Cash flows from financing activities		
Issue of ordinary shares	9,894,922	2,169,703
Other new loans	8,000,000	5,000,000
Interest paid	(897,841)	-
Capital contribution	171,631	-
Net cash received from financing activities	17,168,712	7,169,703
Net increase in cash and cash equivalents	7,811,004	592,765
Cash and cash equivalents at beginning of year	1,616,589	1,023,824
Cash and cash equivalents at the end of year	9,427,593	1,616,589
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	9,427,593	1,616,589
	9,427,593	1,616,589

The notes on pages 21 to 37 form part of these financial statements.

CUSHON GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2022

	At 1 April 2021	Cash flows	At 31 March
	£	£	2022
			£
Cash at bank and in hand	1,616,589	7,811,004	9,427,593
Debt due after 1 year	-	(8,000,000)	(8,000,000)
	<u>1,616,589</u>	<u>(188,996)</u>	<u>1,427,593</u>

The notes on pages 21 to 37 form part of these financial statements.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

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

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

Cushon Group Limited has utilised the exemption relating to the audit of individual accounts under s479A to s479C of the Companies Act in respect of its subsidiary, Better With Money Ltd (company number 09943881).

2.3 Going concern

The directors have undertaken a detailed assessment of the funding requirements of the business in the next 12 months, utilising various stressed scenarios to understand sensitivities and potential risks. The directors have compared these funding scenarios with available and committed funds to assess the financial position of the business.

The directors have subsequently satisfied themselves as to the financial position of the business and its ability to continue to trade as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.5 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

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

2.6 Interest income

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

2.7 Borrowing costs

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

2.8 Share based payments

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

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

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

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

2.9 Convertible loans

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

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.10 Intangible assets

Goodwill

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

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Computer equipment	-	20%	Straight line basis
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

2. Accounting policies (continued)

2.14 Financial instruments

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

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

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

Significant judgements

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

Key sources of estimation uncertainty

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

4. Turnover

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

	2022 £	2021 £
Commission	5,501,052	1,631,842
	<u>5,501,052</u>	<u>1,631,842</u>

All turnover arose within the United Kingdom.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

5. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>24,000</u>	<u>16,275</u>
Fees payable to the Group's auditor and its associates in respect of:		
Accounts preparation and taxation compliance services	<u>11,170</u>	<u>11,750</u>
	<u>11,170</u>	<u>11,750</u>

6. Operating loss

The operating loss is stated after charging:

	2022 £	2021 £
Amortisation of intangible fixed assets	796,017	614,197
Depreciation of tangible fixed assets	14,833	6,586
Operating lease rentals	84,354	71,758
Defined contribution pension cost	<u>197,953</u>	<u>83,735</u>

7. Employees

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

	Group 2022 £	Company 2022 £
Wages and salaries	3,619,589	2,953,305
Social security costs	371,411	353,423
Cost of defined contribution scheme	<u>197,953</u>	<u>83,735</u>
	<u>4,188,953</u>	<u>3,390,463</u>

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

	Group 2022 No.	Group 2021 No.	Company 2022 No.	Company 2021 No.
Employees	<u>65</u>	<u>31</u>	<u>45</u>	<u>29</u>

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

8. Directors' remuneration

	2022 £	2021 £
Directors' emoluments	400,223	271,439
Group contributions to defined contribution pension schemes	9,198	5,010
	<u>409,421</u>	<u>276,449</u>

During the year retirement benefits were accruing to 3 directors (2021 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £132,411 (2021 - £122,239).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £3,600 (2021 - £3,600).

9. Interest payable and similar expenses

	2022 £	2021 £
Other loan interest payable	897,841	393,341
	<u>897,841</u>	<u>393,341</u>

10. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	(377,330)	(189,497)
	<u>(377,330)</u>	<u>(189,497)</u>
Total current tax	<u>(377,330)</u>	<u>(189,497)</u>
Deferred tax		
Origination and reversal of timing differences	(1,807)	1,807
Total deferred tax	<u>(1,807)</u>	<u>1,807</u>
Taxation on loss on ordinary activities	<u>(379,137)</u>	<u>(187,690)</u>

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

10. Taxation (continued)

Factors affecting tax charge for the year

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

	2022 £	2021 £
Loss on ordinary activities before tax	<u>(8,547,710)</u>	<u>(3,565,721)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 -19%)	(1,624,065)	(677,487)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	541,923	127,941
Losses carried forward	984,684	551,353
Other timing differences	665	-
Super deduction	(2,369)	-
Research and development	(279,975)	(189,497)
Total tax charge for the year	<u>(379,137)</u>	<u>(187,690)</u>

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

11. Intangible assets

Group

	Goodwill £
Cost	
At 1 April 2021	6,141,969
Additions	2,275,328
Revaluation	(44,568)
At 31 March 2022	<u>8,372,729</u>
Amortisation	
At 1 April 2021	614,197
Charge for the year	796,017
At 31 March 2022	<u>1,410,214</u>
Net book value	
At 31 March 2022	<u><u>6,962,515</u></u>
At 31 March 2021	<u><u>5,527,772</u></u>

The revaluation relates to a change in the deferred consideration estimate.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12. Tangible fixed assets

Group

	Computer equipment £
Cost or valuation	
At 1 April 2021	32,928
Additions	5,849
On acquisition of subsidiary	425,995
Disposals	(414,139)
At 31 March 2022	<u>50,633</u>
Depreciation	
At 1 April 2021	9,263
Charge for the year	14,833
Disposals	(330,346)
On acquisition of subsidiary	329,291
At 31 March 2022	<u>23,041</u>
Net book value	
At 31 March 2022	<u><u>27,592</u></u>
At 31 March 2021	<u><u>23,665</u></u>

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

12. Tangible fixed assets (continued)

Company

	Computer equipment £
Cost or valuation	
At 1 April 2021	32,929
Additions	1,391
At 31 March 2022	<u>34,320</u>
Depreciation	
At 1 April 2021	9,264
Charge for the year	6,632
At 31 March 2022	<u>15,896</u>
Net book value	
At 31 March 2022	<u>18,424</u>
<i>At 31 March 2021</i>	<u>23,665</u>

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	6,643,069
Additions	74,743
Revaluation	(44,568)
At 31 March 2022	<u>6,673,244</u>

The revaluation relates to a change in the deferred consideration estimate.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Cushon MT Limited	Stephenson House, 2 Cherry Orchard Road, Croydon, England, CR0 6BA	Ordinary	100 %
Cushon Money Limited	Stephenson House, 2 Cherry Orchard Road, Croydon, England, CR0 6BA	Ordinary	100 %
Cushon Nominees Limited	Stephenson House, 2 Cherry Orchard Road, Croydon, England, CR0 6BA	Ordinary	100 %
Cushon MT NI Limited	4th Floor State Buildings, 2 Arthur Place, Belfast, Northern Ireland, BT1 4HG	Ordinary	100 %
Better With Money Limited	Stephenson House, 2 Cherry Orchard Road, Croydon, England, CR0 6BA	Ordinary	100 %
Cushon Pension Trustees Limited	Stephenson House, 2 Cherry Orchard Road, Croydon, England, CR0 6BA	Ordinary	100 %

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

During the year Cushon Group Limited acquired Better With Money Limited by way of 100% shareholding.

The subsidiary company Cushon MT Limited purchased Cushon MT NI Limited during the year acquiring 100% of its shareholding and therefore is now an indirect subsidiary of Cushon Group Limited.

Cushon Pension Trustees Limited was established as a 100% subsidiary of Cushon Money Limited during the year. This is now an indirect subsidiary of Cushon Group Limited.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

14. Debtors

	Group 2022 £	<i>Group</i> <i>2021</i> £	Company 2022 £	<i>Company</i> <i>2021</i> £
Trade debtors	24,132	1,800	-	-
Amounts owed by group undertakings	-	-	-	138,343
Other debtors	897,630	319,457	891,561	330,477
Prepayments and accrued income	2,732,715	303,579	273,207	105,322
	<u>3,654,477</u>	<u>624,836</u>	<u>1,164,768</u>	<u>574,142</u>

15. Cash and cash equivalents

	Group 2022 £	<i>Group</i> <i>2021</i> £	Company 2022 £	<i>Company</i> <i>2021</i> £
Cash at bank and in hand	9,427,593	1,616,589	3,729,735	632,149
	<u>9,427,593</u>	<u>1,616,589</u>	<u>3,729,735</u>	<u>632,149</u>

16. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group</i> <i>2021</i> £	Company 2022 £	<i>Company</i> <i>2021</i> £
Trade creditors	861,503	132,045	242,782	39,883
Amounts owed to group undertakings	-	-	1,477,879	1,000
Corporation tax	8,784	-	-	-
Other taxation and social security	145,699	77,079	128,666	77,079
Other creditors	2,908,733	1,775,765	57,501	1,775,765
Accruals and deferred income	613,106	279,033	168,751	177,404
	<u>4,537,825</u>	<u>2,263,922</u>	<u>2,075,579</u>	<u>2,071,131</u>

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

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

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Other loans	8,000,000	-	-	-
Accruals and deferred income	140,000	120,000	140,000	120,000
	<u>8,140,000</u>	<u>120,000</u>	<u>140,000</u>	<u>120,000</u>

During the year, Cushon MT Ltd entered into a credit facility agreement. A total of £8,000,000 of this facility was utilised during the period which is secured against the assets of the company. Interest rates on the agreement are variable.

18. Deferred taxation

Group and company

	2022
	£
At beginning of year	(1,807)
Charged to profit or loss	1,807
At end of year	<u>-</u>

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Accelerated capital allowances	-	(1,807)	-	(1,807)
	<u>-</u>	<u>(1,807)</u>	<u>-</u>	<u>(1,807)</u>

19. Share capital

	2022	<i>2021</i>
	£	£
Allotted, called up and fully paid		
1,785,272 (2021 - 1,607,236) Ordinary shares of £0.001 each	1,786	1,608
645,744 (2021 - 0) Preferred A shares of £0.001 each	646	-
	<u>2,432</u>	<u>1,608</u>

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

19. Share capital (continued)

During the year 54,466 ordinary shares with a nominal value of £0.001 each were issued at £18.36 and 123,570 ordinary shares with a nominal value of £0.001 each were issued at £31.52.

Additionally, 272,331 preferred A shares with a nominal value of £0.001 each were issued at £18.36 each and 373,413 preferred A shares with a nominal value of £0.001 each were issued at £13.39 each.

Each ordinary share is entitled to one vote. In any circumstances each share has equal rights to dividends. Each share is entitled to participate in a distribution arising from a winding up of the company.

The preferred A shares have attached to them voting, dividend and capital distribution rights (including on any winding up) as set out in the articles of association.

20. Reserves

Share premium account

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

Other reserves

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

Profit and loss account

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

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

21. Share based payments

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

Options are exercisable at a price equal to the estimated fair value of the Group's shares on the date of grant.

The vesting period is three years. If the options remain unexercised after a period of ten years from the date of grant, the options expire. Options are forfeited if the employee leaves the group before the options vest.

	Weighted average exercise price (pence) 2022	Number 2022	<i>Weighted average exercise price (pence) 2021</i>	<i>Number 2021</i>
Outstanding at the beginning of the year	1,181	149,041	<i>1,076</i>	<i>89,500</i>
Granted during the year	1,870	36,277	<i>1,339</i>	<i>59,541</i>
Outstanding at the end of the year	1,325	185,318	<i>1,181</i>	<i>149,041</i>

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

The Group recognised total expenses of £89,239 (2021 - £92,315) related to equity-settled share-based payment transactions in the year.

22. Commitments under operating leases

At 31 March 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Not later than 1 year	186,170	<i>58,500</i>	186,170	<i>58,500</i>
Later than 1 year and not later than 5 years	247,307	<i>52,500</i>	247,307	<i>52,500</i>
	433,477	<i>111,000</i>	433,477	<i>111,000</i>

23. Related party transactions

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

During the prior year, 3 of the directors provided guarantees totalling £3.5m on the convertible loan note. Interest is payable on the guarantees at 8% per annum and £66,668 (2021: £273,341) was paid to the directors during the year. The interest on guarantees ceased in May 2021.

CUSHON GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

24. Post balance sheet events

On 13 April 2022, Cushon MT Limited completed its acquisition of 100% of the share capital of Creative Benefit Solutions Limited.

At the same time, Cushon MT utilised a further £22,000,000 of the agreed credit facility.

25. Controlling party

On 16 November 2022, 100% of Cushon Group Limited shares were acquired by Cushon Holdings Limited. Cushon Holdings Limited is the ultimate parent undertaking and incorporated in the United Kingdom.

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