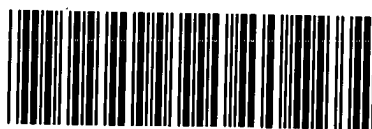


Intertrust (UK) Limited

Annual report and financial statements

For the year ended 31 December 2021

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Intertrust (UK) Limited**Annual report and financial statements for the year ended 31 December 2021**

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Intertrust (UK) Limited

Officers and registered office

Directors

Nima Abrishamchian
Wenda Adriaanse
Helena Whitaker
Ian Hancock
Darren Gallant

Registered office

1 Bartholomew Lane
London
EC2N 2AX
United Kingdom

Company number

06307550
(England and Wales)

Strategic report for the year ended 31 December 2021

The directors present the strategic report of Intertrust (UK) Limited (the "Company") for the year ended 31 December 2021.

Incorporation, principal activity and future developments

The Company was incorporated in the United Kingdom on 10 July 2007 and registered in England and Wales as a private limited company under the Companies Act 2006.

The Company's main activity is the provision of trust and company management services.

For the year ended 31 December 2021 the Company is exempt from the requirement to prepare group accounts under Section 400 of the Companies Act 2006 (the "Act"). As the Company itself is a wholly owned subsidiary, that is included in the consolidated financial statements of a larger group by a parent undertaking established under the law of the United Kingdom.

The directors do not anticipate any changes to the nature of the Company's business in the foreseeable future.

Results and dividends

The statement of comprehensive income of the Company is set out on page 11 and shows the profit for the financial year of £3,182,037 (2020: profit of £2,296,338).

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

Principal risks and uncertainties

The principal risks to the Company relate to the underlying transactional activity of the client base. This has been partially mitigated by vast diversification of the client base. This strategy has enabled the Company to continue to deliver significant revenue growth. The directors monitor the Company's performance by reviewing monthly reports.

Brexit considerations

The UK left the European Union on 31 January 2020 and exited the subsequent 11- month transition window on 31 December 2020. On 24 December 2020 a Trade and Cooperation Agreement (the "Withdrawal Agreement") was formalised between the EU and the UK which established the basis for the broad relationship between the EU and the UK going forwards. The Withdrawal Agreement was ratified by the UK Parliament on 30 December 2020 and entered into force on 01 May 2021.

Whilst there has been some delay with new opportunities, the directors have assessed the potential impact of leaving the EU to the regulation exposure on the core business and is of the opinion that Brexit will not impact existing business with the likelihood of new laws and regulation creating further revenue opportunities.

COVID-19 Coronavirus considerations

The directors continue to closely monitor the potential impact of coronavirus ("COVID-19") on the Company's financial results and cashflows and have performed a risk assessment and evaluated the projections for the Company. The top priority remains the health and safety of staff and clients. The directors concluded that there was no significant impact on the financial results for the year.

Based on information provided by the Government, the World Health Organisation (the "WHO") and available publicly, the directors are continuing to take several measures to reduce any potential impact, the main one being continuing with remote working options and servicing clients with no disruption. The Company has updated processes and controls to ensure operations adhere to current guidelines with a focus on additional cyber security.

COVID-19 Coronavirus considerations (*continued*)

Despite new variants of COVID-19 being identified, there has been the introduction and continued implementation of a mass-vaccination programme. Therefore, whilst there remains a risk, the directors expect the Company to continue to perform in line with normal expectations, and do not expect a significant impact on the financial results and cashflows of the Company resulting from COVID-19 for the foreseeable future.

The directors have reviewed the existing book of business and is of the view there will be no impact on client contractual obligations.

Climate risk

The directors have assessed the impact of climate risk on the Company and deem it to be insignificant.

Geopolitical risk

On 24 February 2022, Russian troops started invading Ukraine. The ongoing military attack has led, and continues to lead, to significant casualties, dislocation of the population, damage to infrastructure and disruption to economic activity in Ukraine. The war is increasingly affecting economic and global financial markets and exacerbating ongoing economic challenges, including issues such as rising inflation and global supply-chain disruption.

In response, multiple jurisdictions, including the EU, Switzerland, the UK, the US, Canada, Japan and Australia have imposed initial tranches of economic sanctions on Russia (and in certain cases Belarus). As a subsidiary of the Intertrust N.V. Group (the "Group") the Company's response to the Russia-Ukraine war fits within a global structure overseen at Group level with appropriate country specific derogation as required. In addition to the imposition of sanctions, the Group announced voluntary action to curtail business activities with Russia and begun the process of exiting the provision of services to all current Russian client.

The directors have assessed the current impact of the Russia-Ukraine war and deem it to be insignificant, as the Company does not provide services to any Russian clients, and therefore there has been no resulting significant impact on the current operations of the Company.

Given the unprecedented situation, the directors acknowledge that there may be further unexpected impacts that are currently unforeseeable. The Company will continue to monitor the potential impact the Russia-Ukraine war may have on its results, and will make necessary adjustments to its financial statements should this happen.

Financial risks

The directors have assessed the primary risks facing the Company and believe them to be credit risk, liquidity risk and market rate risk. The principal nature of such risks is summarised below.

Credit risk

Credit risk reflects the risk that other transaction parties will not be able to meet their obligations as they fall due. The Company's credit risk is primarily attributable to its trade and other receivables. On an ongoing basis, management of credit risk is undertaken by reviewing and monitoring trade and other receivables balances and communicating regularly with clients on balances in arrears. In addition, prospective clients are assessed for their creditworthiness. The amounts presented on the statement of financial position are net of doubtful debt provisions as estimated by the Company's management. The Company does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or can do so only at an unacceptable high cost, should the actual cashflows from its assets differ from those expected. The Company's ability to meet its obligations associated with its financial liabilities is dependent on timely receipt of funds which may be delayed due to slow repayments of trade and other receivables. The Company mitigates its exposure to liquidity risk by regularly monitoring and maintaining cash balances at a comfortable level.

Foreign exchange risk

Currency risk is the risk that the fair value of financial assets and liabilities will fluctuate due to changes in market variables such as foreign exchange currency rates. The Company undertakes transactions denominated in foreign currencies, consequently exposures to foreign exchange rate fluctuations arise. It is the directors' opinion that exposure to these fluctuations are a fixed cost inherent to the business, and as such no formal hedging practices are used to mitigate the effect of unfavourable foreign exchange rate movements.

Capital management

The Company is not subject to any external capital requirements, except for the minimum requirement under the Companies Act 2006. The Company has not breached this minimum requirement.

Section 172(1) statement

The directors have taken account of the matters set out in section 172(1) of the Companies Act 2006 when performing their duty to promote the success of the Company for the benefit of its members as a whole, and in doing so having regard (amongst other matters) to:

- (a) the likely consequence of any decision in the long term;
- (b) the interests of the Company's employees;
- (c) the need to foster the Company's business relationships with suppliers, customers and others;
- (d) the impact of the Company's operations on the community and the environment;
- (e) the desirability of the Company maintaining a reputation for high standards of business conduct; and
- (f) the need to act fairly between members of the Company.

As a subsidiary of the Intertrust N.V. Group (the "Group") the Company's policies and procedures fit within a global structure overseen at Group level with appropriate country specific derogation as required. An explanation of how the Group's board have considered these matters is included in the Our Strategy section of Intertrust N.V.'s Annual Report 2021 which is available to view on the investors page at:

<https://www.intertrustgroup.com/investors>

The following describes how the directors of the Company have had regard to the matters set out in section 172(1)(a) to (f) and forms the directors' statement under section 414CZA of the Companies Act 2006. Our stakeholders and how we engage with them:

People

Whilst the Company has no employees, all individuals that work on the Company's matters are contractually employed by Intertrust Management Limited and the Company receives an allocation of staff costs for these employees (see note 6).

Intertrust is a people first business and our strategy is focused on helping our people deliver an exceptional service to our clients, ensuring our business continues to grow and succeed. For our Company to succeed we need to manage our people's performance and development, encouraging talent whilst ensuring we operate efficiently.

Section 172(1) statement (*continued*)

People – How we engage?

- Employee engagement surveys and responding to feedback – employee engagement year over year improved by 14% with NPS score of 24;
- Training and development; continuing training using ELLA, our global learning management tool designed to help our people develop, learn and grow through its extensive suite of learning materials suitable for everyone whatever their role or level;
- Utilising Flex, a global management development programme that builds skills and line management capabilities for new or less experienced managers;
- Using pulse surveys to allow all employees to provide feedback on specific issues;
- Regular internal communications via our intranet site 'Bridge' and whole office meetings virtually;
- Receiving regular updates on employee wellbeing, morale and motivation from senior management;
- Crisis response team established and organised virtual activities for staff working at home, prioritising health and wellness programmes and ensuring a comfortable working environment;
- In office massages, puppy therapy and healthy breakfast and snacks introduced;
- Gifted employees a half day off for Mental Health Awareness Week on Friday 14 May; and
- End of month socials introduced for employees to meet new colleagues (Covid permitting).

Clients

Intertrust delivers high-quality, tailored corporate, fund, capital market and private wealth services to its clients, with a view to building long-term relationships.

Clients – How we engage?

- Global key account programme supplemented at a local level by regular reviews of the Company's largest clients;
- The Company directors receive regular reports on the Company's performance against its KPI, including service levels and client feedback;
- Reviewing and monitoring any client dissatisfaction and errors or breaches however caused;
- Receiving feedback from participation in industry forums and events; and
- The Company hosted its first event in the new office with a well renowned Olympic athlete speaking about their learnings as a champion, with both clients and employees in attendance. The event created the opportunity for in-person interaction in an informal setting, to develop client relationships.

Suppliers and Regulators

We have developed and maintain strong relationships with all our suppliers both external and internal.

Although the Company itself does not operate in a regulated market the Group is Listed and many of our clients are regulated and/or Listed. In all our dealing with and on behalf of our clients we aim to maintain positive relationships with all parties including but not limited to Companies House, the various stock exchanges and listing authorities relevant to our clients, the Information Commissioner's Office and the Internal Revenue Service.

Suppliers and Regulators – How we engage?

- Our aim is to maintain long-term relationships, ensuring value for money and receiving the best quality service;
- Contract negotiation and contract renewals;
- Annual review of policies and processes to ensure that we are compliant with the Modern Slavery Act;
- Review payments policies and practices to ensure we pay our suppliers within agreed timescales;
- Reporting against the relevant regulatory timetable for ourselves and our clients all required information;

Section 172(1) statement (*continued*)

Suppliers and Regulators – How we engage? (*continued*)

- Responding to ad-hoc requests for specific information; and
- With the continued impact of COVID-19 affecting businesses across the UK, the Company ensured payments were made to small suppliers in advance of due dates to assist with their cashflows.

The Community and the Environment

The central theme in the Company's Environmental, Social and Governance (ESG) programme is 'leading by responsible business practices'.

The Company's approach is to adopt environmentally appropriate policies and practices to promote positive change for the people and communities with which we interact.

The Community and the Environment – How we engage?

- Reviewing feedback from our people surveys and CSR committee and looking for ways to further improve our business and impact on the community and the environment;
- Global initiative at Group level that launched a new end-to-end environmental, social and governance (ESG) data gathering and analytics solution. The new product supports private fund managers as they move towards sustainable investment opportunities and responsible growth; and
- Ensuring our suppliers comply with our high standards, such as those relating to environmental responsibility, modern slavery, human rights and ethics.

Business reputation

The Company's values and culture are intended to ensure the delivery of high-quality, tailored corporate, fund and capital market services to its clients.

Business Reputation – How we engage?

- Ensuring we employ the right people in the right roles with access to the necessary training and development to ensure that they retain the necessary skills to excel in their roles;
- Undertaking appropriate due diligence on potential clients and new transactions to ensure that we maintain and development a network of likeminded clients; and
- At an Intertrust N.V. Group level, the decision was made to accelerate investment to strengthen the global compliance framework and increase client confidence.

Board of Intertrust N.V.

As a wholly owned subsidiary the Company objectives are to increase value for the Group's shareholders represented by the Group board.

The Company's directors are committed to engaging with the Group executive committee (ExCo) which is the primary management structure to implement the Group strategy agreed by the Group's management and supervisory boards. It is important that ExCo understands and agrees our strategy to meet the objectives agreed for the Company both short and longer term.

Board of Intertrust N.V. – How we engage?

- Regular updates presented to ExCo on the financial performance of the Company;
- Regular updates provided to Group functions on performance relating to HR, internal compliance and risk management and business development;
- Ensuring full transparency, best practice and governance; and
- The introduction of Q&A sessions with ExCo members to create an open forum for questions and opinions to be heard.

Strategic report for the year ended 31 December 2021 (*continued*)

Section 172(1) statement (*continued*)

Key decisions in 2021

Weekly management meetings are held at which the directors and senior leadership team monitor performance and delivery against agreed KPI's.

KPI's for the UK

- Revenue growth for the year was +15.2% versus prior year at £19.1M.;
- £3.3M of new business wins in 2021;
- EBITA margin of 51.1% in line with Budget; and
- Compliance file review scores improved from 56% (H2 2020) to 91.3%.

Operational performance

- Review of managing director reports;
- Receiving business reviews from each of the three service lines, Capital Markets, Corporate Services and Funds;
- Review of risk and regulatory reports; and
- Review of HR reports.

Financial performance and risk

- Review of finance director reports;
- Approval of 2021 annual report and financial statements; and
- Approval the 2022 budget.

Facilities

Continuing to ensure the office location is a safe and COVID-19 compliant environment.

On behalf of the Board



Wenda Adriaanse
as Director
27 February 2023

Directors' report for the year ended 31 December 2021

The directors present their report together with the unaudited financial statements of Intertrust (UK) Limited (the "Company") for the year ended 31 December 2021.

Results and dividends

The statement of comprehensive income of the Company is set out on page 11 and shows the profit for the financial year of £3,182,037 (2020: profit of £2,296,338).

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

Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or to place the Company into liquidation.

The directors have undertaken a review of the Company's current financial position and commitments and based upon this have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors also believe that the Company has sufficient means and procedures in place, to ensure it is well positioned to manage its business risks for the foreseeable future. There are not considered to be any significant financial risks faced by the Company. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Future developments

Information on future developments is included in the Incorporation, principal activity and future developments section of the Strategic report.

Principal risks and uncertainties

Information on principal risks and uncertainties, including the impact of Brexit, COVID-19 and the Russia-Ukraine war, is included in the Strategic report and forms part of this report by cross-reference.

Financial risk management

Information on financial risk management objectives and policies is included in the Strategic report and forms part of this report by cross-reference.

Streamlined energy and carbon reporting

The Company is out of scope of the Streamlined Energy and Carbon Reporting ('SECR'), as it does not meet the numerical thresholds in relation to turnover and number of employees.

Political and charitable donations

There were no political contributions made by the Company during the year (2020: £nil). There were no charitable donations made by the Company during the year (2020: £nil).

Directors' report for the year ended 31 December 2021 (*continued*)

Directors

The directors of the Company who served during the year, and subsequently, unless otherwise stated, were:

Nima Abrishamchian

Wenda Adriaanse

Helena Whitaker

Ian Hancock

Daniel Jaffe

(resigned on 24 May 2022)

Susan Abrahams

(resigned on 16 July 2021)

Douglas Armour

(resigned on 23 January 2021)

Darren Gallant

(appointed on 08 January 2021)

Third party indemnities

Qualifying third party indemnity provisions for the benefit of the directors were in force during the year under review and remain in force as at the date of approval of the report and financial statements.

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Strategic report, Directors' report and the financial statements in accordance with applicable law and regulation.

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 *United Kingdom-adopted International Accounting Standards* (IFRSs as adopted by the UK) and applicable law.

Under company law, 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 their profit or loss for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-adopted international accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 its 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 detect fraud and other irregularities.

Directors' report for the year ended 31 December 2021 (*continued*)

Auditor

For the year ended 31 December 2021 the Company was entitled to audit exemption under Section 479A of the Companies Act 2006, relating to subsidiary companies.

On behalf of the Board



Wenda Adriaanse
as Director
27 February 2023

Statement of comprehensive income for the year ended 31 December 2021

	Note	Year ended 31 December 2021	Year ended 31 December 2020
		£	£
Revenue	4	5,758,326	4,636,308
Direct costs	5	(19,969)	(9,252)
Gross profit		5,738,357	4,627,056
Other income		4,607	-
Administrative expenses	6	(2,220,823)	(2,020,409)
Impairment loss on trade and other receivables	9	(48,655)	(146,059)
Profit before taxation		3,473,486	2,460,588
Taxation on profit	7	(291,449)	(164,250)
Profit for the financial year	13	3,182,037	2,296,338
Other comprehensive income		-	-
Total comprehensive income for the financial year		3,182,037	2,296,338

All amounts relate to continuing activities.

The accompanying notes on pages 15 to 28 are an integral part of these financial statements.

Statement of changes in equity for the year ended 31 December 2021

	Share capital	Retained earnings	Total shareholder's equity
	£	£	£
Balance as at 01 January 2020	2,100,000	2,044,764	4,144,764
Profit for the financial year	-	2,296,338	2,296,338
Balance as at 31 December 2020	2,100,000	4,341,102	6,441,102
Profit for the financial year	-	3,182,037	3,182,037
Balance as at 31 December 2021	2,100,000	7,523,139	9,623,139

The accompanying notes on pages 15 to 28 are an integral part of these financial statements.

Statement of financial position as at 31 December 2021

	Note	31 December 2021	31 December 2020
		£	£
NON-CURRENT ASSETS			
Investment in subsidiaries	8	<u>2</u>	<u>2</u>
		2	2
CURRENT ASSETS			
Unbilled receivables		449,143	261,179
Trade and other receivables	9	614,041	1,060,351
Amounts due from related parties	15	11,402,466	8,177,466
Cash and cash equivalents	10	<u>1,715,850</u>	<u>376,836</u>
		14,181,500	9,875,832
CURRENT LIABILITIES			
Deferred income		(179,759)	(197,195)
Trade and other payables	11	(280,399)	(208,895)
Amounts due to related parties	15	(3,538,138)	(2,610,642)
Corporation tax liability		<u>(560,067)</u>	<u>(418,000)</u>
		(4,558,363)	(3,434,732)
NET CURRENT ASSETS		9,623,137	6,441,100
NET ASSETS		9,623,139	6,441,102
SHAREHOLDER'S EQUITY			
Share capital	12	2,100,000	2,100,000
Retained earnings	13	<u>7,523,139</u>	<u>4,341,102</u>
TOTAL SHAREHOLDER'S EQUITY		9,623,139	6,441,102

The accompanying notes on pages 15 to 28 are an integral part of these financial statements.

For the year ended 31 December 2021 the Company was entitled to audit exemption under Section 479A of the Companies Act 2006 (the "Act") relating to subsidiary companies.

No members have required the Company to obtain an audit of its accounts for the current year in accordance with Section 476 of the Act.

The directors acknowledge responsibility for:

- i) ensuring the Company keeps accounting records which comply with Section 386 of the Act, and
- ii) preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year in accordance with the requirements of Section 393 of the Act, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the Company.

The financial statements on pages 11 to 28 were approved and authorised for issue by the Board, and were signed on its behalf by;

Wenda Adriaanse

as Director
27 February 2023

Statement of cash flows for the year ended 31 December 2021

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Cash flows from operating activities		
Profit for the financial year	3,182,037	2,296,338
<i>Adjustments for:</i>		
Taxation	142,067	23,000
(Increase)/decrease in unbilled receivables	(187,964)	52,952
Decrease in trade and other receivables	446,310	475,233
Increase in amounts due from related parties	(3,225,000)	(2,697,050)
Decrease in deferred income	(17,436)	(72,047)
Increase in trade and other payables	71,504	10,713
Increase/(decrease) in amounts due to related parties	927,496	(28,528)
Cash generated from operating activities	1,339,014	60,611
Taxation paid	-	-
Net cash generated from operating activities	1,339,014	60,611
Increase in cash and cash equivalents	1,339,014	60,611
Cash and cash equivalents at the beginning of the year	376,836	316,225
Cash and cash equivalents at the end of the year	1,715,850	376,836

The accompanying notes on pages 15 to 28 are an integral part of these financial statements.

1) General information

Intertrust (UK) Limited (the "Company") is a private company limited by shares, incorporated and domiciled in the United Kingdom and registered in England and Wales. The address of its registered office is 1 Bartholomew Lane, London, EC2N 2AX. The Company was incorporated on 10 July 2007. The nature of the Company's operations and its principal activities are set out in the Strategic report.

2) Basis of preparation

Statement of compliance

On 31 December 2020, *International Financial Reporting Standards as adopted by the European Union* (EU adopted IFRS's) at that date was brought into United Kingdom (UK) law and became *UK-adopted International Accounting Standards*, with future changes being subject to endorsement by the UK Endorsement Board. The Company transitioned to *UK-adopted International Accounting Standards* in its financial statements on 1 January 2021. This change constitutes a change in accounting framework. However, there is no impact on recognition, measurement or disclosure in the period reported as a result of the change in framework.

The financial statements of the Company have been prepared in accordance with *UK-adopted International Accounting Standards* and with the requirements of the Companies Act 2006 (the "Act"), as applicable to companies reporting under those standards.

The significant accounting policies which have been applied consistently throughout the year to the Company's financial statements are set out in note 3.

Going concern

In order to form a view as to the most appropriate basis of preparation of these financial statements, the directors have assessed the likelihood of whether the Company will be able to continue trading over the foreseeable future versus the likelihood of either intending to or being forced to either cease trading or to place the Company into liquidation.

The directors have undertaken a review of the Company's current financial position and commitments and based upon this have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future. The directors also believe that the Company has sufficient means and procedures in place, to ensure it is well positioned to manage its business risks for the foreseeable future. There are not considered to be any significant financial risks faced by the Company. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

It is the directors' view, to the best of their current knowledge, that the continued impact of coronavirus ("COVID-19") will not have a material adverse impact on the Company's ability to continue as a going concern. The long term and fixed fee nature of the contracts ensures that the current economic environment will have minimal impact on revenues in the foreseeable future.

The company is in a strong cash flow position currently and after performing scenario-based analysis on the effects of COVID-19 (assuming several scenarios of reduction in revenue and potential defaults in cash collection), even in a worst-case scenario with clients not able to settle debts there would be sufficient funds to cover its obligations over the next 12 months from the date of the approval of the financial statements. There is a comprehensive business continuity plan should members of staff fall ill, with cover from other regional offices. The company is fully operational with all members of staff hybrid working from both home and the office.

2) Basis of preparation (continued)

Basis of measurement

The financial statements are prepared on a going concern basis under the historical cost convention, as modified by revaluation of certain financial instruments, in accordance with the Companies Act 2006 and applicable accounting standards in the UK.

Functional and presentational currency

These financial statements are presented in pounds sterling as this is the currency of the primary economic environment in which the Company operates. All amounts in the financial statements have been rounded to the nearest £1.

Group accounts

For the year ended 31 December 2021 the Company is exempt from the requirement to prepare group accounts under Section 400 of the Companies Act 2006. As the Company itself is a wholly owned subsidiary, that is included in the consolidated financial statements of a larger group by a parent undertaking established under the law of the United Kingdom (see note 17).

Use of estimates and judgements

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

Critical accounting estimates and judgements

(a) Work in progress (WIP)

The Company recognises WIP within revenue and as unbilled receivables for amounts that remain unbilled at the year end. The amounts are recorded at their recoverable amounts. The recoverable amount of WIP is assessed on an individual basis using the judgment of management, and takes into account an assessment of the client's financial position, the age profile of the WIP and an assessment of historical recovery rates.

(b) Expected credit loss

To accurately reflect the recoverable amount of its trade receivables the Company provides for impairment losses. The recoverable amount of trade receivables is assessed on an expected loss basis, with forward-looking consideration, and consistent with the IFRS 9 simplified approach. A calculation of the impairment loss is performed based on a default rate percentage which is derived using historical credit loss information.

3) Significant accounting policies

The accounting policies that have been consistently applied, unless otherwise stated, in the preparation of these financial statements are summarised below. These accounting policies have been used throughout all periods presented in the financial statements.

3) Significant accounting policies (continued)

New standards and interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2021 reporting periods and have not been early adopted by the Company. None of these are expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions. No significant changes to the disclosure are recognised at this stage.

Foreign currency

In preparing the financial statements of the Company, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the transactional rate. At each year end, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing at that date.

Non-monetary items measured in a foreign currency remain at historic cost and are not re-translated.

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts, rebates and sales taxes or duty. Revenue is recognised in the statement of comprehensive income to the pro-rate part of the services rendered to the client during the reporting date. Revenue comprises income from company management and accounting services provided.

The Company accounts for a contract with a client when all of the following criteria are met.

- The parties have approved the contract and have committed to its terms (written, verbally);
- The Company can identify each party's rights regarding the services to be transferred;
- The Company can identify the payment terms for the services to be transferred;
- The contract has commercial substance; and
- It is probable that the Company will collect the consideration to which it will be entitled in exchange for services that will be transferred to the client. In evaluating whether collectability of an amount of consideration is probable, the entity should consider only the client's ability and intention to pay that amount of consideration when it is due.

Deferred income

Deferred income represents fixed fees invoiced to clients in advance. It drives higher trade receivables and deferred income at the end of the reporting period, with the deferred income released in the following year.

Fees received in advance are recorded as such and included in liabilities and are released to revenue as the services are provided. As at 31 December 2021 deferred income of £179,759 was classified within the statement of financial position (2020: £197,195).

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Unbilled receivables

Unbilled receivables from clients represent time incurred but not billed on client administration at the anticipated recovery rate and are accounted for as unbilled receivables. Unbilled receivables and trade receivables are stated at the recoverable amount.

3) Significant accounting policies (continued)

Provisions

Specific provisions are made for trade receivables and unbilled receivables where amounts are considered to be of doubtful recovery by the directors.

Impairment

The Company assesses whether there is any objective evidence that a financial asset is impaired. A financial asset is impaired and an impairment loss incurred if there is objective evidence that an event or events since initial recognition of the asset have adversely affected the amount or timing of future cash flows from the asset.

If there is objective evidence that an impairment loss on a financial asset has been incurred, the Company measures the amount of the loss as the difference between the carrying amount of the asset and the present value of estimated future cash flows from the asset discounted at the original effective interest rate of the instrument at initial recognition.

Impairment losses are recognised in the statement of comprehensive income and the carrying amount of the financial asset reduced by establishing an allowance for impairment losses. If in a subsequent period the amount of the impairment loss reduces and the reduction can be ascribed to an event after the impairment was recognised, the previously recognised loss is reversed by adjusting the allowance.

Taxation

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Provision is also made on income tax arising on the profits made by the Company. Current tax is provided at amounts expected to be paid (or received) using the tax rates and laws that have been enacted or substantially enacted by the year end.

Expenses

Overhead expenditure includes general administration expenses. In addition to expenses incurred directly by the Company, certain expenses including staff costs and premises costs are incurred locally by an affiliated company, Intertrust Management Limited, and then recharged to the Company. All expenses are accounted for on an accruals basis.

Financial instruments

Financial instruments comprise trade and other receivables, cash and cash equivalents, and trade and other payables.

Trade and other receivables

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses. Trade and other receivables comprise of lending's to related parties and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances at bank.

Trade and other payables

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method. Trade and other payables comprise of borrowings from related parties and trade and other payables.

Notes forming part of the financial statements for the year ended 31 December 2021 (continued)

4) Revenue

Revenue was recognised from contracts with customers. There were not any material or significant exceptions to this during the year. There are no material incremental costs to obtain these contracts and therefore no asset related to this has been recognised.

In the following table, revenue is disaggregated by the type of contract:

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Revenues from fixed fees	2,860,986	2,567,627
Revenues from time-based fees	2,897,340	2,068,681
	5,758,326	4,636,308

5) Direct costs

Direct costs of £19,969 (2020: £9,252) consists of Cost of Sales.

6) Administrative expenses

	Year ended 31 December 2021	Year ended 31 December 2020
	£	£
Employment-related costs	2,066,254	1,913,585
Professional fees	35,497	34,048
Administrative expenses	119,072	72,776
	2,220,823	2,020,409

The Company has no employees. Employees that work on the Company's matters are contractually employed by Intertrust Management Limited and the Company receives an allocation of staff costs for these employees.

Employment-related costs of £2,066,254 (2020: £1,913,585) consists of salaries and related costs, training and recruitment costs as well as property-related costs.

7) Taxation on profit

As announced in the Spring 2020 Budget, the UK's corporation tax was set at 19% for the financial year beginning 01 April 2020. This maintains the rate at 19%, rather than reducing it to 17% from 01 April 2020. The charge to corporation tax and the main rate is set to remain at 19% for the financial years beginning before 01 April 2023. The Government made several budget announcements on 3 March 2021. These include confirming that the main rate of corporation tax will increase to 25% from 01 April 2023. This new law was substantively enacted on 24 May 2021.

7) Taxation on profit (continued)

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
a) Analysis of the tax charge in the year		
Tax charge for the year	291,449	164,250
Current year UK corporation tax charge	661,000	468,000
Prior year tax adjustment	(369,551)	(303,750)
Total tax charge	291,449	164,250

The actual tax charge is computed by applying the standard rate of UK Corporation Tax of 19.00% (2020: 19.00%) as follows:

	Year ended 31 December 2021 £	Year ended 31 December 2020 £
b) Factors affecting the tax charge for the year		
Profit before tax	3,473,486	2,460,588
Current year UK corporation tax charge	659,962	467,512
Prior year tax adjustment	(369,551)	(303,750)
Rounding	1,038	488
Total tax charge	291,449	164,250

8) Investment in subsidiaries

	31 December 2021 £	31 December 2020 £
Subsidiary undertakings - at cost	2	2

Subsidiary undertakings	Registered number	Country of incorporation	Ordinary share capital	Principal business activity
Intertrust Trustees Limited	07359549	UK *	1	Trading
Intertrust Trust Corporation Limited	04409492	UK *	1	Trading

* The registered office is at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX.

The Company's investments in subsidiaries are recorded at cost less any provision for impairment.

9) Trade and other receivables

	31 December 2021	31 December 2020
	£	£
Trade receivables	654,738	907,365
Doubtful debt provision	(48,838)	(78,569)
Prepayments	3,229	3,229
Other receivables	4,912	228,326
	614,041	1,060,351

No interest is charged on the receivables. The Company has recognised a bad debt provision of £48,838 (2020: £78,569) based upon the Company's bad debt policy – see below for further details. The Company reflects an accurate carrying value of the asset based upon the consideration of factors such as: external economic factors, the market, historical trends, age of debt, management view and specific individual circumstances.

The movement in the doubtful debt provision at the reporting date is as follows:

	31 December 2021	31 December 2020
	£	£
<i>Opening balance</i>	(78,569)	(42,866)
Decrease/(increase) in specific provision for the year	25,215	(23,241)
Decrease/(increase) in collective provision for the year	4,516	(12,462)
As at 31 December	(48,838)	(78,569)

The total impairment loss on trade and other receivables for the reporting period is as follows:

	31 December 2021	31 December 2020
	£	£
Movement in doubtful debt provision for the year	29,731	(35,703)
Write-off's for the year	(78,386)	(110,356)
	(48,655)	(146,059)

10) Cash and cash equivalents

	31 December 2021	31 December 2020
	£	£
Cash at bank	1,715,850	376,836

11) Trade and other payables

	31 December 2021	31 December 2020
	£	£
Trade payables	10,223	29,944
Accruals	52,274	19,836
Other payables	217,902	159,115
	280,399	208,895

12) Share capital

	31 December 2021	31 December 2020
	£	£
<i>Allotted, issued and fully paid</i>		
Ordinary shares of £1 each - 2,100,000 (2020: 2,100,000)	2,100,000	2,100,000
	2,100,000	2,100,000

The Company has not issued shares to which special rights of control are attached. There are no limitations on the voting rights attached to the shares in the Company and there are no restrictions on the distribution of dividends and the repayment of capital.

13) Retained earnings

	31 December 2021	31 December 2020
	£	£
Opening balance	4,341,102	2,044,764
Profit for the financial year	3,182,037	2,296,338
As at 31 December	7,523,139	4,341,102

14) Financial instruments

The Company is exposed to certain financial risks through its ongoing operations, including credit, liquidity, market and capital management risk. The carrying value of the Company's financial instruments approximates fair value due to the relatively short periods of maturity of these instruments.

This note presents information about the Company's exposure to each of the risks together with the Company's objectives, policies and processes for measuring and managing the risks. The directors have overall responsibility for the establishment and oversight of the Company's risk management framework.

Credit risk

Credit risk reflects the risk that other transaction parties will not be able to meet their obligations as they fall due. The Company's credit risk is primarily attributable to its trade and other receivables. On an ongoing basis, management of credit risk is undertaken by reviewing and monitoring trade and other receivables balances and communicating regularly with clients on balances in arrears. In addition, prospective clients are assessed for their creditworthiness. The amounts presented on the statement of financial position are net of doubtful debt provisions as estimated by the Company's management.

14) Financial instruments (continued)

Credit risk (continued)

The Company does not have any significant credit risk exposure to any single counterparty or any Company of counterparties having similar characteristics. To reduce exposure to credit risk with regard to cash and cash equivalents, deposits are placed only with counterparties who maintain high credit ratings. Management does not expect such counterparties to fail to meet their obligations.

The maximum exposure to credit risk arising on the Company's financial assets at the reporting date is disclosed in the table below.

	Carrying value 2021 £	Maximum exposure 2021 £	Carrying value 2020 £	Maximum exposure 2020 £
Assets:				
Unbilled receivables	449,143	449,143	261,179	261,179
Trade receivables (net of doubtful debt provision)	605,900	605,900	828,796	828,796
Amounts due from related parties	11,402,466	11,402,466	8,177,466	8,177,466
Cash and cash equivalents	1,715,850	1,715,850	376,836	376,836
	14,173,359	14,173,359	9,644,277	9,644,277

All amounts due from trade customers are due within 30 days of the invoice date. The following is an aged analysis of trade receivables based on the invoice date as at the reporting date:

31 December 2021	Gross value £	Doubtful debt provision £	Carrying value £
Trade receivables:			
Neither past due or impaired	296,636	(8,592)	288,044
Past due 1-90 days	209,708	(4,461)	205,247
Past due 91-180 days	93,522	(11,894)	81,628
Past due 181-365 days	41,013	(14,283)	26,730
Past due more than 365 days	13,859	(9,608)	4,251
	654,738	(48,838)	605,900

31 December 2020	Gross value £	Doubtful debt provision £	Carrying value £
Trade receivables:			
Neither past due or impaired	303,541	(4,791)	298,750
Past due 1-90 days	356,040	(8,331)	347,709
Past due 91-180 days	141,782	(10,535)	131,247
Past due 181-365 days	102,179	(51,089)	51,090
Past due more than 365 days	3,823	(3,823)	-
	907,365	(78,569)	828,796

14) Financial instruments (*continued*)

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due or can do so only at an unacceptable high cost, should the actual cashflows from its assets differ from those expected. The Company's ability to meet its obligations associated with its financial liabilities is dependent on timely receipt of funds which may be delayed due to slow repayments of trade and other receivables. The Company manages liquidity risk by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The maturity of the Company's liabilities at the reporting dates is as follows:

As at 31 December 2021	Less than 1 month £	1 to 3 months £	3 months to 1 year £	1 to 5 years £	Total £
Financial Assets:					
Unbilled receivables	-	291,943	157,200	-	449,143
Trade receivables (net of doubtful debt provision)	32,923	59,378	513,599	-	605,900
Amounts due from related parties	-	-	11,402,466	-	11,402,466
Cash and cash equivalents	1,715,850	-	-	-	1,715,850
Total as at 31 December 2021	1,748,773	351,321	12,073,265	-	14,173,359

Financial Liabilities:

Trade and other payables	8,179	161,214	100,552	10,454	280,399
Amounts due to related parties	-	-	3,538,138	-	3,538,138
Total as at 31 December 2021	8,179	161,214	3,638,690	10,454	3,818,537

As at 31 December 2020	Less than 1 month £	1 to 3 months £	3 months to 1 year £	1 to 5 years £	Total £
Financial Assets:					
Unbilled receivables	-	169,767	91,412	-	261,179
Trade receivables (net of doubtful debt provision)	63,601	83,532	681,663	-	828,796
Amounts due from related parties	-	-	8,177,466	-	8,177,466
Cash and cash equivalents	376,836	-	-	-	376,836
Total as at 31 December 2020	440,437	253,299	8,950,541	-	9,644,277

14) Financial instruments (*continued*)

Liquidity risk (*continued*)

As at 31 December 2020	Less than 1 month £	1 to 3 months £	3 months to 1 year £	1 to 5 years £	Total £
Financial Liabilities:					
Trade and other payables	23,955	147,738	31,974	5,228	208,895
Amounts due to related parties	-	-	2,610,642	-	2,610,642
Total as at 31 December 2020	23,955	147,738	2,642,616	5,228	2,819,537

Market rate risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign exchange risk

Foreign exchange risk is the risk that the fair value of financial assets will fluctuate due to changes in market variables such as foreign exchange currency rates.

The Company undertakes transactions denominated in foreign currencies, consequently exposures to exchange rate fluctuations arise.

The carrying amount of the Company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	31 December 2021 £	31 December 2020 £
Assets:		
US Dollar	13,530	13,807
Euro	79,094	89,779
	92,624	103,586
Liabilities:		
Euro	(3,118)	-
	(3,118)	-

It is the directors' opinion, that exposure to foreign exchange fluctuations are a fixed cost inherent to the business and as such no formal hedging practices are used to mitigate the effect of exchange rate movements. In the directors' opinion, the effect of possible foreign exchange rate fluctuations on net profit and net assets would not be significant. On this basis, no sensitivity analysis has been prepared.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows on a financial instrument will fluctuate because of changes in the market interest rates.

14) Financial instruments (continued)

Interest rate risk (continued)

The following items are subject to interest rate risks:

	31 December 2021 £	31 December 2020 £
Cash at bank	1,715,850	376,836

The Company's interest income and expense is considered insignificant to the Company and accordingly it is management's opinion that the Company's exposure to interest rate risk is low and as such no sensitivity analysis has been prepared.

Capital risk management

The Company's objective when managing capital is to ensure that it maintains its regulatory capital requirement and to be able to continue as a long-term concern while maximising returns to the shareholders and benefits to other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

There were no changes in the Company's approach to capital risk management during the year.

15) Related party transactions

The Company had the following transaction values for the year end with parties deemed to be related. All companies are related by virtue of common control exerted by Intertrust N.V. – the ultimate parent undertaking and controlling party of the Company.

The related party transactions were undertaken on an arm's length basis.

31 December 2021	Opening balance £	Transaction £	Closing balance £
Amounts due from related parties			
Intertrust Trustees (UK) Limited ^[1]	3,591	(3,591)	-
Intertrust Holdings (UK) Limited ^[3]	8,146,685	3,031,366	11,178,051
Intertrust Fund Services (UK) Limited ^[1]	2,714	(2,714)	-
Intertrust Fiduciary Services (UK) Limited ^[1]	24,476	-	24,476
Intertrust Trust Corporation Limited ^[1]	-	199,939	199,939
	8,177,466	3,225,000	11,402,466
Amounts due to related parties			
Intertrust Trustees (UK) Limited ^[1]	873,639	(3,591)	870,048
Intertrust Management Limited ^[1, 2, 3]	1,727,566	928,777	2,656,343
Intertrust Corporate Services (UK) Limited ^[1]	9,437	2,310	11,747
	2,610,642	927,496	3,538,138

^[1] Cash payments made/cash receipts collected on behalf of the Company.

^[2] Expenses recharge to/from the Company.

^[3] Loan repayments made to Intertrust Group N.V. on behalf of counterparty.

15) Related party transactions (continued)

31 December 2020	Opening balance £	Transaction £	Closing balance £
Amounts due from related parties			
Intertrust Trustees (UK) Limited ^[1]	12,856	(9,265)	3,591
Intertrust Holdings (UK) Limited ^[1, 3]	5,444,894	2,701,791	8,146,685
Intertrust Fund Services (UK) Limited ^[1]	-	2,714	2,714
Intertrust Fiduciary Services (UK) Limited ^[1]	20,885	3,591	24,476
	5,478,635	2,698,831	8,177,466
Amounts due to related parties			
Intertrust Trustees (UK) Limited ^[1]	-	873,639	873,639
Intertrust Management Limited ^[1, 2, 3]	2,382,288	(654,722)	1,727,566
Intertrust Corporate Services (UK) Limited ^[1]	22,336	(12,899)	9,437
Intertrust Fiduciary Services (Jersey) Limited ^[1]	23,552	(23,552)	-
	2,428,176	182,466	2,610,642

^[1] Cash payments made/cash receipts collected on behalf of the Company.

^[2] Expenses recharge to/from the Company.

^[3] Loan repayments made to Intertrust Group N.V. on behalf of counterparty.

16) Directors' remuneration and employee costs

The Company has no employees. Employees that work on the Company's matters are contractually employed by Intertrust Management Limited and the Company receives an allocation of staff costs for these employees (see note 6).

Total directors' remuneration in connection with the above entity and the Company for the year totalled £212K.

The directors' received retirements benefits as members of a defined contribution pension scheme, operated by Intertrust. The highest paid director's salary was £129K which includes total pension contribution of £8K.

17) Parent undertaking and controlling party

The Company's immediate parent company is Intertrust Holdings (UK) Limited.

The smallest group in which the results of the Company are consolidated is Intertrust Holdings (UK) Limited, which is incorporated in the United Kingdom and registered in England and Wales. Copies of the consolidated financial statements of Intertrust Holdings (UK) Limited are publicly available and can be obtained from its registered office at 1 Bartholomew Lane, London, EC2N 2AX.

The ultimate parent undertaking, controlling party and largest group of which the Company is a member is Intertrust N.V. ("Group"), a Dutch public company listed on the Euronext Amsterdam stock exchange. The Group's registration number at the Chamber of Commerce is 61411809, and registered office is at Basisweg 10, Amsterdam, the Netherlands. Copies of the consolidated financial statements of Intertrust N.V. are publicly available and can be obtained directly through the Group's website.

18) Subsequent events

There are no events after the statement of financial position date that would require adjustment to these financial statements.

In November 2022, CSC announced the completion of its acquisition of Intertrust N.V., which was the ultimate parent undertaking of the Company as at 31 December 2021.