

REGISTERED NUMBER: 03515447 (England and Wales)

**Annual Report and
Financial Statements for the Year Ended 31 December 2021
for
Intrum UK Group Limited**

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for the Year Ended 31 December 2021

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Intrum UK Group Limited

Company Information
for the Year Ended 31 December 2021

DIRECTORS:

E Nott
I Robertson
A Willumsen

REGISTERED OFFICE:

The Omnibus Building
Lesbourne Road
Reigate
Surrey
RH2 7JP

REGISTERED NUMBER:

03515447 (England and Wales)

AUDITOR:

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The principal activity of Intrum UK Group Limited (the Company) is that of a holding company and servicing intercompany loans. The principal activities of the subsidiaries are the purchase and collection of non-performing loan portfolios ('NPL's') in the UK.

The Company's loss after tax for the year was £256k (2020: £261k). The Company had net liabilities of £6.4m (2020: £6.2m) at the year end.

KEY PERFORMANCE INDICATORS

The following Key Performance Indicators are used to monitor the progress of the business:

	2021 £'000	2020 £'000
Pre-tax loss	261	261
Equity	(6,409)	(6,153)

GOING CONCERN

The Company's business activities are set out in the "Principal activity and business review" section above. The Company relies on funding made available from the immediate and ultimate parent company, Intrum AB (publ). The directors, including receiving confirmation from the parent company that it will continue to provide financial support, have satisfied themselves that there is no reason to believe that a material uncertainty exists that may cast significant doubt about the ability or willingness of the Parent to continue with the current financing arrangements. After making enquiries, the directors have a reasonable expectation that the Company and Intrum AB (publ) have adequate resources to continue in operational existence for the foreseeable future. Intrum AB (publ) is willing to continue to support the Company as it is of strategic importance and is the top UK Group entity. The period assessed by the directors for the purposes of assessing going concern is at least 12 months from date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES AND FINANCIAL RISK MANAGEMENT

The Directors recognise that the proper management of risk is crucial to the business. This process is managed through a risk register which is reviewed by a Board committee each quarter and by the full Board annually or more frequently if required.

The principal risks to this company relate to the carrying value of its investments and intercompany balances, which rely upon the financial performance of its subsidiaries. There is no expectation for the intercompany balances to be repaid.

Interest rate risk

Interest rate risks relate primarily to interest-bearing net debt, which amounted to £6.4m on 31 December 2021. The loan rate is tied to the market rate. A one-percent increase in market interest rates would have adversely affected profit/loss of the Company by approximately £64k (2020: £61k). A five-percent increase would have adversely affected profit/loss of the Company by £320k (2020: £307k). Interest rate risk is not actively managed.

Liquidity risk

The Company is subject to the risk that it will not have sufficient borrowing facilities to fund the repayment of net liabilities upon due date. The Company reduces this risk by having an overdraft facility within the group which can be called upon at any time and committed debt facilities from the Ultimate Controlling Parent. These facilities are sufficient to meet the funding requirements of the Company's net liabilities.

Economic uncertainty

The directors recognise that changes in the economy may lead to differing market conditions.

In 2021 the impact of the Coronavirus crisis did not have significant adverse repercussions on the Company's financial position. The roll-out of the various vaccine campaigns has indicated some positive signs and hence with the return of management to the office, we do not believe that the COVID-19 pandemic will have a large impact on the operations of the Company going forward. At the time of signing the directors do not consider Covid-19 to impact the Company's ability to continue as a going concern.

Beginning in February 2022, in response to the Russian invasion of Ukraine, the UK and other governments imposed sanctions and other restrictive measures on certain Russian entities and individuals. The Company is not exposed either directly or indirectly to such entities and individuals, and at the date of issuing these financial statements there was no financial impact in relation to these sanctions. The directors of the Company expect no financial impact in future periods from the prolonged effect of sanctions, and continue to monitor the situation, both internally and externally, to ensure compliance with any regulatory or legal changes which may impact operations as the conflict continues and sanctions extend to other countries.

The Company can be at risk with the current cost of living crisis impacting global economic activity with UK being heavily impacted. The directors are assessing any impact this crisis may have on the Company. At the time of signing the directors do not consider economic crisis to impact the Company's ability to continue as a going concern.

FUTURE DEVELOPMENTS

The directors do not expect there to be a change in the principal activity over the coming year.

Approved by the Board of Directors and signed on its behalf by:



.....
E Nott - Director

The Omnibus Building
Lesbourne Road
Reigate
Surrey
RH2 7JP

Date: 10/03/2023

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

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £256k (2020: £261k).

The directors do not recommend the payment of a dividend (2020: £Nil).

DIRECTORS

The directors who served during the year and to the date of this report, unless otherwise stated, were:

E Nott

I Robertson

A Willumsen

J Reuszner (resigned on 30 September 2021)

None of the directors had any interest in the shares of the Company. There are no directors' interests requiring disclosure under the Companies Act 2006.

DIRECTORS' INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

MATTERS COVERED IN THE STRATEGIC REPORT

See the Strategic Report for details of the principal activity, going concern, financial risk management and future developments which form part of this report by cross-reference.

COVID-19

In 2021 the impact of the Coronavirus crisis did not have significant adverse repercussions on the entities balance sheet strength and financial position. The roll-out of the various vaccine campaigns has indicated some positive signs and hence with the return of management to the office, the directors do not believe that the COVID-19 pandemic will have a large impact on the operations of the Company going forward. At the time of signing the directors do not consider Covid-19 to impact the Company's ability to continue as a going concern.

EVENTS AFTER THE BALANCE SHEET DATE

On 4 January 2022, the following entities indirectly held by the Company were dissolved:

Intrum UK Finance 6 Limited

Intrum UK Finance 7 Limited

Intrum UK Finance 8 Limited

Intrum UK Finance 9 Limited

Intrum UK Finance 10 Limited

On 24 May 2022, LBHF Joint Ventures Limited, a company indirectly held by the Company, was also dissolved.

The investments had been fully impaired to £nil previously, as such, the dissolution of the investments did not have any impact on the carrying value of the investments.

Beginning in February 2022, in response to the Russian invasion of Ukraine, the UK and other governments imposed sanctions and other restrictive measures on certain Russian entities and individuals. The Company is not exposed either directly or indirectly to such entities and individuals, and at the date of issuing these financial statements there was no financial impact in relation to these sanctions. The directors of the Company expect no financial impact in future periods from the prolonged effect of sanctions, and continue to monitor the situation, both internally and externally, to ensure compliance with any regulatory or legal changes which may impact operations as the conflict continues and sanctions extend to other countries.

The Company can be at risk with the current cost of living crisis impacting global economic activity with UK being heavily impacted. The directors are assessing any impact this crisis may have on the Company. At the time of signing the directors do not consider economic crisis to impact the Company's ability to continue as a going concern.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who is a director 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's auditor is unaware, and
- the director has taken all the steps that they ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

AUDITORS

Following the conclusion of the Annual General Meeting of Intrum AB (publ) held on 29 April 2021, Deloitte AB has been appointed as its auditor. Accordingly, Deloitte LLP has been appointed as auditor of Intrum UK Group Limited on 13 June 2022 in place of Ernst & Young LLP.

The auditor, Deloitte LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board of Directors and signed on its behalf by:



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E Nott - Director
The Omnibus Building
Lesbourne Road
Reigate, Surrey
RH2 7JP
Date:10/03/2023.....

Directors' Responsibilities Statement
for the Year Ended 31 December 2021

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, including Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and of the profit or loss of the Company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards including FRS 101 have been followed, subject to any material departures disclosed and explained in the financial statements; 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.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTRUM UK GROUP LIMITED

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Intrum UK Group Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 101 "Reduced Disclosure Framework"; 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 statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 18.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

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.

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 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 AUDITOR'S REPORT TO THE MEMBERS OF INTRUM UK GROUP LIMITED

(continued)

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.

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 about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework 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 the 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.

We discussed among the audit engagement team 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 external legal counsel 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INTRUM UK GROUP LIMITED

(continued)

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.

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.



Christopher Mather, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom
Date: 10 March 2023

Intrum UK Group Limited

Statement of comprehensive income
for the Year Ended 31 December 2021

	Note	2021 £'000	2020 £'000
Administrative expenses	4	(38)	(15)
OPERATING LOSS		<u>(38)</u>	<u>(15)</u>
Interest payable and similar expenses	5	(223)	(246)
LOSS BEFORE TAXATION		<u>(261)</u>	<u>(261)</u>
Tax on loss	6	5	-
LOSS FOR THE FINANCIAL YEAR		<u>(256)</u>	<u>(261)</u>
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u><u>(256)</u></u>	<u><u>(261)</u></u>

All activities derive from continuing activities.

The notes on pages 13 to 20 are an integral part of these financial statements.

Intrum UK Group Limited

Statement of Financial Position
As at 31 December 2021

		2021 £'000	Restated 2020 £'000
	Note		
NON-CURRENT ASSETS			
Investments	7	-	-
CURRENT ASSETS			
Debtors: amounts falling due within one year	8	-	-
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	9	(56)	(16)
NET CURRENT LIABILITIES		(56)	(16)
TOTAL ASSETS LESS CURRENT LIABILITIES		(56)	(16)
NON-CURRENT LIABILITIES			
Creditors: amounts falling due after more than one year	10	(6,353)	(6,137)
NET LIABILITIES		(6,409)	(6,153)
EQUITY			
Called up share capital	13	88,100	88,100
Profit and loss account	14	(94,509)	(94,253)
TOTAL EQUITY		(6,409)	(6,153)

The notes on pages 13 to 20 are an integral part of these financial statements.

The financial statements of Intrum UK Group Limited (Registered number: 03515447) were approved by the Board of Directors and authorised for issue on10/03/2023..... They were signed on its behalf by:



.....
E Nott - Director

Intrum UK Group Limited

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share Capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 January 2020	88,100	(93,992)	5,892
Total comprehensive loss for the year	-	(261)	(261)
Balance at 31 December 2020	88,100	(94,253)	(6,153)
Total comprehensive loss for the year	-	(256)	(256)
Balance at 31 December 2021	88,100	(94,509)	(6,409)

The notes on pages 13 to 20 are an integral part of these financial statements.

1. ACCOUNTING POLICIES

1.1 General information and basis of preparation

Intrum UK Group Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is The Omnibus Building, Lesbourne Road, Reigate, Surrey, RH2 7JP.

The principal activity of the Company is that of a holding company and servicing intercompany loans.

The financial statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standard 101 (FRS 101) 'Reduced Disclosure Framework' and the Companies Act 2006.

The Company is a qualifying entity for the purposes of FRS 101. Note 18 gives details of the Company's ultimate parent and from where its consolidated financial statements prepared in accordance with IFRS as adopted by the EU may be obtained.

The functional and presentational currency of Intrum UK Group Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

1.2 Financial reporting standard 101 - reduced disclosure exemptions

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

- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirement in paragraph 38 of IAS1 'Presentation of Financial Statements' to present comparative information in respect of:
 - paragraph 79(a)(IV) of IAS 1;
- the requirement of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS7 Statement of Cash Flows
- the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures.

1.3 Adoption of new and revised standards

New and amended IFRS Standards that are effective for the current year

In the current year, the following amendments to IFRS Standards and Interpretations issued by IASB have become effective, however, their adoption has not had an impact on the disclosure or on the amounts reported in these financial statements:

- Amendments to IFRS 9: Interest Rate Benchmark Reform Phase 2
- Amendments to IFRS 16: Leases - COVID-19 Related Rent Concessions

1.4 Consolidation exemption

The Company is exempt from the preparation and delivery of consolidated financial statements because it is included in the group financial statements of Intrum AB (publ). The group financial statements of Intrum AB (publ) are available to the public and can be obtained as set out in note 18.

1. ACCOUNTING POLICIES - continued

1.5 Going concern

The Company relies on funding made available from the immediate and ultimate parent company, Intrum AB (publ). The directors, including receiving confirmation from the parent company that it will continue to provide financial support, have satisfied themselves that there is no reason to believe that a material uncertainty exists that may cast significant doubt about the ability or willingness of the Parent to continue with the current financing arrangements. After making enquiries, the directors have a reasonable expectation that the Company and Intrum AB (publ) have adequate resources to continue in operational existence for the foreseeable future. Intrum AB (publ) is willing to continue to support the Company as it is of strategic importance and is the top UK Group entity. The period assessed by the directors for the purposes of assessing going concern is at least 12 months from date of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

1.6 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are measured initially at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (except for those carried at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of Comprehensive Income.

Financial assets

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

Financial assets at amortised cost

Financial assets at amortised cost are initially measured at fair value, plus transaction costs, and subsequently measured at amortised cost using the effective interest method, less impairment loss allowance.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. Discounting is omitted where the effect of discounting is immaterial.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Impairment of financial assets

The Company holds material amounts due from group undertakings on its balance sheet. The expected credit loss (ECL) is 100% as the balance has been fully impaired in recent years.

The Company has applied the low credit risk exemption to cash and cash equivalents and the simplified approach to trade and other receivables.

1. ACCOUNTING POLICIES - continued

1.6 Financial instruments - continued

Derecognition of financial assets

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred.

Financial liabilities

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

Financial liabilities at amortised cost

Financial liabilities at amortised cost are initially measured at fair value, net of transaction costs, and subsequently measured at amortised cost using the effective interest rate method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

1.7 Interest receivable and interest payables

Interest income and expense are recognised in the Statement of Comprehensive Income using the effective interest method.

1.8 Taxation

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

1.9 Equity, reserves and dividend payments

Share capital represents the nominal (par) value of shares that have been issued.

Profit and loss account includes all current and prior period retained profits.

1. ACCOUNTING POLICIES - continued

1.10 Critical accounting judgements and key sources of estimation uncertainty

When preparing the financial statements, management makes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

During the year there were no key sources of estimation uncertainty or critical judgements made by the Directors.

2. AUDITOR'S REMUNERATION

The Company paid the following amounts to its auditor in respect of the statutory audit of the financial statements:

	2021 £'000	2020 £'000
Fees for the audit of the Company - current year	10	5
Fees for the audit of the Company - prior year	10	-
	<u>20</u>	<u>5</u>

There is no remuneration paid to the auditor in respect of non-audit services (2020: £nil).

3. EMPLOYEES AND DIRECTORS' REMUNERATION

The Company has no employees other than the directors, who did not receive any remuneration for their services to the Company (2020: £nil) and are paid by Intrum UK Limited. It is not practicable to allocate an amount from Intrum UK Limited to the Company due to the absence of any suitable basis of allocation. The costs of the directors included in Intrum UK Limited are:

	2021 £'000	Restated 2020 £'000
Directors' emoluments	699	652
	<u>699</u>	<u>652</u>

4. EXPENSES BY NATURE

Administrative expenses comprise the following:

	2021 £'000	2020 £'000
Recurring other operating expenses	38	15
	<u>38</u>	<u>15</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £'000	2020 £'000
Interest payable on loans from group undertakings	223	246
	<u>223</u>	<u>246</u>

6. TAXATION

Analysis of tax expense

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Factors affecting the tax expense/(credit)

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK. The difference is explained below :

	2021 £'000	2020 £'000
Loss before income tax	(261)	(261)
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	<u>(50)</u>	<u>(50)</u>
Effects of:		
Expenses not deductible	45	47
Effects of group relief/other reliefs	6	3
Receipt of group relief	(6)	-
Tax credit	<u>(5)</u>	<u>-</u>

Factors that may affect future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%). In the Finance Bill 2021, the Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021.

7. INVESTMENTS

The cost of investments of £71.6m were fully impaired to a carrying value of nil as at 31 December 2021 and 2020.

The Company has investments in the following entities:

Name	Holding	%
Intrum UK Funding Limited*	Ordinary shares	100%
Intrum UK Acquisitions Limited	Ordinary shares	100%
Intrum UK Holdings Limited	Ordinary shares	100%
Intrum UK Limited	Ordinary shares	100%
Intrum UK Finance Limited	Ordinary shares	100%
Intrum UK Finance 6 Limited - dissolved 4 January 2022	Ordinary shares	100%
Intrum UK Finance 7 Limited - dissolved 4 January 2022	Ordinary shares	100%
Intrum UK Finance 8 Limited - dissolved 4 January 2022	Ordinary shares	100%
Intrum UK Finance 9 Limited - dissolved 4 January 2022	Ordinary shares	100%
Intrum UK Finance 10 Limited - dissolved 4 January 2022	Ordinary shares	100%
Intrum UK Holdings 2 Limited*	Ordinary shares	100%
Intrum UK 2 Limited*	Ordinary shares	100%
LBHF Joint Ventures Limited - dissolved 24 May 2022	Ordinary shares	49%
I.N.D. Limited	Ordinary shares	100%

The registered office address of all the entities is The Omnibus Building, Lesbourne Road, Reigate, Surrey, RH2 7JP, United Kingdom.

*indicates the entity is held directly by Intrum UK Group Limited.

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Amounts owed by group undertakings of £5.7m (2020: £5.7m) have been fully impaired to nil (2020: £nil) at the year end. Amounts due from group undertakings are unsecured and repayable on demand.

In prior year, the amounts owed by group undertakings were included within 'Debtors: Amounts falling due after more than one year'. As the amounts are repayable on demand, these have now been included within debtors due within one year and the comparatives restated. The outstanding amounts have been fully impaired at both, current and prior yearend, there is no impact of the restatement on the financial statements of the Company.

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Amounts owed to Intrum UK Limited	24	-
Accruals	32	16
	<hr/> 56	<hr/> 16

Amounts owed to Intrum UK Limited are unsecured, subject to a market rate of interest and are repayable on demand.

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £'000	2020 £'000
Amounts owed to Intrum AB (publ)	6,353	6,137
	<u>6,353</u>	<u>6,137</u>

Amounts owed to Intrum AB (publ) are unsecured, subject to a market rate of interest and are repayable in 2024.

11. FINANCIAL INSTRUMENTS

	2021 £'000	2020 £'000
Financial liabilities		
Financial liabilities measured at amortised cost	6,377	6,137
	<u>6,377</u>	<u>6,137</u>

Financial liabilities measured at amortised cost comprise amounts owed to group undertakings.

12. DEFERRED TAXATION

The Company has unrecognised deferred tax assets of £916k (2020: £696k) in respect of unused tax losses of £3,663k (2020: £3,663k).

13. SHARE CAPITAL

Authorised: Number:	Class:	Nominal value:	2021 £'000	2020 £'000
92,001,000	Ordinary shares	£1 each	<u>92,001</u>	<u>92,001</u>
Allotted, issued and fully paid: Number:	Class:	Nominal value:	2021 £'000	2020 £'000
88,100,002	Ordinary shares	£1 each	<u>88,100</u>	<u>88,100</u>

14. RESERVES

Reserves of the Company represent the following:

Profit and loss account

Cumulative profit and loss net of distributions to owners.

15. CONTINGENT LIABILITIES

The Company does not have any contingent liabilities as at 31 December 2021 (2020: £nil).

16. EVENTS AFTER THE BALANCE SHEET DATE

Since the period under review, the rapid spreading of Covid-19 has continued to be a significant emerging risk to the global economy. The directors continue to monitor the impact of the virus on the business as more information about the epidemic emerges. The Company is able to effectively operate remotely and has therefore not experienced any significant operational delays. This is however a period of uncertainty for the UK and the directors continue to monitor the risk to the Company. At the time of signing the directors do not consider Covid-19 to impact the Company's ability to continue as a going concern.

On 4 January 2022, the following entities indirectly held by the Company were dissolved:

Intrum UK Finance 6 Limited
Intrum UK Finance 7 Limited
Intrum UK Finance 8 Limited
Intrum UK Finance 9 Limited
Intrum UK Finance 10 Limited

On 24 May 2022, LBHF Joint Ventures Limited, a company indirectly held by the Company, was also dissolved.

The investments had been fully impaired to £nil previously, as such, the dissolution of the investments did not have any impact on the carrying value of the investments.

Beginning in February 2022, in response to the Russian invasion of Ukraine, the UK and other governments imposed sanctions and other restrictive measures on certain Russian entities and individuals. The Company is not exposed either directly or indirectly to such entities and individuals, and at the date of issuing these financial statements there was no financial impact in relation to these sanctions. The directors of the Company expect no financial impact in future periods from the prolonged effect of sanctions, and continue to monitor the situation, both internally and externally, to ensure compliance with any regulatory or legal changes which may impact operations as the conflict continues and sanctions extend to other countries.

The Company can be at risk with the current cost of living crisis impacting global economic activity with UK being heavily impacted. The directors are assessing any impact this crisis may have on the Company. At the time of signing the directors do not consider economic crisis to impact the Company's ability to continue as a going concern.

17. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption available in paragraph 17 and 18A of IAS 24 Related Party Disclosures to not disclose transactions with other wholly owned subsidiaries in the group.

18. CONTROLLING PARTY

The immediate parent company and ultimate controlling party is Intrum AB (publ), a company incorporated in Sweden.

The parent undertaking of the smallest and largest group, which includes the Company and for which group financial statements are prepared, is Intrum AB (publ), a company incorporated in Sweden registered at Marcusplatsen 1A, Nacka, SE-105 24, Stockholm, Sweden. The consolidated financial statements for this group are available to the public and may be obtained from the registered office.