

CASFS LTD

(Formally Sanlam Financial Services UK Limited)

Annual Report and Accounts for the year ended 31 December 2022

Registered Number - 02354894

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CASFS LTD (02354894)

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CASFS LTD (02354894)

COMPANY INFORMATION

Board of Directors

K D Hogg
A J Richards

Company Secretary

A Wright

Bankers

Barclays Bank plc
Leicester
LE87 2BB

Independent Auditors

Deloitte LLP
1 City Square
Leeds
LS1 2AL

Registered Office

Third Floor One Temple Quay
1 Temple Back East
Bristol
BS1 6DZ

Company Registration Number

02354894

DIRECTOR'S REPORT

The directors present their annual Directors' Report and audited Financial Statements for the Company for the year ended 31 December 2022.

Results and dividends

The CASFS LTD income statement for the year ended 31 December 2022, prepared under the historical cost convention and in accordance with FRS102 The Financial Reporting Standard applicable to the UK and Republic of Ireland and set out on page 10 show:

	2022	2021
	£	£
Profit/(loss) for the year after tax	<u>158,437</u>	<u>(194,006)</u>

The directors are unable to recommend the payment of a final dividend (2021: same).

Business review

Principal activity and strategy

The principal activity of CASFS (the Company) is administration of trust-based self-invested personal pension products, GIA, ISA, and Trustee SIPP products to customers and client money handling services to CASLP LTD.

The sale of CASFS's parent company, CASLP LTD, to Chesnara plc was completed on 28 April 2022.

The Company changed name from Sanlam Financial Services UK Limited to CASFS LTD on 27 May 2022.

Directors

The directors throughout the year and up to the date of this report were:

N J Fraser	resigned 27 April 2022
K D Hogg	appointed 27 April 2022
D J Mason	resigned 27 April 2022
N A Parry	resigned 1 June 2022
I Plenderleith	resigned 27 April 2022
J C Polin	resigned 27 April 2022
A J Richards	appointed 27 April 2022

No director had any material interest in any significant contract in the Company during the year.

In accordance with the requirements of section 234 of the Companies Act 2006, qualifying third party indemnity provisions were in force throughout the year for the benefit of the directors of the Company and its associated companies. Such qualifying third-party indemnity provisions remain in force as at the date of approving the Directors' Report.

DIRECTORS' REPORT

Political and charitable donations

The Company made no political or charitable donations during the year (2021: £nil).

Social, environmental and ethical issues

CASFS LTD aims to be sensitive to the cultural, social and economic needs of our local community and endeavours to protect and preserve the environment where we operate.

We seek to be honest and fair in our relationships with our customers and provide the agreed upon standard of products and services.

Being an office-based service company, the Directors believe that its activities do not materially contribute to pollution or cause material damage to the environment. However, the Company takes all practical steps to minimise its effects on the environment and to conserve energy, minimise waste and recycle work materials.

CASFS LTD's ultimate parent company, Chesnara plc, has established a sustainability programme that will act as a focal point for sustainability initiatives across the group, including CASFS.

Going concern

After making appropriate enquiries the directors confirm that they are satisfied that the company, as a group service provider, post the acquisition by Chesnara plc remains equally sustainable and has adequate resources to continue in business for the foreseeable future. Accordingly, they continue to adopt the going concern basis in the preparation of the financial statements.

Principal risks and uncertainties

The main risk that the Company is exposed to is the operational risk that it fails to meet its contractual and regulatory obligations as prescribed by the Financial Conduct Authority.

Therefore overlaying all the day-to-day activity we undertake a focussed risk management culture and regime.

Our risk processes have regard to the significance of risks, the likelihood of their occurrence, taking account of existing controls, and the costs of mitigating them. The processes are designed to manage rather than eliminate risk and, as such, provide reasonable, but not absolute assurance against loss.

DIRECTORS' REPORT

Management of financial risk

Credit and liquidity risk management

The only area where the Company is exposed to material credit risk is in relation to amounts owed by other entities within the Chesnara group through intercompany loan arrangements. The exposure to this type of financial risk is also minimal.

As these intercompany balances are payable upon demand, the liquidity risk in relation to these balances is also minimal. The intercompany loan arrangements are not subject to interest charges and therefore are not sensitive to credit risk as a result of movement in interest rates.

The company does maintain off balance sheet cash balances under the Client Assets Sourcebook (CASS) rules but there is no direct exposure.

Market risk

The Company has no exposure to market risk.

Disclosure of information to the auditor

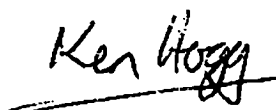
The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This information is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Auditor

Deloitte LLP ("Deloitte") were appointed independent auditor of the Company during the year.

A resolution for the re-appointment of Deloitte LLP as Auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board



K D Hogg
Director

26 April 2023

CASFS LTD (02354894)

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 of the profit or loss of the company for that period.

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

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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

A handwritten signature in black ink, appearing to read 'Ken Hogg', with a horizontal line drawn underneath it.

Ken Hogg
Director
26 April 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASFS LTD

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of CASFS LTD (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 13.

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).

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 Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASFS LTD

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

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.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASFS LTD

Extent to which the audit was considered capable of detecting irregularities, including fraud
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.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included the regulations of the Financial Conduct Authority.

We discussed among the audit engagement team including relevant internal specialists such as IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and internal audit concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with the Financial Conduct Authority.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CASFS LTD

Report on other legal and regulatory requirements

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.

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 any material misstatements in the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Matthew Bainbridge (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
26 April 2023

CASFS LTD (02354894)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £	2021 £
Revenue	3	867,322	1,005,063
Administrative expenses	4	<u>(1,038,640)</u>	<u>(1,199,788)</u>
Operating loss		(171,318)	(194,725)
Interest receivable and similar income	5	<u>21,287</u>	<u>719</u>
Loss on ordinary activities before taxation		(150,031)	(194,006)
Income tax credit	6	308,468	-
Profit/(loss) for the year and taxation/total comprehensive loss		<u>158,437</u>	<u>(194,006)</u>

The accompanying notes and information form part of these financial statements.

CASFS LTD (02354894)

**BALANCE SHEET
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Current Assets			
Debtors	7	356,940	194,210
Cash at bank		1,139,212	1,672,534
		<u>1,496,161</u>	<u>1,866,744</u>
Current Liabilities			
Creditors – amounts falling due within one year	8	44,041	573,060
		<u>44,041</u>	<u>573,060</u>
Net Assets		<u>1,452,121</u>	<u>1,293,684</u>
Capital and reserves			
Share capital	9	7,910,002	7,910,002
Retained earnings		(6,457,881)	(6,616,318)
Total shareholder's equity		<u>1,452,121</u>	<u>1,293,684</u>

The accompanying notes and information form part of these financial statements.

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

These financial statements were approved and authorised for issue by the Board of Directors on 26 April 2023 and were signed on its behalf by:



KD Hogg
Director
26 April 2023

CASFS LTD (02354894)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £	Share premium £	Retained earnings £	Total shareholders' funds £
Balance as at 31 December 2020	340,002	6,820,000	(6,422,312)	737,690
Issue of share capital	15,000	735,000	-	750,000
(Loss) for the year after taxation	-		(194,006)	(194,006)
Balance as at 31 December 2021	355,002	7,555,000	(6,616,318)	1,293,684
Profit for the year after taxation	-	-	158,437	158,437
Balance as at 31 December 2022	355,002	7,555,000	(6,457,881)	1,452,121

The accompanying notes and information form part of these financial statements.

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

1. General information

CASFS LTD (the Company) is a limited by shares company incorporated and domiciled in England and Wales. The address of the registered office is Third floor, One Temple Quay, 1 Temple Back East, Bristol BS1 6DZ.

The Company provides administration of trust-based self-invested personal pension products, GIA, ISA, and Trustee SIPP products to customers and provides client money handling services to CASLP LTD.

These financial statements were authorised for issue by the Directors on 26 April 2023.

2. Accounting policies

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards (FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland).

Basis of preparation

The Company financial statements have been prepared on a going concern basis. In previous years the Company has made losses but a result of the acquisition by Chesnara plc is that a new operating model will be introduced, and the expectations are that expenses will fall substantially in the come years and allow the Company to become profit making. Therefore, the Directors believe that they have a reasonable expectation based on forecast trading results that the Company has adequate resources to continue in operational existence for the foreseeable future.

The financial statements are presented in pounds sterling, the Company's functional currency and are prepared on the historic cost basis.

Assets and liabilities are presented on a current and non-current basis in the notes to the financial statements. If assets are expected to be recovered and liabilities expected to be settled within a year, they are classified as current, if they are expected to be recovered or settled in more than one year, they are classified as non-current.

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

Revenue

Turnover represents administration fees and other charges earned on trust-based self-invested personal pension products as well as administration fees on Portal GIA, ISA, and Trustee SIPP products. All revenue arises wholly in the United Kingdom.

Revenue is principally based on an agreed percentage of assets being administered over a period of administration. It represents amounts receivable for services provided in the normal course of business, net of discounts, VAT and other sales-related taxes, accounted for on an accruals basis.

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

Administrative expenses

Administrative expenses principally represents amounts invoiced from group undertakings in respect of staff resources and general overheads utilised to provide administrative services to other group undertakings. Amounts invoiced are based on a pre-determined re-charge of allocated resources and overheads based on the number of policies.

Interest receivable and similar income

Interest receivable represents interest on funding activities and is accrued on a daily basis at rates agreed by the relevant parties from time to time and is accounted for on an accruals basis.

Balance due from group companies

Balance due from group companies represents amounts owed by other companies in the Chesnara group.

Prepayments

Prepayments represent payments made where the expenditure will be charged to future accounting periods.

Accrued Income

Accrued income represents income which has been recognised in the accounting period where the payment has not yet been received.

Internal portal debtors

When client assets have not been realised within ten working days of the client's surrender or withdrawal request the Company loans money to the client until the assets have been sold. The loan goes directly to the client from the Company expense account and does not impact on client money. Any amounts due from policyholders are repaid as the assets are realised and within a month.

Cash at bank

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

Debtors

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

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

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities including loans are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Balance due to group companies

Balances due to group companies represent amounts owed to other companies in the Chesnara group.

Accruals

Accruals represent expenditure which has been recognised in the accounting period due to receipt of goods or services but where payment had not yet been made.

Employee information

The directors are employed and paid by the Company's parent undertaking (CASLP) or CASLP's parent undertaking Chesnara plc.

The Company has no employees. The costs of any staff are borne by CASLP. CASLP levies management fees on the Company based upon number of policies and new volumes of business processed.

Client Money

The Company was subject to the FCA's Client Money Rules during the year. Amounts held for clients are accounted for through separate bank accounts which do not form part of these financial statements.

The Company continues to employ Hubwise Securities Limited to manage the external Assets under Administration and client money services.

Deferred tax

In accordance with FRS 102 Section 29 Income Tax, deferred tax liabilities are recognised on a full provision basis.

Deferred tax assets are recognised only to the extent that the directors consider it is more likely than not that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates 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.

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

Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates and legislation enacted or substantively enacted at the reporting date, together with adjustments to estimates made in prior years.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income.

Critical accounting judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affected the reported amount of assets and liabilities as well as the disclosure of contingent assets and liabilities at the period end date and the reported amounts of revenues and expenses during the reporting period.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting judgements, estimates and assumptions

The directors do not believe the Company has any critical accounting judgements, estimates and assumptions in producing these financial statements.

Exemptions taken

The Company has taken advantage of the following IFRS exemptions:

- Given by FRS 102 1.12 (b) to subsidiary undertakings, where the Company is a member of a group where the parent prepares publicly available consolidated financial statements. A cash flow statement is prepared by the ultimate parent company that includes the cash flows of the Company. Details of the ultimate parent company are given in note 10 to the financial statements.
- Given within FRS 102, paragraph 33.1a, relating to subsidiary undertakings which are 100% owned by the Group and whose financial statements are publicly available. Therefore, no transactions with fellow subsidiary undertakings, or with the ultimate parent company, Chesnara plc, have been disclosed.
- In line with the Companies Act 2006 Part 2 Section 414B, the Company is entitled to the Small Companies exemption in relation to the Strategic Report. This is in accordance with the Small Companies regime which the Company qualifies for under the Companies Act 2006, Section 383, Subsection 4.

3. Revenue

	2022	2021
	£	£
Fee income		
Portal / SIPP Administration charges	<u>867,322</u>	<u>1,005,063</u>

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

4. Administrative expenses

The principal administrative expense relates to amounts invoiced by group undertakings in respect of staff resources and general overheads.

	2022	2021
	£	£
Fees from group undertakings	522,528	1,043,310
*Auditor's remuneration	28,800	23,124
*Audit related assurance services	132,000	56,509
Other administrative expenses	355,312	76,845
	<u>1,038,640</u>	<u>1,199,788</u>

<u>Directors' remuneration</u>	2022	2021
	£	£
Salary Costs include the following:		
Directors' emoluments	-	8,661
Bonuses	-	320
Pension Contributions	-	322
Compensation payments for loss of office	-	-
Long Term Incentive Scheme	-	3,179
Other benefits	-	15
	<u>-</u>	<u>12,497</u>

During 2022 directors were remunerated by other Group companies, both prior and post the purchase by Chesnara, they were not remunerated specifically for the role as directors of CASFS.

In respect of 2021 the above tabular disclosure is an allocation of £1,415,406 the directors' total remuneration received reflecting the element attributable to the qualifying services provided by the directors of the company.

*Inclusive of VAT

5. Interest receivable and similar income

	2022	2021
	£	£
Interest received from cash on deposit	<u>21,287</u>	<u>719</u>

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

6. Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on losses for the year	-	-
Adjustment in respect of prior periods	(308,468)	-
	<u>(308,468)</u>	<u>-</u>
Tax current tax credit		
	<u>(308,468)</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Adjustment in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
Impact of change in tax rate	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax on profit on ordinary activities	<u>(308,468)</u>	<u>-</u>

The adjustment in respect of prior periods represents payment for group relief surrenders made at the prevailing tax rate.

Reconciliation of tax charge

The differences between the tax assessed for the period and the standard rate of corporation tax are explained as follows:

	2022	2021
	£	£
Loss on ordinary activities before tax	(150,031)	(194,006)
Loss multiplied by the standard rate of tax in the UK of 19% (2021:19%)	(28,506)	(36,861)
Effects of:		
Prior year adjustment	(308,468)	-
Deferred tax not recognised	28,506	36,861
Tax charge/(credit) for the year	<u>(308,468)</u>	<u>-</u>

Tax rate changes

On 03 March 2021, the Chancellor announced that the main rate of UK corporation tax would rise from 19% to 25% from 01 April 2023. This change was substantively enacted on 24 May 2021 and therefore deferred tax balances are reflective of this rate to the extent that they will realise post April 2023.

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

Deferred Tax

The company has not recognised a deferred tax asset at the balance sheet date as it is not considered probable that future taxable profit will be available against which carried forward losses can reverse. Specifically, a deferred tax asset has not been recognised in respect of the following items:

	2022	2021
	£	£
Tax losses carried forward	(5,705,782)	(7,179,270)
Total	<u>(5,705,782)</u>	<u>(7,179,270)</u>

7. Debtors

	2022	2021
	£	£
Prepayments and accrued income	149,340	135,833
Owing from parent company	205,703	-
Internal portal debtors	1,907	58,377
	<u>356,950</u>	<u>194,210</u>

8. Creditors

	2022	2021
	£	£
Balance due to group companies	-	518,306
Accruals	23,423	44,815
VAT accrual	20,617	9,939
	<u>44,041</u>	<u>573,060</u>

Balance due to group companies as at the 31 December 2021 were settled during 2022 as part of the acquisition by Chesnara plc.

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

9. Share capital

	2022	2021
	£	£
Authorised		
Ordinary shares of £1 each	365,000	365,000
	<u>365,000</u>	<u>365,000</u>
Issued		
Ordinary shares of £1 each	355,002	355,002
Share Premium	7,555,000	7,555,000
	<u>7,910,002</u>	<u>7,910,002</u>

10. Contingencies

The Company has no contingent liabilities as at 31 December 2022 (2021: nil).

11. Capital commitments

There were no material capital commitments as at 31 December 2022 (2021: nil).

12. Related party disclosures

The Company has related party balances with other entities in the Chesnara group in the normal course of business including the balance relating to the group tax relief surrender. These balances are all made on normal commercial terms.

13. Parent undertaking

The immediate parent company is CASLP LTD and the ultimate holding company is Chesnara plc, both are companies registered in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Chesnara plc.

The consolidated accounts of this group and the entity accounts of the ultimate holding company are available to the public and may be obtained from:

Chesnara plc
2nd Floor
Building 4 West Strand
Preston
PR1 8UY