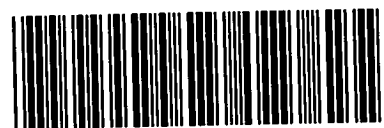


Aurajoki Europe Limited

Annual Report and Financial Statements
for the year ended 30 June 2022

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Director and company information

Director

G Lo

Auditor

BDO LLP
55 Baker Street
London
W1U 7EU

Bankers

The Royal Bank of Scotland
PO Box 7895
Nottingham
United Kingdom
NG1 7ZS

Solicitors

Eversheds Sutherland
Water Court
116 – 118 Canal Street
Nottingham
NG1 7HF

Registered Office

6 Bevis Marks
London
England
EC3A 7BA

Strategic Report for the year ended 30 June 2022

The director presents their Strategic Report for Aurajoki Europe Limited (the "Company") for the year ended 30 June 2022.

Principal activities

The principal activity of the Company is that of a holding and administration company for its trading subsidiaries.

Business review

The results for the year are set out on page 10. The profit for the year after tax amounted to £116,894,000 (2021: loss of £12,135,000). The profit includes a charge for the impairment of the carrying value of fixed asset investments of £20,773,000 (2021: £19,084,000).

In October 2021, the Company sold its holding in both Helsingin Pantti Osakeyhtio and Sefina Svensk Pantbelaning AB to an unconnected third party. Whilst this sale represented a significant transaction, it did not have a material impact on the Company's operations as a whole, and the general level of activity remained materially consistent during the year. This is as a result of there being no material changes to the level of finance provided to the Company's subsidiaries.

In April 2022, the Company sold its holding in Optima Sp z.o.o to an unconnected third party. The sale did not have a material impact on the Company's operations as a whole, and the general level of activity remained materially consistent during the year. This is as a result of there being no material changes to the level of finance provided to the Company's subsidiaries.

In addition there was also a loan due from Aurajoki Holdings UK Ltd, a fellow group company, which was repaid during the year. The recoverability of this loan had been assessed at the previous year end, and management decided to recognise an impairment in the value of this loan down to nil in the year ended 30 June 2021. As the loan was repaid in the year ended 30 June 2022, a reversal of the impairment previously recognised was reversed, resulting in a credit to the profit and loss account of £41,551,000.

During the year a Group project was undertaken to consolidate various intercompany loan balances, along with redistributing equity within the Group structure. The project resulted in significant changes to the share capital, share premium and retained earnings balances of the Company.

Key performance indicators (KPIs)

As the Company is not a trading company, there are no KPIs used by management to review its performance.

Principal risks and uncertainties

The main risks arising from the Company's activities are liquidity risk, credit risk, cash flow risk and regulatory risk.

Liquidity risk

Liquidity risk is the risk that the Company will not have sufficient resources to meet its financial obligations as they fall due. The Company aims to mitigate liquidity risk by managing the cash generation of its operations through the utilisation of the Group finance team to ensure that cash holdings are invested effectively.

Credit risk

Credit risk is the risk of financial loss to the Company due to a counterparty's failure to honour its financial obligations and arises as the Company provides loans to other group companies. The Company mitigates the risk by assessing the likelihood of the borrower defaulting, taking in to account a variety of factors such as the financial position of the potential borrower, and refusing to lend if the risk of default is too high.

Strategic Report for the year ended 30 June 2022 (continued)

Cash flow risk

The Company's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates. Interest bearing assets and liabilities are held at fixed rate to ensure certainty of cash flows and mitigate the risk.

Regulatory risk

The subsidiaries of the Company operate in a number of geographies and are regulated in the respective country by the following governing bodies and laws:

- Finland – The Finnish Competition and Consumer Authority.
- Sweden – Swedish Financial Supervisory Authority.
- Romania – Authority for Consumer Protection.

The risk is that the subsidiaries fail to comply with the regulatory requirements, and suffers detrimental consequences of those failures.

The Company is able to manage the risk by:

- having an experienced local management in regulated businesses;
- well-developed procedures, training, systems and operational controls.

Future developments and events since the balance sheet date

The director expects the general level of activity to remain consistent as present in the forthcoming year. This is as a result of there being no expected changes to the level of finance provided to its subsidiaries.

This report was approved by the board of directors and signed on its behalf by:



G Lo
Director

Date: 10 March 2023

Address of registered office:
6 Bevis Marks
London
England
EC3A 7BA

Director's Report

The director presents their Annual Report and the audited financial statements of Aurajoki Europe Limited (the "Company") for the year ended 30 June 2022.

Directors and directors' interests

The director who served the Company during the year and up to the date of this report is as follows:

G Lo

The director has no declarable interest in the shares of the Company or of any other group company.

Auditor

BDO LLP was re-appointed as auditor to the Company by the Directors in accordance with section 485 (3) (c) of the Companies Act 2006.

Disclosure of information to the auditor

Each person who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors' indemnities

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

Financial risk management objectives and policies

Details of financial risk management policies can be found under the heading 'Principal risks and uncertainties' in the Strategic Report, which is presented on page 2 and form part of this report by cross-reference.

Dividends

The Company paid a dividend of £117,664,000 during the year (2021: £nil).

Future developments and events since the balance sheet date

Details of future developments can be found in the Strategic Report which begins on page 2 and form part of this report by cross-reference.

Directors' Report (continued)

Approval of reduced disclosures

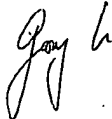
The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholders have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intends to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by shareholders holding in aggregate 5% or more of the total allocated shares in the Company. They should be served no later than 30 June 2023.

Going concern

The Company has net assets of £33,185,000 (2021: £33,955,000) as at the year end. Management have reviewed the future cash flow forecasts, and are confident the Company will be able to meet its liabilities as they fall due for the foreseeable future. Accordingly, the director continues to adopt a going concern basis in preparing the financial statements.

On behalf of the Board



G Lo
Director

Date: 10 March 2023

Address of registered office:
6 Bevis Marks
London
England
EC3A 7BA

Statement of Director's Responsibilities

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. Under company law the director must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that year. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report

to the members of Aurajoki Europe 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 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Aurajoki Europe Limited ("the Company") for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We 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.

Independent auditor's report (continued)

to the members of Aurajoki Europe Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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.

Other Companies Act 2006 reporting

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

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

Independent auditor's report (continued)

to the members of Aurajoki Europe Limited

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 the industry in which it operates and considered the risk of acts by the Company which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with the Companies Act 2006, those resulting from being authorised by the Financial Conduct Authority ("FCA") to undertake regulated activities and relevant accounting standards.

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

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of director and management;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.
- testing of journal postings made during the year to identify potential management override of controls; and
- review of meeting minutes throughout the period

Independent auditor's report (continued)

to the members of Aurajoki Europe Limited

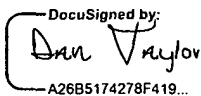
Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, 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:

<https://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:

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Daniel Taylor (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
London, UK
10 March 2023

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

Statement of comprehensive income

for the year ended 30 June 2022

	Note	2022 £'000	2021 £'000
Administrative expenses		<u>38,227</u>	<u>(22,884)</u>
Operating profit/(loss)	3	38,227	(22,884)
Income from investments		73,934	8,669
Interest receivable and similar income		5,207	2,932
Interest payable and similar charges		<u>(474)</u>	<u>(852)</u>
Profit/(Loss) on ordinary activities before tax		116,894	(12,135)
Tax on loss on ordinary activities	4	<u>-</u>	<u>-</u>
Profit/(Loss) and total comprehensive income for the financial year, attributable to the equity shareholders of the Company		<u>116,894</u>	<u>(12,135)</u>

The profit/(loss) shown above is derived from continuing operations.

The accompanying notes on pages 14 to 23 are an integral part of these financial statements.

Balance sheet

as at 30 June 2022

	Notes	2022 £'000	2021 £'000
Fixed assets			
Investments	5	<u>21,145</u>	<u>44,918</u>
Current assets			
Debtors	6	<u>8,696</u>	<u>509</u>
Cash at bank		<u>3,725</u>	<u>650</u>
		12,421	1,159
Current liabilities			
Creditors: amounts falling due within one year	7	<u>(381)</u>	<u>(12,122)</u>
Net current (liabilities)/assets		<u>12,040</u>	<u>(10,963)</u>
Net assets		<u>33,185</u>	<u>33,955</u>
Called up share capital and reserves			
Called up share capital	10	-	67,211
Share premium		-	118,371
Capital contribution		-	21,925
Profit and loss account		<u>33,185</u>	<u>(173,552)</u>
Total Shareholders' funds		<u>33,185</u>	<u>33,955</u>

The financial statements were approved and authorised for issue by the Board of Directors on the date shown below and were signed on its behalf by:



G Lo
Director

Date: 10 March 2023

The accompanying notes on pages 14 to 23 are an integral part of these financial statements.

Statement of changes in equity

as at 30 June 2022

	Called up share capital £'000	Share premium £'000	Capital Contribution £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 July 2020	67,211	118,371	21,925	(161,417)	46,090
Issued share capital	-	-	-	-	-
Total Comprehensive loss for the year	-	-	-	(12,135)	(12,135)
At 30 June 2021	67,211	118,371	21,925	(173,552)	33,955
Share Capital Reduction	(67,211)	(118,371)	(21,925)	207,507	-
Dividend paid	-	-	-	(117,664)	(117,664)
Total Comprehensive profit for the year	-	-	-	116,894	116,894
At 30 June 2022	-	-	-	33,185	33,185

The accompanying notes on pages 14 to 23 are an integral part of these financial statements.

Notes to the financial statements

for the year ended 30 June 2022

1. Significant accounting policies

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

Basis of preparation

Aurajoki Europe Limited is a private limited company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the Strategic Report which is presented on page 2.

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

Going concern

The Company has net assets of £33,185,000 (2021: £33,955,000) as at the year end. Management have reviewed the future cash flow forecasts, and are confident the Company will be able to meet its liabilities as they fall due for the foreseeable future. Accordingly, the director continues to adopt a going concern basis in preparing the financial statements.

Functional currency

The financial statements are presented in pounds sterling which is considered to be the Company's functional currency because that is the currency of the primary economic environment in which the Company operates. The amounts presented in the financial statements are rounded to the nearest thousand.

Group financial statements

The Company has taken advantage of the exemption to not prepare group financial statements for its group under section 400 of the Companies Act 2006, where its parent entity is established under the law of any part of the United Kingdom, on the grounds that:

- the Company and all of its subsidiaries are included in the group financial statements of Aurajoki Holdings UK Limited drawn up to the 30 June 2022; and
- that the group financial statements of Aurajoki Holdings UK Limited are drawn up and audited in accordance with UK-adopted international accounting standards.

Consequently, the financial statements only contain information about Aurajoki Europe Limited as an individual company and do not contain group financial information as the parent of a group. Copies of the group financial statements, which include the results of the Company, are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Cash flow statement

The Company is exempt from the requirements of section 7 of FRS 102 and therefore has not prepared a cash flow statement. Its results are included within the group financial statements of its parent undertaking, Aurajoki Holdings UK Limited, and these financial statements, which include the results of the Company, are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

Notes to the financial statements

for the year ended 30 June 2022 (continued)

1. Significant accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency using the spot exchange rate on the date of the transaction.

Tax

The charge for tax is based on the result for the year and takes into consideration timing differences arising as a result of different treatments of certain items for tax and accounting purposes.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exceptions:

- Provision is made for deferred tax that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the director considers that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Investments

Investments held as fixed assets are stated at cost, less any provision for permanent diminution in value.

The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Notes to the financial statements

for the year ended 30 June 2022 (continued)

1. Significant accounting policies (continued)

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value, unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the criteria, as laid out in FRS 102 section 11.9, are subsequently measured at amortised cost using the effective interest method.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the criteria, as laid out in FRS 102 section 11.9, are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of any impairment.

Debt instruments which do not meet the criteria, as laid out in FRS 102 section 11.9, are measured at fair value through profit and loss.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Classification of shares as debt or equity

When shares are issued, any component which creates a financial liability is presented as a liability in the balance sheet. The corresponding dividends are charged to the profit and loss account as interest.

Notes to the financial statements

for the year ended 30 June 2022 (continued)

2. Critical judgement in applying the accounting policies

Key source of estimation uncertainty – impairment of investments

Determining whether investments are impaired requires a comparison between the current book value of the investment and the estimated recoverable amount.

An impairment of £20,733,000 based on the valuation is required by management as at 30 June 2022 (2021: £19,084,000).

3. Operating loss

This is stated after charging:

	2022 £'000	2021 £'000
Impairment of investment (note 5)	20,773	19,084
Foreign exchange loss	<u>2,634</u>	<u>465</u>

The Company's audit fee (inclusive of VAT) of £38,000 for the current year (2021: £35,000) is payable to BDO LLP. Non-audit services provided to the Company are £nil for the current year as well as for the previous year.

Notes to the financial statements

for the year ended 30 June 2022 (continued)

4. Tax

(a) Tax on loss on ordinary activities

The tax charge is made up as follows:

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax on the loss for the year	-	-
Total current tax (note 4(b))	-	-
Tax on loss on ordinary activities	-	-

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.0% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit/(Loss) on ordinary activities before tax	116,894	(12,135)
Loss on ordinary activities multiplied by standard rate of Corporation tax in the UK of 19.0% (2021: 19%).	22,210	(2,306)
Effects of:		
Permanent disallowable items	4,043	5,290
Income not taxable	(26,728)	(3,073)
Deferred tax asset not recognised	252	(23)
Group relief surrendered for no payment	223	89
Carried forward group relief	-	23
Total tax expenses for the year (note 4(a))	-	-

(c) Factors that may affect future tax charges:

There is no recognised deferred tax balances as at 30 June 2022 or 30 June 2021.

There is an unrecognised deferred tax asset at 30 June 2022 of £868,000 relating to tax losses of £3,472,000 carried forward.

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021, and the UK deferred tax assets / liabilities as at 30 June 2021 have been calculated based on this rate. For simplicity (and given the deferred tax asset is not being shown as recognised) we have calculated the full DTA at 25% rather than partially at 19% for those items which are expected to unwind prior to 1 April 2023.

Notes to the financial statements

for the year ended 30 June 2022 (continued)

5. Investments

Shares in
subsidiary
undertaking
£000

Cost:

At 1 July 2021	69,209
Additions	-
Disposals	(28,967)
At 30 June 2022	40,242

Impairment:

At 1 July 2021	24,291
Impairment charge for year	20,773
Disposals	(25,967)
At 30 June 2022	19,097

Net Book Value:

At 30 June 2022	21,145
At 1 July 2021	44,918

An impairment of £20,773,000 based on the valuation is required by management as at 30 June 2022 (2021: £19,084,000).

In October 2021, the Company sold its holding in both Helsingin Pantti Osakeyhtio and Sefina Svensk Pantbelaning AB to an unconnected third party. In April 2022, the Company sold its holding in Optima Sp z.o.o to an unconnected third party

Details of the subsidiary undertakings are set out below, all shares held in these subsidiaries are ordinary shares:

Name of company	Nature of business	Share Holding	Country of Incorporation	Registered office address
*Risicum Capital AB	Online lender	100%	Sweden	Sankt Eriksgatn 44, Stockholm
Aurajoki Nordic Group OY	Non trading parent undertaking	100%	Finland	Helsinginkatu 1, 00500 Helsinki
Aurajoki Nordic Oy	Online lender	100%	Finland	Yliopistonkatu 29 b A, 20100 Turku
Cash Centres Corporation Ltd	Dormant	100%	UK	15 th Floor, 6 Bevis Marks, London, EC3A 7BA
*Cash Centres Ltd	Dormant	100%	UK	15 th Floor, 6 Bevis Marks, London, EC3A 7BA
Aurajoki Romania Ltd	Non trading parent undertaking	100%	UK	15 th Floor, 6 Bevis Marks, London, EC3A 7BA
OK Money Poland Sp. Z.o.o	Dormant	100%	Poland	Grunwaldzka 82-236, 80-244 Gdansk
*Aurajoki Sub S.R.L.I	Non trading parent undertaking	100%	Romania	Str Silvestru nr. 21, BL L1 IASI 700012, Romania
*Express Credit Amanet S.R.L	Pawnbroker	100%	Romania	Str Silvestru nr. 21, BL L1 IASI 700012, Romania
*Express Exchange S.R.L	Express Union Money Transfers	100%	Romania	Str Silvestru nr. 21, BL L1 IASI 700012, Romania

**Signifies that shares are held indirectly by Aurajoki Europe Limited, as the companies are owned by direct, wholly owned, subsidiaries of Aurajoki Europe Limited.*

Notes to the financial statements

for the year ended 30 June 2022 (continued)

6. Debtors

	2022 £'000	2021 £'000
Amounts due from group undertakings within one year	8,303	509
Other debtors	393	-
	<u>8,696</u>	<u>509</u>

Included within amounts due from group undertakings are the following principal balances which bear interest at the rates shown:

	Rate %	2022 £'000	Rate %	2021 £'000
Aurajoki Sub SRL	4.25	1,943	-	-

Furthermore, also within amounts due from group undertakings, there are the following trading balances, which are repayable on demand, and where no interest is being charged:

	2022 £'000	2021 £'000
Instant Cash Loans Limited	-	56
Helsingin Pantti Oy	-	74
Optima Sp. Zoo	-	1
Aurajoki Nordic OY	6	70
Sefina Svensk	-	184
Risicum Capital AB	6	52
Express Credit Amanet SRL	-	65
Aurajoki Sub SRL	16	-
Aurajoki Romania Limited	2,418	7

7. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Amounts due to group undertakings	324	11,872
Other creditors and accruals	57	250
	<u>381</u>	<u>12,122</u>

Within amounts due to group undertakings, there are the following trading balances which are repayable on demand, and where no interest is being charged:

	2022 £'000	2021 £'000
Aurajoki Holdings UK Limited	324	-
Beaully Financial Services Limited	-	283

Notes to the financial statements

for the year ended 30 June 2022 (continued)

8. Staff costs

	2022 £'000	2021 £'000
Wages and salaries	16	-
Social security costs	2	-
Other pension costs	1	-
	<u>19</u>	<u>-</u>

The monthly average number of employees during the year ended 30 June 2022, including directors, was 2 (2021: nil).

9. Director's remuneration

The director of the Company is remunerated by other companies within the Group. The director considers that the level of their qualifying services provided to the Company is inconsequential to its wider role within the group in the year ended 30 June 2022.

10. Called up share capital and reserves

Ordinary shares

Authorised, allotted and fully paid:

	2022 £'000	2021 £'000
1 (2021: 6,721,119,244) ordinary shares of £1 (2021: £0.01) each	-	67,211
	<u>-</u>	<u>67,211</u>

During the year a Group project was undertaken to consolidate various intercompany loan balances, along with redistributing equity within the Group structure. The project resulted in significant changes to the share capital, share premium and retained earnings balances of the Company.

The Company's other reserves are as follows:

- The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments relating to the equity component of preference shares.

11. Financial instruments

The Company manages its capital to ensure that the Company has sufficient capital resources to continue as a going concern. The capital structure of the Company consists of debt, which are the borrowings from fellow Group companies, cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and retained earnings as disclosed in Statement of changes in equity on page 13.

The Company's activities expose it to a number of financial risks and uncertainties; primarily credit risk, liquidity risk, market risk, interest rate risk, business risk, operational risk and regulatory risk. For detailed information on each of these risks refer to the Strategic Report on page 2.

Carrying values by categories of financial instrument as at 30 June are as follows:

Notes to the financial statements

for the year ended 30 June 2022 (continued)

11. Financial instruments (continued)

	2022 £'000	2021 £'000
Financial assets held at amortised cost		
Cash	3,725	650
Investments	21,145	44,918
Total	24,870	45,568

Financial assets – loans and receivables		
Amounts due from group undertakings	8,303	509
Other debtors	393	-
Total	8,696	509

	2022 £'000	2021 £'000
Financial liabilities held at amortised cost		
Amounts owed to group undertakings	324	11,872
Trade and other payables	57	250
Total	381	12,122

Maximum credit exposure for each of the above is same as the amounts disclosed.

The Company's maturity analysis of its liabilities as at the year end are summarised as follows:

	Not more than 3 months	More than 3 months but not more than one year	More than one year but not more than 5 years	Total
At 30 June 2022:	£'000	£'000	£'000	£'000
Amounts owed to group	324	-	-	324
Trade and other payables	57	-	-	57
Total	381	-	-	381
	Not more than 3 months	More than 3 months but not more than one year	More than one year but not more than 5 years	Total
At 30 June 2021:	£'000	£'000	£'000	£'000
Amounts owed to group	11,872	-	-	11,872
Trade and other payables	250	-	-	250
Deferred consideration	-	-	-	-
Total	12,122	-	-	12,122

Notes to the financial statements

for the year ended 30 June 2022 (continued)

12. Related party transactions

The Company is a wholly owned subsidiary of Aurajoki Holdings UK Limited, the group financial statements of which are publicly available.

Accordingly, the Company has taken advantage of the exemption in Section 33 of FRS 102 from disclosing transactions with 100% members or investees of the Aurajoki Holdings UK Limited group.

13. Ultimate parent undertaking and controlling party

On 27 February 2018, the Company was acquired by Aurajoki Holdings UK Limited, a company incorporated in England and Wales.

The largest and smallest group for which financial statements are drawn up which incorporate the financial statements of the Company is that headed by Aurajoki Holdings UK Limited. Copies of the group financial statements, which include the results of the Company, are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

14. Subsequent events

None.