

Company Registration No. 05448864

HiFM LIMITED

Annual Report and Financial Statements

For the year ended 31 December 2021



HiFM LIMITED

REPORT AND FINANCIAL STATEMENTS 2021

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HiFM LIMITED

REPORT AND FINANCIAL STATEMENTS 2021

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

J Bianchi
J Boss
M Gonzalez
A Sparks

REGISTERED OFFICE

Maxis 1
Western Road
Bracknell
Berkshire
RG12 1RT

BANKER

Barclays Bank plc
1 Churchill Place
London
E14 5HP

AUDITOR

KPMG LLP (UK)
Chartered Accountants & Statutory Auditors
15 Canada Square
London
E14 5GL

HiFM LIMITED

Strategic Report

The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006.

Review of the business

The company's business is foreign exchange risk management selling options and structured products on a matched principal basis to professional clients.

Turnover for the year was £282,000 compared to £637,000 in the year to 31 December 2020, a decrease of 56%. This decline was due to a lack of new business generation and the Board's decision to limit credit facilities whilst implementing TTCA accounts which will enable the company to hold collateral

Net assets declined by £15,000 to £1,009,000, mainly represented by Cash at bank, giving a significant level of capital over and above the company's fixed cost base.

The directors believe the company is in a good position at the end of the year to improve revenue performance in 2022

Key performance indicators

The business is small and relatively straightforward. The Board monitors performance through monthly review of management accounts focussing on turnover and cost control. The company has no employees with service delivery performed by a fellow subsidiary undertaking, HiFX Europe Limited.

Principal risks and uncertainties

Operational risk

This is the risk of a direct or indirect loss resulting from the inadequacies or failures in operational processes or controls due to technology, staff, organisation or external factors. To monitor and control operational risk, the company maintains a system of comprehensive policies and a control framework which are designed to provide a sound and well-controlled operational environment. Key information regarding governance and the management of risk are reported to the Board. This enables management to monitor operational risk at appropriate levels.

Business and economic risk

The company's revenue performance is affected by the general state of the UK economy. Expenditure by the company's clients on structured products is often discretionary and can be withdrawn at short notice in economic downturns. The company seeks to mitigate this risk by having access to a large client base through HiFX Europe Limited and by maintaining strong customer relationships and service delivery.

Credit risk

This is the risk of losses being incurred through a client or other third party being unable to meet their obligations to the company. The company has policies in place to review the creditworthiness of clients before offering capped trading facilities and monitors the exposure against those facilities on a regular basis.

Market risk

The company trades on a matched-principal basis with all transactions traded back-to-back and takes no proprietary positions and hence it is not exposed to foreign exchange market risk.

Regulatory risk

This is the risk of non-compliance with regulatory requirements. In order to ensure compliance with the regulatory regime the company maintains a compliance function which reviews procedures, examines compliance with them and evaluates knowledge levels across relevant functions.

Liquidity risk

This is the risk of insufficient liquid funds being available to meet the company's working capital requirements. The company monitors its liquidity levels and has mitigating controls in place to reduce risk of a liquidity event.

HiFM LIMITED

Future developments

The directors expect a modest amount of growth in both revenue and profits in 2022 as it executes its plans to expand the structured products offering.

A handwritten signature in black ink, appearing to be 'J Boss', with a stylized, cursive-like flourish at the end.

J Boss
Director
26 April 2022

HiFM LIMITED

Directors' Report

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

Principal activity, results and dividends

The principal activity of the company during the year was the sale of foreign exchange options on a matched principal basis. The company is authorised and regulated by the Financial Conduct Authority.

The results for the current year and preceding year are set out in the profit and loss account. No dividends were paid or proposed in the current or preceding financial periods.

Going concern

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the at least the next 12 months. Thus, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the adoption of the going concern basis can be found in the note 1 to the financial statements.

Financial risk management

The company's principal financial risks are credit risk and liquidity risk. These are described in the Strategic Report above.

Political and charitable contributions

The company did not make any disclosable political or charitable donations or incur any disclosable political expenditure during the current or previous financial year.

Directors

The directors of the company who served during the year and to the date of signing of the financial statements, were:

J Bianchi	(appointed 30 March 2021)	M Gonzalez
J Boss	(appointed 30 March 2021)	A Sparks

Auditor

Each of the persons who is a director at the date of approval of this report confirms 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 he/she ought to have taken as a director in order to make himself/herself 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.

KPMG LLP have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

This report was approved by the Board of Directors and signed its behalf by:



J Boss - Director

Maxis 1, Western Road, Bracknell, Berkshire, RG12 1RT
26 April 2022

HiFM LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

The directors are responsible for preparing the Strategic Report, 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including [FRS 101 *Reduced Disclosure Framework*] [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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIFM LIMITED

Opinion

We have audited the financial statements of HiFM Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit] for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of senior management, and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, including the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIFM LIMITED (CONTINUED)

As required by auditing standards, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements such as valuation of derivative financial instruments. On this audit we do not believe there is a fraud risk related to revenue recognition because the Company has simple revenue streams, and there is limited judgement and opportunities to influence the revenue recognition.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted by senior finance management/ those posted to unusual accounts.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience, through discussion with the senior management (as required by auditing standards), from inspection of the Company's regulatory and legal correspondence and discussed with the senior management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Whilst the Company is subject to many other laws and regulations, we did not identify any others where the consequences of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HIFM LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 5, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Amanda Long (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

26 April 2022

HiFM LIMITED

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME Year ended 31 December 2021

	Note	2021 £'000	2020 £'000
TURNOVER		282	637
Administrative expenses		(300)	(394)
OPERATING (LOSS) / PROFIT	2	(18)	243
		<hr/>	<hr/>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(18)	243
Tax credit / (charge) on profit on ordinary activities	3	3	(46)
(LOSS) / PROFIT FOR THE FINANCIAL YEAR AND TOTAL COMPREHENSIVE INCOME		<u>(15)</u>	<u>197</u>

All amounts arose from continuing operations.

The accompanying notes form an integral part of these financial statements.

HiFM LIMITED

BALANCE SHEET As at 31 December 2021

	Note	31 Dec 2021 £'000	31 Dec 2020 £'000
FIXED ASSETS			
Tangible assets	4	-	-
CURRENT ASSETS			
Debtors	5	383	1,004
Cash at bank and in hand		1,087	1,132
		1,470	2,136
CREDITORS: amounts falling due within one year	6	(461)	(1,112)
NET CURRENT ASSETS		1,009	1,024
NET ASSETS		1,009	1,024
CAPITAL AND RESERVES			
Called up share capital	8	10	10
Profit and loss account		999	1,014
SHAREHOLDERS' FUNDS		1,009	1,024

The accompanying notes form an integral part of these financial statements.

The financial statements of HiFM Limited (registered number 05448864) were approved by the Board of Directors on 26 April 2022

Signed on behalf of the Board of Directors



J Boss
Director

HiFM LIMITED

STATEMENT OF CHANGES IN EQUITY **31 December 2021**

	Share capital £'000	Profit and loss account £'000	Total £'000
As at 1 January 2020	10	817	827
Retained profit for the year	-	197	197
As at 31 December 2020	10	1,014	1,024
Retained (loss) for the year	-	(15)	(15)
At as 31 December 2021	10	999	1,009

The accompanying notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have all been applied consistently throughout the period and the preceding year.

General information and basis of accounting

HiFM Limited is a company incorporated in the United Kingdom and registered in England & Wales under the Companies Act. The address of the registered office is given on page 1. The nature of the group's operations and its principal activities are set out in the strategic report.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of HiFM Limited is pounds sterling because that is the currency of the primary economic environment in which the company operates.

HiFM Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the exemptions available in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the accounting policies. The notes to the financial statements set out areas involving judgement or complexity or areas where assumptions are significant such as the fair value of financial instruments and credit risk.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Management believes the estimates used in the preparation of these financial statements are reasonable. Actual results in the future may differ from those reported and therefore it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year are different from our assumptions and estimates could require an adjustment to the carrying amounts of the assets and liabilities reported.

Going concern

The Board has assessed the company's going concern and confirms that the Directors are satisfied that the company has adequate resources to continue in business for at least 12 months from the date of approval of these financial statements.

The company's products and services are predominantly operated on-line or over the telephone and therefore the COVID pandemic has had little or no impact on continuity of service with no increase in reported incidents or disruption and without any discernible impact on revenue or operating profit.

The company made a small loss in 2021 due to lack of new business generation. The loss was not significant in proportion to the company's capital and reserves. The Board has addressed this issue with its sister company, HiFX Europe Limited, from whom sales leads are generated and implemented TTCA collateral accounts to expand its credit offering.

The company has reviewed its rolling profit and loss forecasts including an assessment of liquidity and capital adequacy. Key assumption in the forecast is the recurring demand for its services from its existing client base. The forecasts were stressed by reducing the expected number of trading clients by 40%. Under this stressed scenario the company still maintained sufficient liquidity and capital to support the going concern basis.

As a result, the Directors are satisfied that the company has adequate liquidity and capital to continue in business for a period of at least 12 months from the signing of these accounts. For this reason, the accounts are prepared on a going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Financial Assets

All financial assets are recognised and derecognised on a trade date basis where the purchase or sale of a financial asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through the profit and loss account, which are initially measured at fair value.

Financial assets are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL).

The company's FVTPL financial assets comprise foreign currency exchange option contracts with clients and banking counterparties. Such contracts are stated at fair value, with any gains or losses arising on remeasurement recognised in the profit and loss account. These contracts are carried as financial assets when their fair value is positive and as financial liabilities when their fair value is negative.

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

Financial liabilities are classified as either financial liabilities 'at FVTPL' or 'other financial liabilities'.

The company's only financial liabilities at FVTPL are foreign currency exchange option contracts which are stated at fair value, with any gains or losses arising on remeasurement recognised in the profit and loss account.

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

Derivative financial instruments

The company enters into foreign currency exchange option contracts with clients and banking counterparties on a matched principal basis.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance sheet date. The resulting gain or loss is recognised in the profit and loss account immediately.

A derivative with a positive fair value is recognised as a financial asset whereas a derivative with a negative fair value is recognised as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

Revenue recognition

Revenue derived from selling foreign exchange options on a matched principal basis is recognised on contract date. Revenue derived from the rendering of foreign exchange advisory services is recognised over the period the advice is provided for retained business and at the end of the period for contingent business. Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts. All revenue is derived from the company's principal activity and originates in the UK.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation and any impairment in value. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Office equipment	33% straight line
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NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

1. ACCOUNTING POLICIES (CONTINUED)

Taxation

Current tax, including UK corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or the right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

2. AUDITORS' REMUNERATION

	2021 £'000	2020 £'000
Operating profit is stated after charging:		
Fees payable to company's auditors		
for the audit of the company's annual accounts	8	7
for other services	6	6
	<u> </u>	<u> </u>

The average number of employees during the year, including directors, was nil (2020: nil).

3. TAXATION

	2021 £'000	2020 £'000
Current tax		
UK corporation tax (credit) / charge	(3)	46
Total current tax	<u> </u>	<u> </u>
	(3)	46
Deferred tax		
Current year deferred tax	-	-
Total deferred tax	<u> </u>	<u> </u>
	-	-
Total tax (credit) / charge for the year	<u> </u>	<u> </u>
	(3)	46

HiFM LIMITED

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 December 2021

3 TAXATION (CONTINUED)

The current tax charge differs from the standard rate of UK corporation tax for the following reasons:

	2021 £'000	2020 £'000
(Loss) / profit on ordinary activities before taxation	(18)	243
Tax on ordinary activities at the standard rate of 19% (2020 - 19%)	(3)	46
Expenses not deductible for tax purposes	-	-
Current tax (credit) / charge	(3)	46

4. TANGIBLE FIXED ASSETS

	Office equipment £'000
Cost	
As at 1 January 2020	1
As at 31 December 2021	1
Depreciation	
As at 1 January 2020	1
Charge for the year	-
At 31 December 2021	1
Net book value	
As at 31 December 2021	-
As at 31 December 2020	-

5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 2021 £'000	31 Dec 2020 £'000
Derivative financial assets	378	1,002
Prepayments and accrued income	5	2
	383	1,004

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31 Dec 2021 £'000	31 Dec 2020 £'000
Trade creditors	4	2
Amounts owed to group undertakings	12	9
Corporation tax	43	46
Other taxation and social security	4	5
Derivative financial liabilities	378	983
Accruals and deferred income	20	67
	<u>461</u>	<u>1,112</u>

7. FINANCIAL INSTRUMENTS

The carrying amount of derivative financial assets and liabilities measured at fair value include:

	31 Dec 2021 £'000	31 Dec 2020 £'000
Foreign exchange options and non-deliverable forward contracts:		
Assets measured at fair value through profit and loss	378	1,002
Liabilities measured at fair value through profit and loss	<u>(378)</u>	<u>(983)</u>
	<u>-</u>	<u>19</u>

The fair value of foreign exchange option and non-deliverable forward contracts is based on quoted forward exchange rates and yield curves derived from quoted interest rates matching the maturities of the contracts. As the company operates on a matched principal basis there is no net impact on the profit and loss account in the period arising from these financial instruments and the company is not exposed to any foreign currency risk.

The gross notional principle outstanding on these contracts at 31 December 2021 was £48m (2020 - £93m) of which £45m has an expiry date less than one year from the balance sheet date.

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. The company has policies and procedures in place to approve credit and/or trading limits prior to entering into transactions with a client and to regularly monitor open credit exposures.

Credit exposure on such transactions at 31 December 2021 was £259,000 (2020 - £427,000).

HiFM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 December 2021

8. SHARE CAPITAL

	31 Dec 2021 £'000	31 Dec 2020 £'000
Authorised		
100,000 ordinary shares of £1 each	100	100
Allotted, called up and paid		
10,000 ordinary shares of £1 each	10	10

9. RELATED PARTY DISCLOSURES

The company has taken the exemption not to disclose related party transactions with fellow group wholly owned group companies under paragraph 3(c) of Financial Reporting Standard 8.

10. ULTIMATE PARENT COMPANY & CONTROLLING PARTY

The company's immediate parent company is HiFM Holdings Limited a company incorporated in the United Kingdom and registered in England & Wales. The company's ultimate parent company is Euronet Worldwide, Inc. a company incorporated in the United States of America. Financial statements for Euronet Worldwide, Inc. can be obtained from 11400 Tomahawk Creek Parkway, Suite 300, Leawood, Kansas, 66211, USA.

Euronet Worldwide, Inc. has no single controlling party.