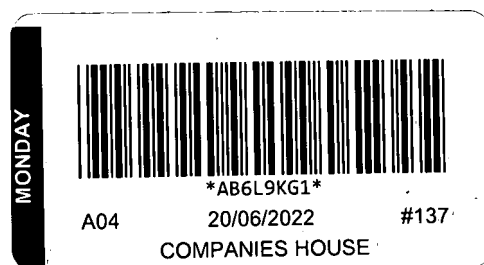


B-FLEXION Services (UK) Limited
(formerly Waypoint Corporate Services Limited)

Annual Report and Financial Statements

For the year ended 31 December 2021



B-FLEXION Services (UK) Limited

Registered No: 07844727

Directors

T Noyes
M Bolland
G McNair (resigned on 30 November 2021)
L Masmejan
G Haworth

Secretary

E Akadiri

Auditors

Ernst & Young LLP
Liberation House
Castle Street
St Helier
Jersey JE1 1EY

Bankers

C. Hoare & Co
37 Fleet Street
London
EC4P 4DQ

Registered Office

1 Curzon Street
London
W1J 5HD

B-FLEXION Services (UK) Limited

Directors' report

The Directors present their report and the financial statements for the Group, which present the consolidated results and financial position of B-FLEXION Services (UK) Limited (formerly Waypoint Corporate Services Limited) and its subsidiary, being Kedge Capital PE LLP, for the year ended 31 December 2021. B-FLEXION Services (UK) Limited is a limited liability company incorporated in England & Wales, registered number 07844727. Kedge Capital PE LLP is a limited liability partnership incorporated in England & Wales, registered number OC430922.

Results and dividends

The profit on ordinary activities, after taxation, for the year ended 31 December 2021 amounted to £1,893,241 (2020 – £839,618). No dividends were paid during the year (2020 - £nil). Principal activity of the business is disclosed within the strategic report.

Going concern

The Group is reporting a deficit in shareholder's equity of £5,116,982 at 31 December 2021 (2020 – £7,010,223) despite ongoing operating profits, due to the transfer of business from Kedge Capital (UK) Limited in 2020, a company under common control. The Group has a cash balance of £1,447,840 as at 31 December 2021 (2020 - £1,939,693), does not have any external debt, and provides services on a cost-plus pricing basis to generate an operating profit each year. The Directors have received written confirmation from B-FLEXION Holdings (Switzerland) SA (formerly Waypoint Capital Holdings (Switzerland) SA) that it will provide a loan up to the balance of the 31 December 2021 year-end capital deficit, if required for the Company to meet its liabilities, and that they would not intend to recall it in the foreseeable future and for at least 24 months, as at 31 December 2021.

The Directors have considered the financial position of the Group for a period to 31 December 2023 (being in excess of twelve months from the date of approval of the financial statements) and have a reasonable expectation that it has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. The continued spread of the novel coronavirus ("COVID-19") and the related disruption to the worldwide economy has affected businesses across all industries. While noting that the ultimate effects may be difficult to quantify, the Directors do not underestimate the current situation and the impact of COVID-19, the Directors are of the opinion that the use of the going concern assumption is still appropriate. Accordingly, the financial statements have been prepared on a going concern basis.

Directors

The Directors who held office through the year and up to the date of approving the financial statements are shown in page 1. The following changes have occurred during the year:

G McNair resigned on 30 November 2021

Disclosure of information to the auditors

So far as each person who was a Director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow Directors and the Group's auditor, each Director has taken all the steps that he/she is obliged to make as a Director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

B-FLEXION Services (UK) Limited

Directors' report

Re-appointment of Auditors

The Directors noted that Ernst & Young LLP were appointed as the Company's auditors and that a resolution to reappoint Ernst & Young LLP as auditors will be considered by the Directors at the next board meeting.

Streamlined energy and carbon reporting (SECR)

During the year the Company commissioned an external review of the energy usage and emissions of the Group, in accordance with the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 streamlined energy and carbon reporting guidelines. This will be performed annually going forward, to monitor, review and improve energy consumption and greenhouse gas emissions where possible. As this is its first year of measurement and reporting on this topic, the Group has made best endeavours to assess with accuracy its energy usage and carbon emissions, but the Directors acknowledge that methodology may evolve to rebase such analysis in the future.

We have collated results from office energy meter readings and analysis of staff business travel from expense claims, travel receipts and other information in line with World Resource Institute GHG Accounting and Reporting Principles.

During the year measures have been taken to reduce staff travel, which declined naturally due to the impact of the COVID-19 pandemic, and ensure office energy usage utilised 100% renewable energy tariffs.

The following findings were reported for 2021:

Greenhouse gas emissions (tCO_{2e})	2021
Scope 1 emissions from staff travel and facilities	15
Scope 2 emissions from purchased electricity	64
Scope 3 emissions from operations, travel and facilities	258
Total	337
Consumption per £m revenue	4.82
Consumption per staff member	3.92
Operational energy consumption (MWh)	440

On behalf of the Board:

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Mark Bolland
 Director
 Date: 20 May 2022

B-FLEXION Services (UK) Limited

Strategic report

Principal activity and review of the business

The principal activity of the Company during the year was the provision of administrative support services. In July 2021 B-FLEXION Services (UK) Limited became the Corporate Partner of Kedge Capital PE LLP. The principal activity of Kedge Capital PE LLP during the year was that of the provision of investment advisory services to the General Partner of Jersey based private equity funds.

The Directors do not believe there will be any changes to the principal activity of the Group or Company for the foreseeable future.

Principal risks and uncertainties

The principal risk to the Group would be a significant reduction in its clients' businesses. The Directors have considered this in light of the current business environment, with particular regard to risks associated with Covid-19. However, based on current business expectations the probability of a reduction in clients' businesses occurring is considered to be low due to the financial stability of the Waypoint Group. As the Group provides services on a cost-plus pricing basis, it is anticipated that there will always be an operating profit within each accounting period.

Key performance indicators

The key performance indicators of the Group are turnover £69,847,048 (2020 - £41,990,856) and administrative expenses £63,897,777 (2020 - £38,532,283). Activity has increased during the year following the transfer of business from Kedge Capital (UK) Limited on 31 March 2020. During the year the monthly average number of employees was 76 (2020 - 68). There were 12 leavers (2020 - 8) and 28 new joiners (2020 - 10) in 2021.

Statement in accordance with s172 Companies Act 2006

The Directors consider that they have acted in the way that would be most likely to promote the success of the Group and Company for the benefit of its members. This has been managed by regular oversight of, and engagement with, processes governing financial management, risk management and planning, alongside comprehensive engagement with both employees and stakeholders regarding the Group's operations throughout the year.

By order of the board:

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Mark Bolland
Director

Date: 20 May 2022

B-FLEXION Services (UK) Limited

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Company and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm that they have complied with the above requirements when preparing the financial statements

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF B-FLEXION SERVICES (UK) LIMITED**

Opinion

We have audited the financial statements of B-Flexion Services (UK) Limited (formerly Waypoint Corporate Services Limited ('the parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which Consolidated income statement, the Consolidated statement of financial position, the Company statement of financial position, the Statement of changes in equity and the related notes 1 to 21 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ▶ give a true and fair view of the group's and of the parent company's affairs as at 31 December 2021 and of the group's 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 to 31 December 2023 (being in excess of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern.

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this 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 the other information, we are required to report that fact.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF B-FLEXION SERVICES (UK) LIMITED (continued)**

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- ▶ the information given in the 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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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 parent company financial statements are not in agreement with the accounting records and returns; or
- ▶ certain disclosures of directors' remuneration specified by law are not made; or
- ▶ we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, 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 group's and the parent 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 group or the parent 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.

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF B-FLEXION SERVICES (UK) LIMITED (continued)**

Our approach was as follows:

- ▶ We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are the Companies Act 2006.
- ▶ We understood how B-FLEXION Services (UK) Limited is complying with those frameworks by making enquiries of management and internal audit. We corroborated our enquires through our review of board minutes and our attendance at the local B-FLEXION Audit and Risk Committee, the body providing overall risk and audit oversight for entities including the Company. We noted there was no contradictory evidence.
- ▶ We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it was considered there was susceptibility to fraud. We supported our understanding through conducting walkthroughs of significant classes of transactions to identify any potential susceptibilities to fraud.
- ▶ Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing with a focus on journals meeting our defined risk criteria based on our understanding of the business, a review of board minutes to identify any noncompliance with laws and regulations and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located 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.

Ernst & Young LLP

Andrew Jonathan Dann, FCA (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Jersey, Channel Islands
Date: 23 May 2022

B-FLEXION Services (UK) Limited

Consolidated income statement

For the year ended 31 December 2021

		2021	2020
	Notes	£	£
Turnover	3	69,847,048	41,990,856
Gross Profit		69,847,048	41,990,856
Administrative expenses		(63,897,777)	(38,532,283)
Operating Profit	4	5,949,271	3,458,573
Interest and similar income		53,173	92,693
Profit on ordinary activities before taxation		6,002,444	3,551,266
Tax	5	(4,109,203)	(2,711,648)
Profit for the financial year		1,893,241	839,618

The profit and loss account has been prepared on the basis that all operations are continuing operations.

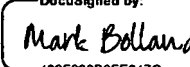
B-FLEXION Services (UK) Limited

Consolidated statement of financial position

at 31 December 2021

		31 Dec 2021	31 Dec 2020
	Notes	£	£
Fixed assets			
Tangible assets	9	2,542,547	1,172,059
		2,545,547	1,172,059
Debtors: amounts falling due after more than one year	11	510,264	411,296
Current assets			
Debtors: amounts falling due within one year	11	73,947,458	44,311,530
Cash		1,447,840	1,939,693
		75,395,298	46,251,223
Creditors: amounts falling due within one year	12	(21,805,027)	(14,791,699)
Net current assets		53,590,271	31,459,524
Total assets less current liabilities		56,643,082	33,042,879
Creditors: amounts falling due after more than one year	13	(61,108,193)	(39,252,570)
Provisions for liabilities	14	(651,871)	(800,532)
Net liabilities		(5,116,982)	(7,010,223)
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account		(5,116,983)	(7,010,224)
Total Equity		(5,116,982)	(7,010,223)

The financial statements on pages 9 to 25 were approved by the Board of Directors on 20 May 2022 and were signed on its behalf by:

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Mark Bolland
Director

DocuSigned by:

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Tristan Noyes
Director

B-FLEXION Services (UK) Limited

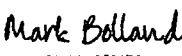
Company statement of financial position

at 31 December 2021


		31 Dec 2021	31 Dec 2020
	Notes	£	£
Fixed assets			
Tangible assets	9	2,542,547	1,172,059
Investments	10	100,000	100,000
		<u>2,642,547</u>	<u>1,272,059</u>
Debtors: amounts falling due after more than one year	11	510,264	411,296
Current assets			
Debtors: amounts falling due within one year	11	73,367,761	44,252,935
Cash		1,407,952	1,560,506
		<u>74,775,713</u>	<u>45,813,441</u>
Creditors: amounts falling due within one year	12	(21,894,674)	(15,104,863)
Net current assets		<u>52,881,039</u>	<u>30,708,578</u>
Total assets less current liabilities		<u>56,033,850</u>	<u>32,391,933</u>
Creditors: amounts falling due after more than one year	13	(60,571,293)	(38,673,956)
Provisions for liabilities	14	(651,871)	(800,532)
Net liabilities		<u>(5,189,314)</u>	<u>(7,082,555)</u>
Capital and reserves			
Called up share capital	16	1	1
Profit and loss account		(5,189,315)	(7,082,556)
Total Equity		<u>(5,189,314)</u>	<u>(7,082,555)</u>

The profit of the company for the financial year is £1,893,241 (2020: £767,287).

The financial statements on pages 9 to 25 were approved by the Board of Directors on 20 May 2022 and were signed on its behalf by:

DocuSigned by:

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Mark Bolland
Director

DocuSigned by:

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Tristan Noyes
Director

B-FLEXION Services (UK) Limited

Statement of changes in equity

at 31 December 2021

Group	Share capital	Profit and loss account	Total equity shareholder's funds
	£	£	£
At 1 January 2020	1	(7,849,842)	(7,849,841)
Profit for the year	-	839,618	839,618
At 31 December 2020	1	(7,010,224)	(7,010,223)
Profit for the year	-	1,893,241	1,893,241
At 31 December 2021	1	(5,116,983)	(5,116,982)

Company	Share capital	Profit and loss account	Total equity shareholder's funds
	£	£	£
At 1 January 2020	1	(7,849,842)	(7,849,841)
Profit for the year	-	767,286	767,286
At 31 December 2020	1	(7,082,556)	(7,849,841)
Profit for the year	-	1,893,241	1,893,241
At 31 December 2021	1	(5,189,315)	(5,189,314)

B-FLEXION Services (UK) Limited

Statement of cash flow

at 31 December 2021

Group	Notes	2021	2020
		£	£
Net cash from operating activities	18	2,537,504	2,166,580
Corporation tax paid		(3,084,331)	(1,878,433)
Net cash flow from operating activities		(546,827)	288,147
Cash flow from Investing Activities			
Interest received		53,173	92,693
Net cash flow from investing activities		53,173	92,693
Net (decrease)/increase in cash and cash equivalents		(493,654)	380,840
Foreign exchange translation		1,801	(69,219)
Cash at 1 January		1,939,693	1,628,072
Cash at 31 December		1,447,840	1,939,693

Company	Notes	2021	2020
		£	£
Net cash from operating activities	18	2,876,803	1,887,393
Corporation tax paid		(3,084,331)	(1,878,433)
Net cash flow from operating activities		(207,528)	8,960
Cash flow from Investing Activities			
Interest received		53,173	92,693
Purchase of investment		-	(100,000)
Net cash flow from investing activities		53,173	(7,307)
Net increase in cash and cash equivalents		(154,355)	1,653
Foreign exchange translation		1,801	(69,219)
Cash at 1 January		1,560,506	1,628,072
Cash at 31 December		1,407,952	1,560,506

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

1. Statement of Compliance

B-FLEXION Services (UK) Limited (formerly Waypoint Corporate Services Limited) is a private limited liability company incorporated in England & Wales, registered number 07844727. The Registered Office is 1 Curzon Street, London, W1J 5HD.

The Group's financial statements have been prepared in compliance with United Kingdom Accounting Standards, FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" (FRS 102) and the UK Companies Act 2006.

2. Accounting policies***Basis of preparation***

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

Group financial statements

On the 1 July 2020, the Company became the managing member of Kedge Capital PE LLP, a Limited Liability Partnership incorporated in England & Wales. The Group financial statements consolidate B-Flexion Services (UK) Limited and its subsidiary, Kedge Capital PE LLP (incorporated in the United Kingdom) from 1 January 2021 to 31 December 2021. Kedge Capital PE LLP's current accounting period is from 28 February 2021 to 31 March 2022.

For the period ended 31 March 2022 Kedge Capital PE LLP is entitled to exemption from an audit under section 479A of the Companies Act 2006 relating to subsidiary entities.

No Company income statement is presented for B-FLEXION Services (UK) Limited as the Company has taken the exemption under section 408 of the Companies Act 2006.

Revenue

Revenue is recognised on an accruals basis.

Other income and administrative expenses

Other income and administrative expenses are recognised on an accruals basis.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation and impairment.

Depreciation

Tangible fixed assets are stated at cost (or deemed cost) less accumulated depreciation and accumulated impairment losses. Costs includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs and borrowing costs capitalised.

Fixtures, fittings and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Computer equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on tangible assets is calculated, using the straight-line method, to allocate the cost to their residual values over their estimated useful lives, as follows:

Computer equipment	–	3 years
Fixtures and Fittings	–	3 years
Leasehold improvements	–	over the life of the lease (terminating July 2023)

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

2. Accounting policies (continued)**Investments in subsidiary undertakings**

Investments in subsidiaries are stated at cost less provision for permanent diminution in value. The carrying values of fixed asset investments are reviewed for any permanent diminution in value when events or changes in circumstances indicate the carrying value may not be recoverable.

Leasing and lease incentives

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term. Amounts provided for lease incentives will also be recognised in the profit and loss account on a straight-line basis over the lease term.

Dilapidations provision

A dilapidations provision is recognised when there is an expectation of future obligations relating to the maintenance of leasehold properties arising from events such as lease renewals or terminations.

The dilapidation liability is recognised with a corresponding asset recognised within leasehold improvements, representing the expected present value of the obligation. The dilapidation provision expense is charged to the profit and loss account as depreciation of the leasehold improvements asset on a straight line basis over the lease term in accordance with Financial Reporting Standard 102. The carrying values of the provisions are reviewed on an annual basis or when events or changes in circumstances indicate the carrying value may have changed from previous estimates.

Taxation

Current tax is provided on the Company's taxable profits at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Pensions

The Group participates in defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charges represent contributions payable by the Company to the funds.

Deferred taxation

Deferred taxation 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 exception:

- Deferred tax assets are recognised only to the extent that the Directors consider 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 periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Business combinations

Business combinations are accounted for by applying the purchase method. The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed plus the costs

directly attributable to the business combination. On acquisition of a business, fair values are attributed to the identifiable assets and liabilities. The excess of the fair value and directly attributable

costs of the purchase consideration over the fair values to the Company's interest in the

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

2. Accounting policies (continued)

identifiable net assets and liabilities acquired have been recognised as an expense of the Company.

Foreign currencies

The functional currency of the Group is sterling and transactions in foreign currencies are recorded at the rate of exchange ruling on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated, into GBP, at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Deferred compensation

Deferred compensation is recognised at its estimated present value with any changes recognised in the profit and loss account. The estimated value takes into consideration expected returns of linked investments and the terms of the relevant deferred compensation agreements. Management is required to make judgments and assumptions about the carrying amount of linked investments within this estimation.

Going concern

The Group is reporting a deficit in shareholder's equity of £5,116,982 at 31 December 2021 (2020 – £7,010,223) despite ongoing operating profits, due to the transfer of business from Kedge Capital (UK) Limited in 2020, a company under common control. The Group has a cash balance of £1,447,840 as at 31 December 2021 (2020 - £1,939,693), does not have any external debt, and provides services on a cost-plus pricing basis to generate an operating profit each year. The Directors have received written confirmation from B-FLEXION Holdings (Switzerland) SA (formerly Waypoint Capital Holdings (Switzerland) SA) that it will provide a loan up to the balance of the 31 December 2021 year-end capital deficit, if required for the Company to meet its liabilities, and that they would not intend to recall it in the foreseeable future and for at least 24 months, as at 31 December 2021.

The Directors have considered the financial position of the Group for a period to 31 December 2023 (being in excess of twelve months from the date of approval of the financial statements) and have a reasonable expectation that it has adequate resources to meet its liabilities as they fall due and continue in operational existence for the foreseeable future. The continued spread of the novel coronavirus ("COVID-19") and the related disruption to the worldwide economy have affected businesses across all industries. While noting that the ultimate effects may be difficult to quantify the Directors do not underestimate the current situation and the impact of COVID-19 on the Group. Based on the Directors' assessment of the impact of COVID-19, the Directors are of the opinion that the use of the going concern assumption is still appropriate.

3. Revenue

Revenue is attributable to the provision of administrative support services and advisory services.

	2021	2020
	£	£
Revenue attributable to administrative support and advisory services	69,847,048	41,990,856
Total revenue for the year	69,847,048	41,990,856

B-FLEXION Services (UK) Limited

Notes to financial statements

at 31 December 2021

4. Operating profit

<i>This is stated after charging/(crediting):</i>	2021	2020
	£	£
Auditor's remuneration – audit services	36,917	33,607
Depreciation of tangible assets	137,891	416,229
Loss/(gain) on foreign exchange transactions	391,050	(613,725)
Operating lease rentals	<u>1,656,211</u>	<u>1,642,491</u>

5. Tax

(a) Tax on profit on ordinary activities	2021	2020
	£	£
The tax charge is made up as follows:		
<i>Current tax:</i>		
UK corporation tax on profit for the year	<u>5,330,683</u>	<u>2,957,181</u>
Total current tax	<u>5,330,683</u>	<u>2,957,181</u>
<i>Deferred tax:</i>		
Movement for the year (note 15)	(1,221,480)	(245,533)
Tax on profit on ordinary activities	<u>4,109,203</u>	<u>2,711,648</u>

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

The tax assessed for the year differs from the weighted average standard rate of corporation tax in the UK of 19% (2020: 19%). A reconciliation is provided below:

	2021	2020
	£	£
Profit/(loss) on ordinary activities before taxation	<u>6,002,444</u>	<u>3,551,266</u>
Profit on ordinary activities before taxation multiplied by the weighted average standard rate of UK corporate tax of 19% (2020: 19%)	1,140,464	674,741
Effects of:		
Expenses not deductible for tax purposes	3,960	26,661
Income not taxable for tax purposes	(60,795)	-
Fixed asset differences	(15,668)	-
Adjustments to tax charge in respect of previous periods	80,538	(7,150)
Remeasurement of deferred tax	(3,684,374)	(548,258)
Deferred tax not recognized	6,583,809	2,565,654
Share of partnership profits	61,269	-
Current tax charge (note 5(a))	<u>4,109,203</u>	<u>2,711,648</u>

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

6. Staff costs

	2021	2020
	£	£
Wages and salaries	49,481,716	28,788,618
Social security costs	6,378,230	3,844,391
Other pension costs – defined contribution	921,092	880,362
Total revenue for the year	56,781,038	33,513,371

Included in Staff costs are the Directors' emoluments shown in note 7 below.

The monthly average number of employees during the year was as follows:

	2021	2020
	No.	No.
Administration and advisory services	76	68
	76	68

7. Directors' emoluments

	2021	2020
	£	£
Emoluments	6,202,710	5,551,452
Board Fees	438,823	499,032
Company contributions to defined contribution pension schemes	33,917	61,917
	6,675,450	6,112,421

	2021	2020
	No.	No.
Average number of members of defined contribution pension schemes	4	4
	4	4

The amounts in respect of the highest paid Director are as follows:

	2021	2020
	£	£
Emoluments	3,686,362	3,934,346
Company contributions to defined contribution pension schemes	22,917	25,000
	3,709,279	3,959,346

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

8. Members' remuneration**Group**

A member's share in the profit or loss of an LLP for the year is accounted for as an allocation of profits or losses.

Kedge Capital PE LLP made distributions of £2,085,016 (2020 - £299,126) to its operating members in the year, which have been expensed in administration expenses within the consolidate income statement.

Kedge Capital PE LLP distributed no profits to the Company in the year.

9. Tangible fixed assets**Group and Company**

	Computer equipment	Office Equipment	Fixtures & Fittings	Leasehold improvements	Total
Cost or valuation	£	£	£	£	£
At 1 January 2021	1,027,068	-	10,755	10,526,694	11,564,517
Additions	74,550	5,298	1,667	1,575,527	1,657,041
Dilapidation Asset	-	-	-	(148,661)	(148,661)
At 31 December 2021	1,101,618	5,298	12,422	11,953,560	13,072,897
Depreciation					
At 1 January 2021	854,241	-	10,755	9,527,463	10,392,459
Charge for the year	113,248	736	1,667	212,387	328,038
Dilapidation Asset	-	-	-	(190,147)	(190,147)
At 31 December 2021	967,489	736	12,422	9,549,703	10,530,350
Net book value					
At 31 December 2021	134,128	4,562	-	2,403,857	2,542,548
At 1 January 2021	172,827	-	-	999,232	1,172,059

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

10. Investments**Company**

Investment undertakings

On the 1 July 2020, the Company became the managing member of Kedge Capital PE LLP, a Limited Liability Partnership incorporated in England & Wales. The Company has included the LLP in its consolidated group financial statements.

11. Debtors

Group	2021	2020
	£	£
Prepayments and accrued income	403,384	953,652
Other debtors	1	1
Deferred tax asset	2,701,955	1,480,475
Amounts owed by group undertakings (note 19)	16,492,203	3,746,142
Amounts owed by other related parties (note 19)	54,349,915	38,161,260
	73,947,458	44,311,530

Company	2021	2020
	£	£
Prepayments and accrued income	386,353	953,652
Other debtors	1	1
Deferred tax asset	2,701,955	1,480,475
Amounts owed by group undertakings (note 19)	17,067,751	3,687,547
Amounts owed by other related parties (note 19)	53,211,701	38,161,260
	73,367,761	44,252,935

Long term debtors comprise:

	2021	2020
	£	£
Amounts owed by related parties	503,912	411,296
Rent Deposit	6,352	-
	510,264	411,296

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

12. Creditors: amounts falling due within one year

Group	2021	2020
	£	£
Trade creditors	1,043,618	164,745
Accruals	14,943,633	9,412,173
Pension creditors	116,273	106,761
Payroll creditors	990,986	689,168
Corporate tax payable	3,880,683	1,634,331
Amounts owed to group undertakings (note 19)	623,511	1,841,620
Amounts owed to related parties (note 19)	191,705	63,960
Other creditors	14,618	878,941
	21,805,027	14,791,699

Company	2021	2020
	£	£
Trade creditors	1,035,779	164,745
Accruals	14,938,572	9,412,173
Pension creditors	116,273	106,761
Payroll creditors	990,986	689,168
Corporate tax payable	3,880,683	1,634,331
Amounts owed to group undertakings (note 19)	644,418	2,042,734
Amounts owed to related parties (note 19)	191,705	51,010
Other creditors	96,258	1,003,941
	21,894,674	15,104,863

13. Creditors: amounts falling due after more than one year

Group	2021	2020
	£	£
Lease incentive	250,483	396,463
Long term incentive plan – deferred bonus	59,189,399	38,277,493
Accrued long term bonuses	1,131,411	-
Amount due to members of Kedge Capital PE LLP	536,900	578,614
	61,108,193	39,252,570

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

13. Creditors: amounts falling due after more than one year (continued)

<i>Company</i>	2021	2020
	£	£
Lease incentive	250,483	396,463
Long term incentive plan – deferred bonus	59,189,399	38,277,493
Accrued long term bonuses	1,131,411	-
	60,571,293	38,673,956

14. Provisions for liabilities

	2021	2020
	£	£
Dilapidations provision	651,871	800,532
	651,871	800,532

Following an independent expert review, the Company recognised a reduction in the dilapidations provision of £148,481. The adjusted dilapidations provision represents the present value of the total anticipated costs to the Company on termination of the premises operating lease. During the year, £190,147 (2020 - £87,331 expense) was credited to the profit and loss account as part of the depreciation of leasehold improvements.

15. Deferred taxation

	2021	2020
	£	£
Recognised deferred tax asset/(liability)		
The deferred taxation asset within debtors relates to:		
Depreciation in deficit of capital allowances	9,558	(37,742)
Other timing differences in respect of bonus/pension accruals	2,692,397	1,518,217
	2,701,955	1,480,475

There are unrecognised deferred tax assets at 31 December 2021 of £12,574,714 (2020 – £5,990,905) predominantly in respect of timing differences related to a long term incentive plan. This asset has been written down and is not recognised in the balance sheet due to the extended timeframe of its recoverability.

During 2020 deferred tax assets valued at £902,057 were transferred from Kedge Capital (UK) Limited as part of a business transfer agreement.

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

16. Issued share capital

	2021	2020
	£	£
Authorised: Ordinary shares of £1 each	<u><u>1</u></u>	<u><u>1</u></u>
Allotted, called up and fully paid: Ordinary shares of £1 each	<u><u>1</u></u>	<u><u>1</u></u>

17. Pension commitments

The Group participates in defined contribution pension schemes. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charges represent contributions payable by the Group to the funds. Unpaid contributions at the balance sheet date which are included in the financial statements as creditors are £116,273 (2020: £106,761).

18. Notes to the statement of cash flows

Reconciliation of profit to net cash inflow from operating activities

Group	2021	2020
	£	£
Operating profit	5,949,271	3,458,573
Depreciation	137,891	416,229
(Increase)/decrease in debtors	(28,513,416)	(16,906,273)
Increase/(decrease) in creditors	26,622,600	15,574,124
Purchase of tangible fixed assets	(1,657,041)	(445,292)
(Gain)/loss in foreign exchange	(1,801)	69,219
Net cash inflow from operating activities	<u><u>2,537,504</u></u>	<u><u>2,166,580</u></u>
Company	2021	2020
	£	£
Operating profit	5,949,271	3,386,242
Depreciation	137,891	416,229
(Increase)/decrease in debtors	(27,992,313)	(16,847,678)
Increase/(decrease) in creditors	26,440,796	15,308,673
Purchase of tangible fixed assets	(1,657,041)	(445,292)
(Gain)/loss in foreign exchange	(1,801)	69,219
Net cash inflow from operating activities	<u><u>2,876,803</u></u>	<u><u>1,887,393</u></u>

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

19. Related party transactions**Group**

During the year the Group entered into transactions, in the ordinary course of business, with other related parties. Transactions entered into, and trading balances outstanding at 31 December, are as follows:

	Income from services supplied	Expenses for services received	Disbursements paid on behalf of	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£	£
Entities not under common control:					
2021	124,237	-	103	124,340	-
2020	121,390	-	20,714	142,103	-
Other entities under common control:					
2021	69,713,619	-	70,051	36,239,451	815,216
2020	40,726,273	-	37,587	15,252,595	1,905,580

a) Transactions with subsidiaries and associates

During the year the Group held short term loan notes with B-FLEXION Treasury Limited (formerly Waypoint Treasury Limited), a Company under common control. At year end the loan notes totalled £34,478,327 (2020 - £26,512,705).

b) Key Management Personnel

All Directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company and other group entities are considered to be key management personnel. Total remuneration in respect of these individuals is £12,100,830 (2020: £3,537,873).

Company

The Company has taken advantage of the exemption in FRS 102 relating to transactions between 100% owned subsidiaries, by not disclosing information on related party transactions with entities that are part of the Group, or investees of the Group qualifying as related parties.

B-FLEXION Services (UK) Limited**Notes to financial statements**

at 31 December 2021

20. Other financial commitments

Future minimum rental payable under non-cancellable operating leases are as follows:

	Land and buildings	
	2021	2020
	£	£
Within one year	1,642,491	1,642,491
In two to five years	889,683	2,532,174
In over five years	-	-
Net cash inflow from operating activities	2,532,174	4,174,665

21. Ultimate controlling party

The Group's ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is B-FLEXION Group Holdings SA (formerly Waypoint Group Holdings SA), a company incorporated in Switzerland. The registered address of B-FLEXION Group Holdings SA is 31-33 Avenue Giuseppe Motta, 1202 Geneva, Switzerland.

In the Directors' opinion the Group's ultimate controlling party is Ernesto Bertarelli.

The immediate parent undertaking of B-FLEXION Services (UK) Limited is B-FLEXION Holdings (Switzerland) SA formerly (Waypoint Holdings (Switzerland) SA), a company incorporated in Switzerland. The registered address of B-FLEXION Holdings (Switzerland) SA is 31-33 Avenue Giuseppe Motta, 1202 Geneva, Switzerland.