

Company registration no. 05428054 (England and Wales)

**Core Financial Services Ltd**

**Annual Report and Financial Statements  
For the year ended 31 October 2020**



## **Contents**

**For the year ended 31 October 2020**

	<b>Page</b>
Company Information	1
Directors' Report	2-3
Statement of Directors' responsibilities	4
Independent Auditor's Report	5-7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11-17

## **Company Information**

**For the year ended 31 October 2020**

### **Directors**

Mr A Hudson  
Mrs A Larvin  
Mr P K Wright

### **Auditors**

Saffery Champness LLP  
71 Queen Victoria Street  
London  
EC4V 4BE

### **Registered Office**

AFH House  
Buntsford Drive  
Stoke Heath  
Bromsgrove  
Worcestershire  
B60 4JE

## **Directors' Report**

**For the year ended 31 October 2020**

The Directors submit their report for Core Financial Services Ltd for the year ended 31 October 2020.

### **DIRECTORS**

The Directors who served the company during the year were as follows:

Mr A Hudson  
Mrs A Larvin  
Mr P K Wright

### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £446,138 (period ended 31 October 2019: £1,518,201). The Directors paid a dividend of £1,750,000 for the year ended 31 October 2020 (period ended 31 October 2019: £Nil).

### **STRATEGIC REPORT**

As permitted by section 414B of the Companies Act 2006, the Company is entitled to the small companies' exemption in relation the strategic report for the financial period.

### **DIRECTORS' INDEMNITY**

The directors confirm that no qualifying third party indemnity provision in favour of any of the directors of the company, as defined by s236 of the Companies Act 2006, either by the company or by any other party, was in force at the time of signing of this report, and that no such provision had been in force at any time in the financial year.

### **ECONOMIC ENVIRONMENT**

As at the time of the signing of the financial statements the global Covid-19 pandemic continues to impact on global stock markets, short term business confidence and UK companies' ability to continue normal trading conditions. We expect our recurring revenue to be impacted by global stock markets movements as the global pandemic continues to unfold, however, many client assets are held in non-equity instruments and the impact of the markets on revenue is considerably diluted. The Directors are actively monitoring the position on a regular basis and reviewing cash flow forecasts. Following this crisis we expect there to be increased demand for financial planning services.

### **ENVIRONMENTAL AND SAFETY CONSIDERATIONS**

Commitment to safety is the company's first consideration. The number of accidents is the first key performance indicator reported on to group every month. Any accidents at the workplace are recorded, fully investigated and corrective action instigated at the earliest opportunity. Active communication and training campaigns are implemented and information is shared with the group. The company is fully involved in the group's Industrial Management System which aims to reduce both the incidence and the impact of accidents.

### **FINANCIAL RISK FACTORS**

The Company's activities expose it to a variety of financial risks: market risk, including interest rate risk and cash flow risk, credit risk and liquidity risk. The Company's overall risk management programme seeks to minimise potential adverse effects on the Company's financial performance.

### **MARKET RISK, INTEREST RATE RISK AND CASH FLOW RISK**

The Company's main sources of revenue and operating cash flows are substantially independent of changes in market interest rates. The Company has no significant interest-bearing assets or significant variable rate interest-bearing liabilities.

## **Directors' Report**

**For the year ended 31 October 2020**

### **CREDIT RISK**

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as commercial transactions. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board. The utilisation of credit limits is regularly monitored. The Company receives the majority of its income directly from blue chip financial institutions in accordance with instructions placed by its clients thereby minimising the risk of incurring bad debts.

### **LIQUIDITY RISK**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding and the ability to close out market positions. The Company maintains flexibility by maintaining significant headroom in its cash position. Management monitors forecasts of the Company's liquidity on the basis of expected cash flows. This is carried out in accordance with recommended accounting practice and limits set by the Group. The Board reviews the Company's liquidity at its monthly meetings.

### **CAPITAL RISK MANAGEMENT**

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an appropriate capital structure to reduce the cost of capital.

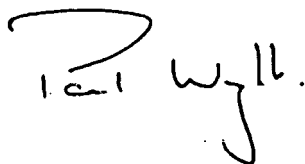
### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

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

### **AUDITORS**

A resolution proposing that Saffery Champness LLP be reappointed as auditors of the Group and its Subsidiaries will be put to the members at the Annual General Meeting.



**Mr P K Wright**

Director

19 February 2021

## **Statement of Directors' responsibilities in respect of the financial statements**

**For the year ended 31 October 2020**

The directors are responsible for preparing the Directors' 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). 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 year.

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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements

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.

## **Independent Auditor's Report to the members of Core Financial Services Ltd**

**For the year ended 31 October 2020**

### **Opinion**

We have audited the financial statements of Core Financial Services Limited for the year ended 31 October 2020 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101, 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2020 and its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including FRS 101; 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other

## **Independent Auditor's Report to the members of Core Financial Services Ltd**

**For the year ended 31 October 2020**

information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact.

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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, 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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



## Independent Auditor's Report to the members of Core Financial Services Ltd

For the year ended 31 October 2020

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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of our report

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



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Jamie Cassell (Senior Statutory Auditor)  
for and on behalf of Saffery Champness LLP

Chartered Accountants  
Statutory Auditors

71 Queen Victoria Street  
London  
EC4V 4BE

Date 19 February 2021

## **Statement of Comprehensive Income**

For the year ended 31 October 2020

	Notes	Year ended 31 October 2020 £	13 month 2 day period to 31 October 2019 £
<b>Revenue</b>	3	1,823,639	3,728,802
Cost of sales		(899,795)	(1,686,330)
<b>Gross profit</b>		<u>923,844</u>	<u>2,042,472</u>
Administration expenses		(286,625)	(402,977)
<b>Operating profit</b>	4	<u>637,219</u>	<u>1,639,495</u>
Other Income		-	370
<b>Profit before taxation</b>		<u>637,219</u>	<u>1,639,865</u>
Taxation	7	(191,081)	(121,664)
<b>Profit for the year</b>		<u>446,138</u>	<u>1,518,201</u>

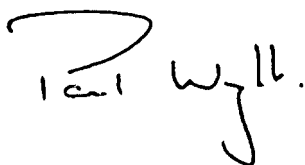
All results derive from continuing operations.

## Statement of Financial Position

As at 31 October 2020

	Notes	31 October 2020 £	31 October 2019 £
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	9	746,811	1,907,335
Cash and cash equivalents		154,791	339,647
		<u>901,602</u>	<u>2,246,982</u>
<b>Total assets</b>		<u>901,602</u>	<u>2,246,982</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	10	228,331	148,185
Corporation tax		-	121,664
		<u>228,331</u>	<u>269,849</u>
<b>Total liabilities</b>		<u>228,331</u>	<u>269,849</u>
<b>Net assets</b>		<u>673,271</u>	<u>1,977,133</u>
<b>EQUITY</b>			
Share capital	11	752	752
Retained earnings		672,519	1,976,381
<b>Total equity</b>		<u>673,271</u>	<u>1,977,133</u>

The financial statements were approved by the Board of Directors and authorised for issue on 19 February 2021 and signed on their behalf by:



Mr P K Wright

Director

## **Statement of Changes in Equity**

For the year ended 31 October 2020

	Share capital £	Retained earnings £	Total equity £
<b>29 September 2018</b>	<b>752</b>	<b>458,180</b>	<b>458,932</b>
Issue of Share capital	-	-	-
Profit for the period	-	1,518,201	1,518,201
Dividends paid	-	-	-
<b>Total comprehensive income</b>	<b>-</b>	<b>1,518,201</b>	<b>1,518,201</b>
<b>31 October 2019</b>	<b>752</b>	<b>1,976,381</b>	<b>1,977,133</b>
Issue of Share capital	-	-	-
Profit for the year	-	446,138	446,138
Dividends paid	-	(1,750,000)	(1,750,000)
<b>Total comprehensive income</b>	<b>-</b>	<b>(1,303,862)</b>	<b>(1,303,862)</b>
<b>31 October 2020</b>	<b>752</b>	<b>672,519</b>	<b>673,271</b>

## Notes to the Financial Statements

For the year ended 31 October 2020

### 1. Corporate information

Core Financial Services Ltd is a Company incorporated in the England and Wales. The Company is limited by shares. The registered address of the Company is given on page 1. The principal activity of the Company is that of a financial intermediary.

### 2. Accounting policies

#### 2.1. Basis of preparation

##### *Statement of compliance*

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS 101") and in accordance with the applicable provisions of the Companies Act 2006. Except for certain disclosure exemptions detailed below, the recognition, measurement and disclosure requirements of International Financial Reporting Standards have been applied to these financial statements and, where necessary, amendments have been made in order to comply with the Companies Act 2006 and The Large and Medium-sized Companies and Groups Regulations 2008/410 ('Regulations').

The Company has taken advantage of the following exemptions in preparing these financial statements, as permitted by FRS101 paragraph 8.

- (i) The requirement of IFRS 7 'Financial Instruments Disclosures' relating to the disclosure of financial instruments and the nature and extent of risks arising from such instruments;
- (ii) The requirement of IFRS 13 'Fair Value Measurement' paragraph 91 to 99 relating to the fair value measurement disclosure of financial assets and financial liabilities that are measure at fair value;
- (iii) The requirements of IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' paragraph 30 and 31 relating to the disclosure of standards, amendments and interpretations in issue but not yet effective;
- (iv) The requirement of IAS 1 'Presentation of Financial Statements' paragraphs 134 to 136 relating to the disclosure of capital management policies and objectives;
- (v) The requirements of IAS 7 'Statement of Cash Flows' and IAS 1 'Presentation of Financial Statements' paragraph 10(d); 111 relating to the presentation of a Cash Flow Statement;
- (vi) The requirements of IAS 24 'Related Party Disclosures' relating to the disclosure of key management personnel compensation and relating to the disclosure of related party transactions entered into between the company and other wholly-owned subsidiaries of the group.

For the disclosure exemptions listed in points (i) to (vi), the equivalent disclosures are included in the consolidated financial statements of the group, AFH Financial Group Plc into which the Company is consolidated.

IFRS 16 has come into effect for this reporting period. As assessed, the standard does not impact the financial statements of the Company as it holds no operating leases that should be treated under the new standard.

##### *Basis of measurement*

The financial statements have been prepared on the historical cost convention.

## **Notes to the Financial Statements**

**For the year ended 31 October 2020**

### ***2.1. Basis of preparation (continued)***

#### ***Going concern***

As at the time of the signing of the financial statements the global Covid-19 epidemic continues to impact the Company. Stock Markets have seen volatility and the impact of Government legislation impacting short term business confidence and companies' ability to continue normal trading conditions. As a Company we have adapted during a difficult period and maintained revenue growth. Most client assets are held diversified portfolios and the impact of the markets on recurring revenue has been considerably diluted. The directors have considered the Company's anticipated business activities, its cash flows and capital position for a period of 12 months from the date of these accounts. They believe that even in the current lockdown and without organic growth the group can continue to trade profitably and maintains sufficient facilities to cover its short and long-term liabilities. This assessment has been stress tested for lower than anticipated revenues. Therefore, the directors are satisfied that the Company has adequate resources to for the foreseeable future and for this reason continue to adopt the Going Concern basis in preparing the financial information.

#### ***Functional and presentational currency***

The Company's functional currency is Sterling, as this is the currency of the primary economic environment of that which the Company operates. The financial statements are presented in Sterling.

#### ***Use of estimates and judgements***

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainties and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in Note 2.7.

### **2.2. Revenue**

Revenue is recognised in line with the requirements of IFRS 15 as contractual performance obligations are satisfied. Revenue is measured at the fair value of the consideration received adjusted for clawbacks, allowance for impairment, discounts, rebates, and other sales taxes or duty.

## Notes to the Financial Statements

For the year ended 31 October 2020

### 2.3. Income tax

Current income tax assets and/or liabilities comprise obligations to, or claims from, fiscal authorities relating to the current or prior reporting periods, that are unpaid/due at the reporting date. Current tax is payable on taxable profits, which may differ from profit or loss in the financial statements. Calculation of current tax is based on the tax rates and tax laws that have been enacted or substantively enacted at the reporting period.

Deferred taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases.

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). However, for deductible temporary differences associated with investments in subsidiaries a deferred tax asset is recognised when the temporary difference will reverse in the foreseeable future and taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

### 2.4. Financial instruments

#### *Financial assets carried at amortised cost*

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

Financial assets are initially recognised at fair value plus directly attributable transaction costs.

Financial assets carried at amortised cost are classified as loans and receivables and comprise trade and other receivables and cash and cash equivalents. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

If there is objective evidence that there is an impairment loss on loans and receivables, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced either directly or through use of an allowance account.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and reward are transferred.

#### *Financial liabilities carried at amortised cost*

These financial liabilities include trade and other payables and interest bearing loans and borrowings.

Financial liabilities are initially recognised at fair value adjusted for any directly attributable transaction costs.

After initial recognition, financial liabilities are measured at amortised cost using the effective interest method, with interest-related charges recognised as an expense in finance costs. Discounting is omitted where the effect of discounting is immaterial.

A financial liability is derecognised only when the contractual obligation is extinguished, that is, when the obligation is discharged, cancelled or expires.

## **Notes to the Financial Statements**

**For the year ended 31 October 2020**

### **2.5. Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and demand deposits, together with other short term, highly liquid investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of changes in value.

### **2.6. Equity and reserves**

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

Retained earnings include all current and prior period retained profits.

Dividend distributions to the Company's shareholders are recognised in the accounting period in which the dividends are declared and paid, or if earlier, in the accounting period when the dividend is approved by the Company's shareholders at the Annual General Meeting.

### **2.7. Significant management judgements in applying accounting policies and 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.

#### **Significant management judgement**

The following are significant management judgements in applying the accounting policies of the Company that have the most effect on the financial statements.

#### *Recognition of accrued fee income*

Management estimation is required to determine the amount of accrued revenue that can be recognised, fees are recognised as earned at the point when financial advice is provided and when fees from the management of investments are earned.



## **Notes to the Financial Statements**

For the year ended 31 October 2020

### **2.8. Changes in accounting policies**

#### **Standards, interpretations and amendments effective from 1 November 2019**

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, were in issue but were not yet effective. In some cases, these standards and guidance have not been endorsed for use in the European Union.

<b>Standard</b>	<b>Effective date, annual period beginning on or after</b>
Conceptual Framework and Amendments to References to the Conceptual Framework in IFRS Standards	1 January 2020
Amendments to IFRS 3 <i>Business Combinations</i>	1 January 2020
Amendments to IAS 1 and IAS 8: <i>Definition of Material</i>	1 January 2020
Interest Rate Benchmark Reform: <i>amendments to IFRS 9, IAS 39 and IFRS 7</i>	1 January 2020
Covid 19-Related Rent Concessions (Amendment to IFRS 16 <i>Leases</i> )	1 June 2020
Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Updating a Reference to the Conceptual Framework (Amendments to IFRS 3 <i>Business Combinations</i> )	1 January 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	1 January 2022
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37 <i>Provisions, Contingent Liabilities and Contingent Assets</i> )	1 January 2022
Annual improvements 2018-2020 cycle	1 January 2022
Classification of Liabilities as Current or Non-Current: <i>amendments to IAS 1</i>	1 January 2023
IFRS 17 - <i>Insurance Contracts</i>	1 January 2023
Amendments to IFRS 17 - <i>Insurance Contracts</i> ; and Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4 <i>Insurance Contracts</i> )	1 January 2023

The directors are evaluating the impact that these standards will have on the financial statements of the Company.

### **3. Revenue**

The revenue and profit before tax are attributable to the principal activity of the Company.

## **Notes to the Financial Statements**

For the year ended 31 October 2020

### **4. Operating profit**

The remuneration of the auditors has been borne by the ultimate parent entity for the current and prior periods.

### **5. Directors' remuneration**

During the year ended 31 October 2020 and the period ended 31 October 2019, the remuneration of the Directors was borne by the ultimate parent company, AFH Financial Group PLC..

### **7. Taxation**

	31 October 2020 £	31 October 2019 £
Tax for current year	191,081	121,664
(Over)/under provision in prior year	-	-
Total current tax expense	<u>191,081</u>	<u>121,664</u>
Total tax expense	<u>191,081</u>	<u>121,664</u>

The tax rate used for the reconciliation is the corporate tax rate of 19.00% (2019: 19.00%) payable by the Company in the UK on taxable profits under UK tax law.

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

	31 October 2020 £	31 October 2019 £
Profit/(loss) before taxation	<u>637,219</u>	<u>1,560,321</u>
Income tax calculated at 19.00%	121,072	296,461
(Over)/under provision in prior year	70,009	-
Tax losses utilised within the group	-	(174,797)
Total tax expense	<u>191,081</u>	<u>121,664</u>

### **8. Dividends paid and proposed**

During the year there were £1,750,000 (2019: £nil) of dividends paid to the company's immediate parent.

## **Notes to the Financial Statements**

For the year ended 31 October 2020

### **9. Trade and other receivables**

	31 October 2020 £	31 October 2019 £
Trade receivables	197,729	146,968
Amounts owed by group undertakings	408,189	1,680,550
Prepayments	84,444	22,965
Other receivables	56,449	56,852
	<u>746,811</u>	<u>1,907,335</u>

Trade receivables include a £nil provision for bad debts (2019: £nil).

### **10. Trade and other payables**

	31 October 2020 £	31 October 2019 £
Trade payables	-	60,434
Accruals and deferred income	191,035	87,609
Amounts owed to group undertakings	142	142
Other payables	37,154	-
	<u>228,331</u>	<u>148,185</u>

### **11. Share capital**

	31 October 2020 £	31 October 2019 £
<b>Allotted, called up and fully paid</b>		
Ordinary shares of £1 each	<u>752</u>	<u>752</u>

### **12. Ultimate controlling party**

The Company's immediate parent undertaking is Core Financial Holdings Ltd, which is incorporated in England and Wales. The Company's ultimate parent undertaking and controlling party is AFH Financial Group Plc, which is incorporated in England and Wales.

Copies of the AFH Financial Group Plc financial statements may be obtained from:

AFH House  
Buntsford Drive  
Stoke Heath  
Bromsgrove  
Worcestershire  
B60 4JE