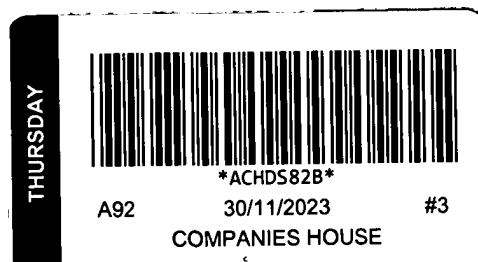


MAINSRING NOMINEES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023



MAINSRING NOMINEES LIMITED

COMPANY INFORMATION

Directors	S G Geddes D A Simmons N J Clark B Barker
Company number	08255713
Registered office	27 Furnival Street London EC4A 1JQ
Auditor	PKF Littlejohn LLP Statutory Auditor 15 Westferry Circus Canary Wharf London E14 4HD

MAINSRING NOMINEES LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Statement of other comprehensive income	10
Balance sheet	11
Statement of changes in equity	12
Notes to the financial statements	13 - 22

MAINSRING NOMINEES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present the strategic report for the year ended 31 March 2023.

Fair review of the business

The focus of the Group over the period was continued measured growth of turnover and operating profit through securing new clients.

Both ongoing businesses delivered continued growth in the year, despite the continued challenges that were experienced due to the Covid 19 pandemic for staff, clients and the broader economy. Growth resulted from the company securing new clients raising new funds as well as additional funds from existing clients. This has resulted in an increase in turnover of 12% compared to the previous year.

In addition the company benefited from the re-emergence of interest incomes which, given the prudent management of the cost base of the business during recent low interest periods, has resulted in a strong increase in company profitability that is considered more commensurate with regulated financial services returns on capital.

Technology innovation is necessary to maintain service quality as the business grows, improve transparency and responsiveness for clients and improve added-value and job satisfaction for staff. The group is well positioned for the future and continues to build on its high-quality reputation and to look to deliver further services to its clients.

Principal risks and uncertainties

The principal risks and uncertainties facing the company during this period was operational service risk due to the Covid19 pandemic requiring full company-wide remote working and cybersecurity risks. The company continued investment in remote working capabilities and increased infrastructure resilience through this fiscal year as well as introducing further enhancements to the company's cybersecurity protections and staff training. The company has renewed its Cyber Essential Plus accreditation.

Mainspring Nominees is required to manage capital requirements and to ensure it has the financial strength and capital adequacy to support its growth of the business and meet the requirements of regulators the Financial Conduct Authority (FCA). The directors are confident that the company will continue to meet its capital adequacy requirement in the future.

Staff are key to the future growth of the business, recruiting and retaining staff through the years ahead is a key priority and risk of the business. To alleviate this risk the company has accelerated recruitment to its secondary regional site in Milton Keynes that has historically benefited from higher staff retention rates as well as formalising hybrid working patterns that combined remote and in-office based working to improvement attractiveness of employment with the company

Development and performance

The business's growth in revenues and profitability were ahead of the development and budget plans laid out for the year.

Development and performance

The business's growth in revenues and profitability were ahead of the development and budget plans laid out for the year.

Section 172 statement

The Board of Directors confirm that they have acted in the best interests of the Company's members as a whole (as identified in S.172 (1) (a-f)) in relation to the decisions taken during the year ended 31 March 2023.

The Company's goal is to continue providing the highest levels of service to its customers whilst also providing competitive solutions. All the decisions that were taken by the board during the year were aimed at strengthening the Company's performance and supporting its vision in the long term.

MAINSRING NOMINEES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The board of Directors would like to thank the Company's highly skilled and well trained employees who play an integral part in the Company's success. Where required the Board is committed to continue to recruit high calibre employees who share the same values as the Company. The Directors were pleased by the Company's strong cash flow and performance during the year.

Key performance indicators

The company considers its key financial performance indicators to be turnover and operating profit as shown in the table below.

	2023	2022
	£	£
Turnover	7,043,110	4,714,233
Operating profit	2,706,183	1,367,659

Post Balance Sheet Event

The board is delighted to note the strategic acquisition of its parent company, Mainspring Fund Services Limited on 31st May 2023 by Apex Group a leading global independent fund services provider with in excess of 12,000 employees across more than 50 offices worldwide. This acquisition will provide significant professional development opportunities for Mainspring staff and many notable additional capabilities to Mainspring's clients.

On behalf of the board



Mr N J Clark
Director

26 July 2023

MAINSRING NOMINEES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2023

The directors present their annual report and financial statements for the year ended 31 March 2023.

Principal activities

The principal activity of the company is the provision of custodian and nominee services to the group's venture capital clients.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

S G Geddes
D A Simmons
N J Clark
B Barker

Results and dividends

The results for the year are set out on page 9.

The directors do not recommend payment of a dividend (2022: £nil).

Financial instruments

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a sufficient bank balance reserve to allow for short term net cash outflows. All of the business' cash balances are held in such a way that achieves a competitive rate of interest. The business plans to make use of money market facilities where funds are available, but did not do so during the year.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to clients and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Future developments

The company has identified new markets that will benefit from its managed accounts administration, in particular wider access for advised investors to larger private equity and venture capital funds and enjoyed early successes in the development of this market with several new clients. Over the coming year the company plans to develop this market further and continue its technology developments to standardise service delivery and increase clients access to self-service service reporting. The development of new markets and continued technology updates will provide a strong platform for further profitable growth of the company albeit we expect at a lower growth rate when compared to the most recent fiscal year.

Auditor

In accordance with the company's articles, a resolution proposing that PKF Littlejohn LLP be reappointed as auditor of the company will be put at a General Meeting.

MAINSRING NOMINEES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr W J Clark
Director

26 July 2023

MAINSRING NOMINEES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

MAINSRING NOMINEES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAINSRING NOMINEES LIMITED

Opinion

We have audited the financial statements of Mainspring Nominees Limited (the 'company') for the year ended 31 March 2023 which comprise the Profit and Loss Account, the Statement of Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including 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 state of the company's affairs as at 31 March 2023 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.

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 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. 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

MAINSRING NOMINEES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAINSRING NOMINEES LIMITED

Matters on which we are required to report by exception

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 or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

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 obtained an understanding of the company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussion with management, application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the company in this regard to be those arising from the Companies Act 2006, the rules of the Financial Conduct Authority (FCA) and UK tax legislation. The Company is authorised and regulated by the FCA and we considered the extent to which non-compliance with the FCA regulations might have a material effect on the Company's financial statements.
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the company with those laws and regulations. These procedures included, but were not limited to:
 - review of board meeting minutes;
 - review of any legal and regulatory correspondence;
 - review of any legal and professional fees; and
 - enquiries of management.

MAINSRING NOMINEES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF MAINSRING NOMINEES LIMITED

- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls we also considered the risk of material misstatement arising from fraud related revenue recognition. Our work to address this included, but was not limited to, a recalculation of a sample of management fees based on the underlying agreements and a review of post year end receipts to ensure that income had been recorded in the correct period.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.



Ian Cowan (Senior Statutory Auditor)
for and on behalf of PKF Littlejohn LLP

Statutory Auditor
28 July 2023

15 Westferry Circus
London
E14 4HD

MAINSRING NOMINEES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 £ (restated)
Turnover	3	7,043,110	4,714,233
Cost of sales		(425,458)	(587,962)
		<hr/>	<hr/>
Gross profit		6,617,652	4,126,271
Administrative expenses		(3,911,469)	(2,758,612)
		<hr/>	<hr/>
Operating profit	4	2,706,183	1,367,659
Interest receivable and similar income	8	<u>2,498</u>	<u>64</u>
Profit before taxation		2,708,681	1,367,723
Tax on profit	9	(403,254)	(132,061)
		<hr/>	<hr/>
Profit for the financial year		<u>2,305,427</u>	<u>1,235,662</u>

The Profit and Loss Account has been prepared on the basis that all operations are continuing operations.

MAINSRING NOMINEES LIMITED

STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	2023	2022
	£	£
Profit for the year	2,305,427	1,235,662
Other comprehensive income	-	-
	<u> </u>	<u> </u>
Total comprehensive income for the year	<u>2,305,427</u>	<u>1,235,662</u>

MAINSRING NOMINEES LIMITED

BALANCE SHEET

AS AT 31 MARCH 2023

	Notes	£	2023 £	£	2022 £
Fixed assets					
Investments	10		24		23
Current assets					
Debtors	11	3,154,067		1,696,405	
Cash at bank and in hand		2,020,333		829,789	
		5,174,400		2,526,194	
Creditors: amounts falling due within one year	12	(658,967)		(316,187)	
Net current assets			4,515,433		2,210,007
Total assets less current liabilities			4,515,457		2,210,030
Capital and reserves					
Called up share capital	14		375,001		375,001
Profit and loss reserves			4,140,456		1,835,029
Total equity			4,515,457		2,210,030

The financial statements were approved by the board of directors and authorised for issue on 26 July 2023 and are signed on its behalf by:


Mr N J Clark
Director

Company Registration No. 08255713

MAINSRING NOMINEES LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 April 2021		375,001	599,367	974,368
Year ended 31 March 2022				
Profit and total comprehensive income for the year		-	1,235,662	1,235,662
Balance at 31 March 2022		375,001	1,835,029	2,210,030
Year ended 31 March 2023				
Profit and total comprehensive income for the year		-	2,305,427	2,305,427
Balance at 31 March 2023		375,001	4,140,456	4,515,457

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Company information

Mainspring Nominees Limited is a private company limited by shares incorporated in England and Wales. The registered office is 27 Furnival Street, London, EC4A 1JQ.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements contain information about Mainspring Nominees Limited as an individual company and do not contain consolidated financial information as the parent of a subgroup. The Company is exempt under section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included in the consolidated financial statements of its parent, Mainspring Fund Services Limited, a company registered in England and Wales and whose financial statements are publicly available.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Mainspring Fund Services Limited. These consolidated financial statements are available from its registered office, 27 Furnival Street, London, EC4A 1JQ.

1.2 Going concern

At the time of approving the financial statements, the directors have confidence in the business model of the company having a high degree of contracted recurring revenues and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue in respect of provision of custody and nominee services is recognised on an accruals basis over the period of the service.

Revenue in respect of interest on client deposits is recognised in the period to which it relates.

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.5 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

1 Accounting policies

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that have been enacted or substantively enacted by the reporting end date and are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Reclassification

In the current period, the company has changed the classification of interest received on client money deposits from interest received to turnover as this more accurately reflects the nature of the income received. The prior year comparatives have been updated to reflect this. This has no effect on profit before tax or net assets.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

There are no significant judgements.

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

3 Turnover and other revenue

	2023 £	2022 £ (restated)
Turnover analysed by class of business		
Provision of custodian and nominee services	5,091,190	4,695,366
Interest on client money deposits	1,951,920	18,867

	2023 £	2022 £ (restated)
Turnover analysed by geographical market		
UK	7,043,110	4,714,233

4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	10,000	7,750

5 Auditor's remuneration

	2023 £	2022 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	10,000	7,750
For other services		
Audit-related assurance services	22,500	10,300
All other non-audit services	2,600	2,600
	25,100	12,900

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration and support	16	16

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

6 Employees

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	2,051,034	1,715,738
Social security costs	218,981	167,651
Pension costs	161,027	110,859
	<u>2,431,042</u>	<u>1,994,248</u>

7 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	374,573	358,225
Company pension contributions to defined contribution schemes	37,345	34,986
	<u>411,918</u>	<u>393,211</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	140,000	135,593
Company pension contributions to defined contribution schemes	15,400	14,300
	<u>155,400</u>	<u>149,893</u>

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on firm bank deposits	2,498	64
	<u>2,498</u>	<u>64</u>

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	406,917	132,061
Adjustments in respect of prior periods	(3,663)	-
	<u>403,254</u>	<u>132,061</u>
Total current tax		

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	<u>2,708,681</u>	<u>1,367,723</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	514,649	259,867
Group relief not charged	(107,959)	(128,186)
Permanent differences	227	380
Under/(over) provided in prior years	<u>(3,663)</u>	<u>-</u>
Taxation charge for the year	<u>403,254</u>	<u>132,061</u>

Factors that may affect future tax charges

On 3 March 2021, the UK government announced that it intended to increase the main rate of corporation tax to 25 for the financial years beginning 1 April 2023. This rate was enacted on 10 June 2021.

10 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries		<u>24</u>	<u>23</u>

At 31 March 2023 the company had interests of £1 each in 24 (2022 – 23) wholly owned dormant companies. The investments are valued at cost, there is no provision for impairment. All subsidiaries were incorporated in England & Wales.

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

10 Fixed asset investments (continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2022	23
Additions	1
	<u>24</u>
At 31 March 2023	24
Carrying amount	
At 31 March 2023	24
	<u>23</u>
At 31 March 2022	23

11 Debtors

	2023 £	2022 £
Amounts falling due within one year:		
Trade debtors	41,070	204,837
Amounts owed by group undertakings	2,315,806	1,049,786
Prepayments and accrued income	797,191	441,782
	<u>3,154,067</u>	<u>1,696,405</u>

12 Creditors: amounts falling due within one year

	2023 £	2022 £
Trade creditors	-	41,098
Corporation tax	406,917	131,706
Other creditors	24	21
Accruals and deferred income	252,026	143,362
	<u>658,967</u>	<u>316,187</u>

MAINSRING NOMINEES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2023

13 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	161,027	110,859

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

14 Share capital

	2023	2022
	£	£
Ordinary share capital		
Issued and fully paid		
375,001 (2022: 375,001) A Ordinary shares of £1 each	375,001	375,001

15 Ultimate controlling party

At the year end the company's immediate parent was Mainspring Fund Services Limited, a company incorporated in England and Wales and the ultimate controlling party is S. Geddes (Director).

On 31 May 2023, the immediate parent company was acquired by Apex Group Limited. At that date the ultimate parent company became Apex Group Limited, a company registered in Bermuda and the immediate parent company remained unchanged.