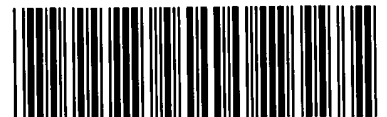


Maitland

Maitland Institutional Services Limited
(Registration number 06252939) England & Wales
Audited annual financial statements
for the year ended 30 April 2022

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Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

General Information

Country of incorporation and domicile

United Kingdom

Directors

Patric Foley-Brickley
David John Phillips
Cormac Kevin John O'Keeffe
Jonathan Frank Denis Thompson
Alexander Charles Deptford

Registered office

Hamilton Centre
Rodney Way
Chelmsford
England
CM1 3BY

Holding company

Maitland International Holdings plc
incorporated in Malta

Auditor

BDO LLP
London
United Kingdom
Registered Auditor

Secretary

Maitland Administration Services Limited

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

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Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Strategic Report

1. Review of operations

The principal activity of Maitland Institutional Services Limited ("the Company") is the provision of fund administration services to third party managers. The Company also acts as a unit trust management company, Authorised Corporate Director of Open Ended Investment Companies, and Alternative Investment Fund Manager. The Company is authorised and regulated by the Financial Conduct Authority.

The directors are satisfied with the performance of the Company and the operating results for the twelve months ended 30 April 2022. The results for the year are set out in the statement of Profit or Loss and Other Comprehensive Income on page 14.

The Company achieved a profit of £358k during the year (2021: £47.9k). The increase in profit was largely due to an increase in revenues. Assets under administration, a key indicator of growth, increased from £13.6bn at the start of the year to £15.2bn as at the end of the year. The Company is continuously exploring avenues to improve its operational systems capabilities and reduce risk. There are currently various projects ongoing where the Company is aiming to improve service delivery and enhance the operational systems currently utilised. The Company is currently reviewing its client base and profitability levels, which will yield more positive results in the coming year as recommendations are actioned.

On 30 April 2021, there was a restructure of the Maitland FS Holdings (UK) Group driven by the ultimate parent company separating out the entire group into its three distinct business units. This led to the parent, Maitland FS Holdings (UK) Limited purchasing 100% of the shares in the Company from Maitland Administration Services Limited. Following on from this, on 15 April 2022, the Company was fully acquired by its ultimate parent company, Maitland International Holdings plc.

Since the year end it has been announced that the Company's parent has agreed to sell the Company to Apex Group, a group registered in the United Kingdom. At the time of approving these financial statements, the sale is still pending regulatory approval.

2. Principal risk and uncertainties

The Company operates a robust risk management framework to ensure that all financial and operational risks are kept to a minimum. Note 18 of the financial statements outlines the risks associated with the Company.

To give our clients comfort and to ensure processes continue to be appropriate the Company continues to require its sub-contractors for delegated services to carry out annual ISAE 3402 reviews.

In accordance with section 414 A(1) of the Companies Act 2006, we have prepared the Strategic report which includes a review of the Company's business and future developments, a description of principal risks and uncertainties facing the Company and its performance indicators.

- Key performance indicators:

Given the nature of the operations of the Company, the directors do not consider the analysis of any other key performance indicators necessary to understand the performance of the Company's business other than assets under administration described above.

- Future Developments:

The Company has projects ongoing to enhance the software currently utilised to perform our fund valuations and transfer agency service offering. Transitioning over to the new software is underway and the Company expects to be fully transitioned by the end of 2022.

- Capital Structure:

The Company must at all times monitor and demonstrate compliance with the regulatory capital requirement. During the year, the Company issued £710,000 of new ordinary share capital to its parent, Maitland International Holdings plc, in order to maintain compliance with the regulatory capital requirements.

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Strategic Report

3. Section 172 Statement

Section 172(1) of the Companies Act requires the Company to articulate how the Directors, acting in good faith, aim to promote the success of the Company for the benefit of its members as a whole. Maitland has sought to build closely aligned and trusted relationships with its investors, to act responsibly when taking investment decisions, to be known as a good employer, to engage justly with suppliers and to take account of its wider responsibilities for the community and environment. Whilst the requirement to publish a Section 172 Statement has only taken effect in recent years, the Board believes that maintaining a reputation for high standards in these areas should naturally be embedded in the culture and business practices of any reputable financial services business, and that seeking a sensible balance between the interests of all members is more likely to promote the sustainable long term success of the business as whole than over prioritisation of the interests of any one party.

Over the years, the Directors have and will continue to make decisions that have competing implications for different member groups over the short term, but that they believe serve the interests of members as a whole over the longer term. Such decisions may be to the short term detriment of shareholders and/or employees through reduced revenues or increased costs, albeit the consolidation of long-standing, trusted relationships with clients and service providers and a continued reputation for adopting the highest standards of business conduct and societal responsibility are expected to increase the potential longevity of earnings generation.

The following sections summarise our engagement with key stakeholders:

Investors

Our clients are investors in Maitland funds. All investment strategies have clearly defined objectives, and our reporting thereon is transparent and regular through our public website, dedicated client web portals and other data venues relevant to each particular investor. The Maitland client service team maintains direct relationships with the investment managers through meetings, video and audio calls. We pride ourselves on the quality and the longevity of our relationships across the breadth of our client base. Trust will always be the cornerstone of these relationships. We seek to validate the trust our clients have placed in us by, without exception, always behaving fairly, honestly and transparently.

Shareholders and employees

The Company is owned by Maitland International Holdings Limited. Representatives of the Company sit on executive committees which meet on a regular basis to discuss the position of the Company and its future outlook in line with the values and policies of the Maitland Group as a whole. The cultural starting point is genuine team work.

Two-way engagement is encouraged throughout the firm; between the Board and line managers through Board sub-committees and between line managers and their reports through team meetings, whilst the Directors engage directly with the shareholders. There are regular town hall events hosted by the Group CEO and business unit managing directors. These events communicate to employees the performance of the business and direction the business is moving in. More informally, as a small firm based in a single open-plan office, there is ordinarily natural interaction between colleagues of all departments and levels of seniority. We seek to treat our employees well, offering family friendly policies, training and development opportunities, backing employee charitable initiatives and providing support for physical and mental well-being. Employees are able and encouraged to provide feedback on any colleague including senior management through the quarterly performance review process. Additional initiatives have been introduced to enhance employee engagement during prolonged COVID-19 remote working periods including regular firm-wide emails, proactive encouragement of phone and video calls, staff well-being and effectiveness surveys and departmental social engagements.

External service partners

The effective provision of services to us by our key suppliers is integral in enabling us to deliver our services to our clients. The day-to-day responsibility of managing relationships sits with each business area; for example, the transfer agency team engages with its outsourced service provider, the information team engages with network and communication providers and the operations team engages with fund governance and administrative providers, fund platforms and other areas of our operational investment infrastructure. Line managers communicate the effectiveness or otherwise of external services partners to the Board, either directly or via an appropriate Board sub-committee. We seek to conduct ourselves justly and to maintain a reputation as a trusted and reliable partner.

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Strategic Report

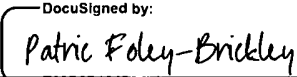
Regulators

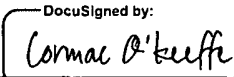
The Company is authorised and regulated by the Financial Conduct Authority ("FCA"). We are aware of and abide by the rules that govern our operations, most prevalently those applicable in the UK but also those of overseas regulators or state authorities as relevant to our activities. We engage directly with the FCA through routine mandatory reporting, on an ad hoc basis in response to broader FCA consultations or on request, and indirectly participating through our trade body, the Investment Association.

Society and environment

As an authorised corporate director, we have two main scopes of activity: our investment in companies located around the world and our own business operations. In our investment activity, we aim to uphold the values of human rights, encourage positive labour practices, promote sustainable environmental impacts, and support corporate behaviour that ensures the well-being of each business and its wider stakeholders. Just as we expect our investee companies to think critically about their financial and ESG risks and opportunities, we do this with our own business too. We do this in a number of ways, including by encouraging suppliers to pay the living wage, through our commitment to the Modern Slavery Act and by aiming to become more carbon neutral. We seek to play our part in efforts to provide opportunities to groups that may be under-represented in our sector or face greater hurdles for promotion.

This report was approved by the Board on 24 August 2022 and signed on its behalf by:

DocuSigned by:

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Patric Foley-Brickley

DocuSigned by:

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Cormac O'Keefe

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Directors' Report

The directors submit their report on the audited annual financial statements of Maitland Institutional Services Limited for the year ended 30 April 2022.

1. Review of financial results and activities

The audited annual financial statements have been prepared in accordance with with UK adopted international accounting standards and the requirements of the Companies Act of 2006. The accounting policies have been applied consistently compared to the prior year.

Full details of the financial position, results of operations and cash flows of the Company are set out in these audited annual financial statements.

2. Share capital

Refer to note 7 of the audited annual financial statements for detail of the movement in authorised and issued share capital.

3. Dividends

The Company's dividend policy is to consider an interim and a final dividend in respect of each financial year. At its discretion, the board of directors may consider a special dividend, where appropriate. Depending on the perceived need to retain funds for expansion or operating purposes, the board of directors may pass on the payment of dividends.

The board of directors do not recommend the declaration of a dividend for the year (2021: £nil).

4. Directorate

The directors in office at the date of this report are as follows:

Directors

Patric Foley-Brickley

David John Phillips

Cormac Kevin John O'Keeffe

Jonathan Frank Denis Thompson

Alexander Charles Deptford

5. Holding company

The Company's holding company is Maitland International Holdings plc which holds 100% (2021: -%) of the Company's equity. Maitland International Holdings plc is incorporated in Malta.

On 30 April 2021, there was a restructure of the Maitland FS Holdings (UK) Group driven by the ultimate parent company separating out the entire group into its three distinct business units. This led to the parent, Maitland FS Holdings (UK) Limited purchasing 100% of the shares in the Company from Maitland Administration Services Limited. Following on from this, on 15 April 2022, the Company was fully acquired by its ultimate parent company, Maitland International Holdings plc.

6. Events after the reporting period

Since the year end it has been announced that the Company's parent has agreed to sell the Company to Apex Group, a group registered in the United Kingdom. At the time of approving these financial statements, the sale is still pending regulatory approval.

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Directors' Report

7. Going concern

As Covid-19 cases continue to be high and new variants materialising, to the Global economy is doing its best to return to normal. All industries have been severely impacted over the last two years and now the war in Ukraine and the rising cost of living globally put further pressure on the global economy. The Company has been impacted by the volatility in Global stock markets and there is inherent risk to the Group's revenue should volatility continue for a prolonged period. The Company's monthly revenue trend has followed stock markets. Down one month, up the next to finish fairly neutral in comparison to the expectations.

This report discusses the considerations taken into account in assessing the appropriateness of following the going concern concept for the Company for the year ended 30 April 2022.

Revenue for the year was up 10.8% compared to the previous financial year. Much of this increase was the result of recoveries in AUM, increased dealing volumes and new mandates.

The Company did not see the significant falls in AUM that it had done in the previous financial year (in the year to 30 April 2021 the Company's assets fell by as much as 13.3%). An analysis has been performed to assess the impact of similar declines to that at the start of the pandemic in March 2020 in the Company's revenue variables on its ability continue to operate over the next 12 months. The analysis assessed the impact of an immediate 15% fall in the Company's assets under administration. The analysis found revenue would fall by £0.9m from £14.3million to £13.4million (6.3%) lower than the base budget for the next 12 months. Costs would fall by £0.6million. The Company would move from a budgeted operating profit of £0.7million to an operating profit of £0.3million without management actions to reduce costs to improve short term profitability. The continuing profitability and strong P&L reserves illustrate the Company would be able to support themselves should a scenario like this arise. In addition, it has a parent company that would inject capital should the Company require it.

Having weathered the impact of Covid 19 and market volatility for another financial year, analysis shows that profitability could cope with another similar shock in the next 12 months. This analysis combined with the strong liquid assets held by the Group gives management the confidence that the Company will be able to continue operating without disruption and any real changes over the next 12 months.

8. Secretary

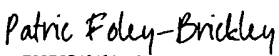
The company secretary is Maitland Administration Services Limited.

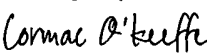
9. Statement of disclosure to the company's auditors

With respect to each person who is a director on the day that this report is approved:

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

The audited annual financial statements set out on pages 12 to 15, which have been prepared on the going concern basis, were approved by the board of directors on 24 August 2022, and were signed on its behalf by:

DocuSigned by:

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Director
Patric Foley-Brickley

DocuSigned by:

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Director
Cormac O'Keeffe

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Statement of Director's responsibility 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 the directors have elected to prepare the financial statements in accordance with UK adopted international accounting standards. 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.

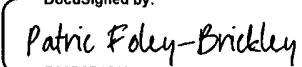
In preparing these financial statements, the directors are required to:

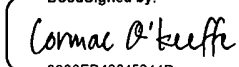
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether UK adopted international standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 have reviewed the Company's cash flow forecast for the year to 30 August 2023 and, in light of this review and the current financial position, they are satisfied that the Company has or had access to adequate resources to continue in operational existence for the foreseeable future.

The external auditors are responsible for independently auditing on the Company's audited annual financial statements.

DocuSigned by:

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Patric Foley-Brickley

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Cormac Kevin John O'Keeffe

Independent auditor's report to the members of Maitland Institutional Services Limited

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 April 2022 and of its profit for the year then ended;
- the financial statements have been properly prepared in accordance with UK adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Maitland Institutional Services Limited (the 'Company') for the period ended 30 April 2022 which comprise the Statement of Financial Position, Statement of Profit or Loss and Other Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows, 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 UK adopted international accounting standards as applied in accordance with the provisions 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

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 directors are responsible for the other information. The other information comprises the information included in the Strategic Report (including S172 Statement), Directors' 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. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Independent auditor's report to the members of Maitland Institutional Services Limited

Other Companies Act 2006 reporting

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

- the information given in the Directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' report have 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 material misstatements in the Strategic report and the Directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Statement of Director's responsibility in respect of the Strategic Report, the Directors' Report and the Financial Statements, 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.

Independent auditor's report to the members of Maitland Institutional Services Limited

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.

Extent to which the audit was 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 gained an understanding of the legal and regulatory framework applicable to the Company and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These laws and regulations included but were not limited to compliance with the UK adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006 and the Companies Act 2006.

We considered compliance with laws and regulations that could give rise to a material misstatement in the Company's financial statements. Our audit procedures included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding any known breaches of laws and regulations;
- testing of journal entries made during the period and post period to identify potential management override of controls; and
- review of board meeting minutes throughout the period.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: 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.

DocuSigned by:

Justin Chait

Justin Chait, Senior Statutory Auditor
For and on behalf of BDO LLP (Statutory Auditor)
London, UK

24 August 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

Maitland Institutional Services Limited

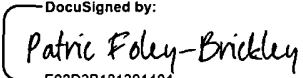
(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Statement of Financial Position as at 30 April 2022

	Note(s)	2022 £	2021 £
Assets			
Non-Current Assets			
Intangible assets	2	35 321	42 701
Deferred tax	3	912	845
		36 233	43 546
Current Assets			
Loans to group companies	4	1 835 841	1 419 175
Trade and other receivables	5	1 586 214	1 081 655
Cash and cash equivalents	6	4 773 663	3 592 821
		8 195 718	6 093 651
Total Assets		8 231 951	6 137 197
Equity and Liabilities			
Equity			
Share capital	7	1 660 000	950 000
Retained income		3 185 966	2 828 354
		4 845 966	3 778 354
Liabilities			
Current Liabilities			
Trade and other payables	8	2 884 338	2 172 638
Amounts payable to related entities	9	421 381	122 205
Current tax payable		80 266	64 000
		3 385 985	2 358 843
Total Equity and Liabilities		8 231 951	6 137 197

The audited annual financial statements and the notes on pages 6 to 34, were approved by the board of directors on the 24 August 2022 and were signed on its behalf by:

DocuSigned by:

 E92D3B181301404
Patric Foley-Brickley

DocuSigned by:

 8080ED43645044D
Cormac Kevin John O'Keeffe

The accounting policies on pages 16 to 22 and the notes on pages 23 to 34 form an integral part of the audited annual financial statements.

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Statement of Profit or Loss and Other Comprehensive Income

	Note(s)	2022 £	2021 £
Revenue	10	12 706 708	11 530 782
Other operating expenses		(12 295 059)	(11 495 577)
Operating profit	11	411 649	35 205
Investment income	12	2 403	2 150
Finance Costs		137	(3 514)
Profit before taxation		414 189	33 841
Taxation	13	(56 577)	14 085
Profit for the year		357 612	47 926
Other comprehensive income		-	-
Total comprehensive income for the year		357 612	47 926

The accounting policies on pages 16 to 22 and the notes on pages 23 to 34 form an integral part of the audited annual financial statements.

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Statement of Changes in Equity

	Share capital	Retained income	Total equity
	£	£	£
Balance at 01 May 2020	950 000	2 780 428	3 730 428
Profit for the year	-	47 926	47 926
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	47 926	47 926
Balance at 01 May 2021	950 000	2 828 354	3 778 354
Profit for the year	-	357 612	357 612
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	357 612	357 612
Issue of shares	710 000	-	710 000
Total contributions by and distributions to owners of company recognised directly in equity	710 000	-	710 000
Balance at 30 April 2022	1 660 000	3 185 966	4 845 966

Note

7

The accounting policies on pages 16 to 22 and the notes on pages 23 to 34 form an integral part of the audited annual financial statements.

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Statement of Cash Flows

	Note(s)	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	14	1 028 302	452 610
Interest income		2 403	2 150
Finance Costs		137	(3 514)
Tax paid	15	-	(106 806)
Net cash from operating activities		1 030 842	344 440
Cash flows from investing activities			
Loans advanced to Related Parties		(710 000)	-
Loan Repayments from Related Parties		150 000	-
Net cash from investing activities		(560 000)	-
Cash flows from financing activities			
Proceeds on share issue	7	710 000	-
Repayment of loans from group companies		-	527 604
Net cash from financing activities		710 000	527 604
Total cash movement for the year		1 180 842	872 044
Cash at the beginning of the year		3 592 821	2 720 777
Total cash at end of the year	6	4 773 663	3 592 821

Maitland Institutional Services Limited

(Registration number 06252939)

Audited Annual Financial Statements for the year ended 30 April 2022

Accounting Policies

1. Corporate information

The financial statements of Maitland Institutional Services Limited ('the Company') for the period ending 30 April 2022 were authorised for issue in accordance with a resolution of the Directors on 24 August 2022.

Maitland Institutional Services Limited is a limited company incorporated under the Companies Act 2006 and domiciled in the United Kingdom whose shares are privately owned.

The principle activities are the provision of fund administration services to third party managers, to act as a unit trust management company and Authorised Corporate Director of Open Ended Investment Companies and to act as an Alternative Investment Fund Manager.

Basis of preparation

The audited financial statements and annual report have been prepared in conformity with the requirements of the Companies Act 2006 and in accordance with UK adopted international accounting standards. The audited financial statements and annual report have been prepared on the historical cost basis and incorporate the principal accounting policies set out below. They are presented in Pound Sterling and rounded to the nearest Pound.

These accounting policies are consistent with the previous year.

The principal accounting policies applied in the preparation of these audited annual financial statements are set out below.

1.1 Going Concern

The Company's financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The Company has reported a net profit for the year of £358k (2021: £48k) and at the year end Company had net assets of £4.8million (2021: £3.7million), while net current assets were £4.8million (2021: £3.7million). The Directors have satisfied themselves that the Company is in a strong position to settle liabilities as they fall due.

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons:

- The directors have prepared cash flow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period.

Consequently, the Directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Although the Company has had, and continues to have access to financial resources from other entities in the Maitland Group and from the holding company, Maitland International Holdings plc ("MIH"), management have also considered a wide range of other factors in the assessment and conclusion of the going concern assumption which is based on the Company improving its profitability in the future. These factors are discussed below.

In 2019, there were a number of significant decisions taken by MIH affecting the Company's operations. The nature of these decisions involved external advisors and consultants and related to Company wide initiatives to create efficiency, drive higher profitability and to ensure appropriate funding and capital structures of MIH. It is expected that these initiatives will result in wider profit margins as we continue to utilise the benefits of these decisions. The implementation of these decisions is ongoing but the Company is starting to benefit in a reduction of operating costs (excluding impairment losses).

Based on the cash flow projections of the Company, the Directors are satisfied that given, inter alia, the forecast profitability, initiatives already undertaken to date and the planned initiatives that will improve efficiency and costs, the Company will be able to realise its assets and settle its liabilities and commitments as they fall due in the ordinary course of the business.

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Accounting Policies

1.1 Going Concern (continued)

As Covid-19 cases continue to be high and new variants materialising, to the Global economy is doing its best to return to normal. All industries have been severely impacted over the last two years and now the war in Ukraine and the rising cost of living globally put further pressure on the global economy. The Company has been impacted by the volatility in Global stock markets and there is inherent risk to the Group's revenue should volatility continue for a prolonged period. The Company's monthly revenue trend has followed stock markets. Down one month, up the next to finish fairly neutral in comparison to the expectations.

This report discusses the considerations taken into account in assessing the appropriateness of following the going concern concept for the Company for the year ended 30 April 2022.

Revenue for the year was up 10.6% compared to the previous financial year. Much of this increase was the result of recoveries in AUM, increased dealing volumes and new mandates.

The Company did not see the significant falls in AUM that it had done in the previous financial year (in the year to 30 April 2021 the Company's assets fell by as much as 13.3%). An analysis has been performed to assess the impact of similar declines to that at the start of the pandemic in March 2020 in the Company's revenue variables on its ability continue to operate over the next 12 months. The analysis assessed the impact of an immediate 15% fall in the Company's assets under administration. The analysis found revenue would fall by £0.9m from £14.3million to £13.4million (6.3%) lower than the base budget for the next 12 months. Costs would fall by £0.6million. The Company would move from a budgeted operating profit of £0.7million to an operating profit of £0.3million without management actions to reduce costs to improve short term profitability. The continuing profitability and strong P&L reserves illustrate the Company would be able to support themselves should a scenario like this arise. In addition, it has a parent company that would inject capital should the Company require it.

Having weathered the impact of Covid 19 and market volatility for another financial year, analysis shows that profitability could cope with another similar shock in the next 12 months. This analysis combined with the strong liquid assets held by the Group gives management the confidence that the Company will be able to continue operating without disruption and any real changes over the next 12 months.

1.2 Judgements and sources of estimation uncertainty

In preparing the audited financial statements and annual report, management are required to make estimates and assumptions that affect the amounts represented in the audited financial statements and annual report and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the audited financial statements and annual report. Judgements include:

Taxation

The Company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

1.3 Intangible assets

An intangible asset is recognised when:

- it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and
- the cost of the asset can be measured reliably.

Intangible assets are initially recognised at cost.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

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Audited Annual Financial Statements for the year ended 30 April 2022

Accounting Policies

1.3 Intangible assets (continued)

Item	Useful life
Authorised Corporate Director client contract acquired	5 - 10 years

1.4 Financial instruments

The Company classifies its financial assets into the following categories: financial assets at Fair Value through the profit and loss account, or at amortised cost. Broadly, the classification possibilities, which are adopted by the Company, as applicable, are as follows:

The Company classifies its financial liabilities into the following categories: financial liabilities at Fair Value through the profit and loss and other financial liabilities.

Note 18 Financial instruments and risk management presents the financial instruments held by the Company based on their specific classifications.

All purchases or sales of financial assets are recognised and derecognised on a trade date basis.

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets requires impairment. If any such evidence exists, the extent of the impairment is determined. Impairment losses in financial assets carried at amortised cost are recognised in surplus or deficit.

IFRS 9 requires an expected credit loss model to be used in impairing financial assets. This model requires the Company to account for expected credit losses and changes thereto at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. It is no longer necessary for a credit loss event to have occurred before impairments are recognised.

IFRS 9 requires the Company to recognise a loss allowance for the expected credit losses on:

- Trade receivables and,
- Contract assets

The Company has elected to apply the simplified approach for measuring the loss allowance at an amount equal to lifetime for trade receivables.

Reversals of impairment losses are recognised in surplus or deficit.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

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Audited Annual Financial Statements for the year ended 30 April 2022

Accounting Policies

1.4 Financial instruments (continued)

Loans receivable at amortised cost

Classification

Amounts receivable from related entities (note 4) and loans receivable are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because the contractual terms of these loans give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

Recognition and measurement

Loans receivable are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the loan initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

Interest income is calculated using the effective interest method, and is included in profit or loss in investment revenue (note 12).

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 5).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in investment revenue (note 12).

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Accounting Policies

1.4 Financial instruments (continued)

Borrowings and loans from related parties

Classification

Amounts payable to related entities (note 9) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

Borrowings and loans from related parties are recognised when the Company becomes a party to the contractual provisions of the loan. The loans are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest 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.

Interest expense, calculated on the effective interest method, is included in profit or loss in finance costs.

Borrowings expose the Company to liquidity risk and interest rate risk. Refer to note 18 for details of risk exposure and management thereof.

Trade and other payables

Classification

Trade and other payables (note 8), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest 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.

If trade and other payables contain a significant financing component, and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs.

Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk. Refer to note 18 for details of risk exposure and management thereof.

Cash and cash equivalents

Cash and cash equivalents are stated at carrying amount which is deemed to be fair value.

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Accounting Policies

1.5 Tax

Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

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.

Tax expenses

Current and deferred taxes are recognised as income or an expense and included in profit or loss for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to other comprehensive income, or
- a business combination.

Current tax and deferred taxes are charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

Current tax and deferred taxes are charged or credited directly to equity if the tax relates to items that are credited or charged, in the same or a different period, directly in equity.

1.6 Share capital

Ordinary shares are classified as equity.

1.7 Revenue

Revenue is recognised when or as the performance obligation is satisfied by transferring a promised service to a customer. Assets are transferred when or as the customer obtains control of that asset. When a performance obligation is satisfied, revenue is recognised as the amount of the transaction price that is allocated to the performance obligation.

A large proportion of the Company's revenue is earned in respect of fund administration and transfer agency services. On 1 May 2020, the Company entered into a sub-administration agreement with its sister company, Maitland Administration Services Limited ("MASL"). Under this agreement all of the revenue earned by the Company in relation to fund administration and transfer agency services is paid to MASL in return for MASL providing these services to the Company's funds.

Revenue is measured at the fair value of the consideration received or receivable and represents the amounts receivable for goods and services provided in the normal course of business, net of trade discounts and volume rebates, and value added tax.

Revenue is comprised of administration services rendered to customers and project income. Administration fees and project income earned in terms of contractual agreements are recognised as revenue in the Statement of Profit or loss and Other Comprehensive Income as described above.

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Accounting Policies

In some cases fees are billed annually, bi-annually or quarterly in advance depending on the terms of the client contracts. Revenue related to these fees received in advance of the fee being earned or the service being performed is deferred and recognised when the fee is earned or service performed. These are included under 'deferred income' on the Statement of Financial Position.

1.8 Borrowing costs

All other borrowing costs are recognised as an expense in the period in which they are incurred.

1.9 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Pound Sterlings, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At the end of the reporting period:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

In circumstances where the Company receives or pays an amount in foreign currency in advance of a transaction, the transaction date for purposes of determining the exchange rate to use on initial recognition of the related asset, income or expense is the date on which the Company initially recognised the non-monetary item arising on payment or receipt of the advance consideration.

If there are multiple payments or receipts in advance, Company determines a date of transaction for each payment or receipt of advance consideration.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous audited annual financial statements are recognised in profit or loss in the period in which they arise.

When a gain or loss on a non-monetary item is recognised to other comprehensive income and accumulated in equity, any exchange component of that gain or loss is recognised to other comprehensive income and accumulated in equity. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

Cash flows arising from transactions in a foreign currency are recorded in Pound Sterlings by applying to the foreign currency amount the exchange rate between the Pound Sterling and the foreign currency at the date of the cash flow.

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Notes to the Audited Annual Financial Statements**2. Intangible assets**

	2022			2021		
	Cost / Valuation	Accumulated amortisation	Carrying value	Cost / Valuation	Accumulated amortisation	Carrying value
Other intangible assets	73 800	(38 479)	35 321	73 800	(31 099)	42 701

Reconciliation of intangible assets - 2022

	Opening balance	Amortisation	Total
Other intangible assets	42 701	(7 380)	35 321

Reconciliation of intangible assets - 2021

	Opening balance	Amortisation	Total
Other intangible assets	50 081	(7 380)	42 701

Other information

Other intangible assets consist of bespoke authorised corporate director client contract.

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Audited Annual Financial Statements for the year ended 30 April 2022

Notes to the Audited Annual Financial Statements

	2022 £	2021 £
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3. Deferred tax

The deferred tax assets and the deferred tax liability relate to income tax in the same jurisdiction, and the law allows net settlement. Therefore, they have been offset in the statement of financial position as follows:

Deferred tax asset	912	845
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Reconciliation of deferred tax asset / (liability)

At beginning of year	845	2 760
Taxable / (deductible) temporary difference movement on tangible fixed assets	-	(186)
Taxable / (deductible) temporary difference on product development costs	67	(1 729)
	912	845

4. Loans to group companies

Subsidiaries

Maitland International Holdings Plc	1 835 841	1 233 093
Maitland FS Holdings (UK) Limited	-	158 316
Maitland Central Services London Limited	-	27 766
	1 835 841	1 419 175

The amount receivable from Maitland International Holdings plc bears interest at 0.1% per annum. The Company, per the terms of the loan agreement can call on the settlement of the loan which then becomes repayable within 3 business days. This loan has subsequently been repaid in full on 10 May 2022.

All other amounts are unsecured, bear no interest and have no fixed terms of repayment.

Transaction detail for the period is reflected under note 16, related parties.

Split between non-current and current portions

Non-current assets	-	203 066
Current assets	1 835 841	1 729 354
	1 835 841	1 932 420

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Notes to the Audited Annual Financial Statements

	2022 £	2021 £
5. Trade and other receivables		
Financial instruments:		
Trade receivables	67 073	49 249
Accrued income	1 051 210	903 565
Trade receivables at amortised cost	1 118 283	952 814
Other receivables	360 134	-
Non-financial instruments:		
VAT	-	42 355
Prepayments and accrued income	107 797	86 486
Total trade and other receivables	1 586 214	1 081 655

Trade receivables are non-interest bearing and are generally due within 30 days of the invoice date.

Categorisation of trade and other receivables

Trade and other receivables are categorised as follows in accordance with IFRS 9: Financial Instruments:

At amortised cost	1 478 417	952 814
Non-financial instruments	107 797	128 841
	1 586 214	1 081 655

6. Cash and cash equivalents available for use by the Company

Cash and cash equivalents consist of:

Bank balances	4 773 663	3 592 821
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Bank Balances

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Company, and earn interest at the respective short-term deposit rates. The Company's bank account had an overdraft facility of £1million however this was turned off in June 2022.

7. Share capital

During the year the Company issued new ordinary share capital of 710,000 shares.

Reconciliation of number of shares issued:

Reported as at 01 May 2021	950 000	950 000
Issue of shares – ordinary shares	710 000	-
	1 660 000	950 000

Issued and authorised

1,660,000 Ordinary shares of £1 each (2021: 950,000)	1 660 000	950 000
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Maitland Institutional Services Limited

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Audited Annual Financial Statements for the year ended 30 April 2022

Notes to the Audited Annual Financial Statements

	2022 £	2021 £
8. Trade and other payables		
Financial instruments:		
Trade payables	259 867	28 308
Accruals	252 399	277 457
Other payables	2 372 072	1 866 873
	2 884 338	2 172 638
9. Amounts payable to related entities		
Subsidiaries		
Maitland Group South Africa Limited	968	117
Maitland Central Services Limited	-	118 899
Maitland Administration Services Limited	420 413	3 189
	421 381	122 205
All amounts are unsecured, bear no interest and have no fixed terms of repayment.		
The breakdown of related party transactions are detailed in Note 16.		
10. Revenue		
Rendering of fund administration and related services	12 706 708	11 530 782
11. Operating profit (loss)		
Operating profit for the year is stated after charging (crediting) the following, amongst others:		
Auditor's remuneration - external		
Audit fees	35 700	30 087

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Notes to the Audited Annual Financial Statements

	2022 £	2021 £
11. Operating profit (loss) (continued)		
Expenses by nature		
The total cost of sales, selling and distribution expenses, marketing expenses, general and administrative expenses, research and development expenses, maintenance expenses and other operating expenses are analysed by nature as follows:		
Fund administration and transfer agency services from Maitland Administration Services Limited	9 043 524	8 244 682
Expenses recharged from Maitland Administration Services Limited	174 228	51 486
Employee related costs recharged from Maitland Administration Services Limited	1 512 638	1 553 269
Audit fees	35 700	30 087
Professional fees	280 044	247 251
Fund administration platform data feeds	279 240	269 115
Other	88 476	(10 761)
Insurance expense	142 005	179 001
Amortisation	7 380	7 380
Irrecoverable VAT	282 006	413 489
Bank charges and foreign currency losses	29 703	55 430
Expenses recharged from Maitland Central Services Limited	187 015	299 958
Expenses recharged from Maitland Group South Africa	99 319	80 022
Statutory regulatory licenses and professional body fees	76 868	72 596
Errors and omissions	56 913	2 572
	12 295 059	11 495 577
12. Investment revenue		
Interest income		
Investments in financial assets:		
Bank	7	76
Interest from related entities	2 396	2 074
Total interest income	2 403	2 150

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Notes to the Audited Annual Financial Statements

	2022 £	2021 £
13. Taxation		
Major components of the tax expense		
Current		
Local income tax - current period	80 266	10 942
Local income tax - prior period	(23 622)	(26 942)
	56 644	(16 000)
Deferred		
Deferred tax - current	(267)	186
Deferred tax - prior period	200	1 729
	(67)	1 915
	56 577	(14 085)
Reconciliation of the tax expense		
Reconciliation between accounting profit and tax expense.		
Accounting profit	414 189	33 841
Tax at the applicable tax rate of 19% (2021: 19%)	78 696	6 430
Tax effect of adjustments on taxable income		
Fixed asset differences	1 402	1 402
Expenses not deductible for tax	320	3 296
Prior period adjustment	(23 622)	(26 942)
Adjustments to deferred tax in respect of prior periods	(219)	1 729
	56 577	(14 085)

The tax rate increase to 25% will be effective from 01 April 2023 for companies with profits over £250,000. This was substantively enacted on 24 May 2021. Meanwhile companies with profits of £50,000 or less will pay tax at 19%. For companies with profits between £50,000 and £250,000, corporation tax rates will be tapered until they reach the marginal rate of 25%.

14. Cash generated from operations

Profit before taxation	414 189	33 841
Adjustments for:		
Amortisation	7 380	7 380
Interest income	(2 403)	(2 150)
Interest paid	(137)	3 514
Changes in working capital:		
Trade and other receivables	(504 559)	67 276
Related Party receivables	102 955	-
Trade and other payables	711 701	342 749
Related Party payables	299 176	-
	1 028 302	452 610

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Notes to the Audited Annual Financial Statements

	2022 £	2021 £
15. Tax paid		
Balance at beginning of the year	(64 000)	(186 806)
Current tax for the year recognised in profit or loss	(56 644)	16 000
Group relief received	40 378	-
Balance at end of the year	80 266	64 000
	-	(106 806)

16. Related parties

Relationships
Holding company

Maitland International Holdings plc

Related party balances are disclosed in note 4 and 9.**Recharges to related parties**

Maitland Central Services Limited	110	-
Maitland Administration Services Limited	2 222 851	2 010 890
Maitland Administration (Guernsey) Limited	7 831	-

Recharges from related parties

Maitland Central Services Limited	148 302	454 643
Maitland Administration Services Limited	11 181 401	11 202 015
Maitland Administration Services (Guernsey) Limited	355	-
Maitland Services Limited	-	4 743
Maitland Group South Africa Limited	-	66 094
Maitland Central Services London Limited	-	125 544
Maitland Fiduciary Limited - Cape Town	-	2 987
Maitland Mauritius Limited	-	7 469
Maitland FS Holdings (UK) Limited	-	84 821

Interest received from related parties

Maitland FS Holdings (UK) Limited	2 396	733
Maitland International Holdings plc	-	1 073

Services received from related parties

Maitland Group South Africa Limited	24 737	-
MTC Holdings Limited	165 536	-
Maitland FS Holdings Limited	8 469	-

Related party transactions

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Notes to the Audited Annual Financial Statements

	2022 £	2021 £
17. Directors' emoluments		
Executive		
2022		
Directors' emoluments	Emoluments	Pensions receivable or received
		Total
Services as director or prescribed officer		
For services as directors	564 135	10 098
		574 233
2021		
Directors' emoluments	Emoluments	Pension receivable or received
		Total
Services as director or prescribed officer		
For services as directors	482 178	9 924
		492 102
The highest paid director received £286,423 of emoluments and £5,000 in pension contributions in the period.		
18. Financial instruments and risk management		
Categories of financial instruments		
Capital risk management		
The Company's objective when managing capital are to ensure compliance with the FCA capital adequacy requirements and safeguard the Company's ability to continue as a going concern in order to provide returns of shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.		
The capital structure of the Company is made up of debt, trade receivables, loan receivables and cash and cash equivalents as disclosed in the statement of financial position.		
The Company manages its capital structure through business forecasts, monitoring solvency and managing its borrowings.		
Related party trade payables	9	421 381
Trade and other payables	8	2 884 338
Total borrowings		3 305 719
Cash and cash equivalents	6	(4 773 663)
Net (cash)/borrowings		(1 467 944)
Equity		4 845 966
Gearing ratio		(30)%

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18. Financial instruments and risk management (continued)

Financial risk management

Overview

The Company is exposed to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk (currency risk, interest rate risk and price risk).

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. This note describes the Company's objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's finance function. The Board receives monthly reports from the Company Financial Controller through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets. The Company's internal auditors also review the risk management policies and processes and report their findings to the Audit Committee.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is mainly exposed to credit risk from credit sales. It is Company policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

The Risk Management Committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references.

The Risk Management Committee determines concentrations of credit risk by quarterly monitoring of the creditworthiness rating of existing customers through a monthly review of the trade receivables ageing analysis. In monitoring the customers' credit risk, customers are grouped according to their credit characteristics.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating of "A" are accepted. The current rating of the Company's bank is A+.

The table below lists the assets subject to credit risk:

Assets subject to credit risk

	Total
Trade receivables	1 478 417
Cash and cash equivalents	4 773 663
Loan receivables	1 835 841
	8 087 921

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18. Financial instruments and risk management (continued)

Liquidity risk

Liquidity risk arises from the Company's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, it seeks to maintain cash balances (or agreed facilities) to meet expected requirements for a period of at least 90 days.

Rolling 3 months cash flow projections are produced on a weekly basis. At the end of the financial year, these projections indicated that the Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need financial support. The liquidity risk of the Company is managed by its finance team.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

2022

		Less than 1 year
Current liabilities		
Trade and other payables	8	2 884 338
Loans from group companies	9	421 381
Current tax payable	15	80 266

2021

		Less than 1 year
Current liabilities		
Trade and other payables	8	2 172 638
Amounts payable to related entities	9	122 205
Current tax payable	15	64 000

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18. Financial instruments and risk management (continued)

Currency risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The majority of the Company's cost base is denominated in its functional currency (GBP) and only has a small exposure to costs charged in a different currency. To reduce its currency risk exposure, the Company's policy is to hold all of its cash assets in GBP and purchase foreign currency for settlement of foreign currency liabilities as and when they fall due.

The Company is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US Dollar and the South African Rand. Foreign exchange risk areas from future commercial transactions, recognised assets and liabilities and net investments in foreign operations.

A regular assessment is conducted to ensure the effect of the movements in currencies in which it contracts are not material to the Company. In the event that any movement in exchange rates have a material impact on the Company additional actions would be taken to minimise this effect.

The below table shows the effect of a 10% change in currency rates on the net assets:

The Company's net asset position

	Net Assets	Weakening of Sterling	Strengthening of Sterling
DKK	2	-	-
ZAR	(246 202)	(27 356)	22 382
USD	(2 256)	(251)	205
EUR	316	35	(29)
GBP	5 094 106	-	-
	4 845 966	(27 572)	22 558

Interest rate risk

The Company had no significant interest bearing assets or liabilities and the Company's cash flows are substantially independent of changes in market interest rates.

Price risk

A large proportion of the Company's costs and revenue are sensitive to changes in Assets under Administration which in turn are sensitive to stock market conditions and movements. On the assumption that markets grew by 10%, the Company's revenue would have been £832,941 higher, operating costs would have been £589,217 higher and net assets would have been £197,417 higher. Conversely, on the assumption that markets fell by 10%, the Company's revenue would have been £843,746 lower, operating costs would have been £596,860 lower and net assets would have been £199,977 lower.

19. Events after the reporting period

The Directors are not aware of any matters or circumstances arising since the end of the financial period which require disclosure in these financial statements.

Since the year end it has been announced that the Company's parent has agreed to sell the Company to Apex Group, a group registered in the United Kingdom. At the time of approving these financial statements, the sale is still pending regulatory approval.

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20. Ultimate controlling party

On 30 April 2021, there was a restructure of the Maitland FS Holdings (UK) Group driven by the ultimate parent company separating out the entire group into its three distinct business units. This led to the parent, Maitland FS Holdings (UK) Limited purchasing 100% of the shares in the Company from Maitland Administration Services Limited.

The Company's ultimate holding company is Maitland International Holdings plc incorporated in Malta. The smallest company for which accounts are consolidated and accounts is available publicly through the companies house website is Maitland FS Holdings (UK) Limited.

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