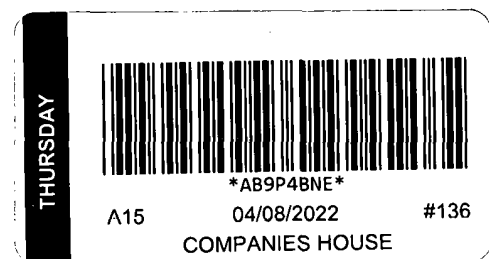


Financial Statements

GDFC Assets Limited

Annual Report for the Year Ended 31 December 2021



Registered number: 08272354

Company Information

Directors	Paul Henry Owen McGarrigle (appointed 26 June 2019) Julian Stanley Nutley (appointed 1 July 2019) Susannah Louise Alier (appointed 5 May 2022) Alexander John Mollart (appointed 5 May 2022)
Registered number	08272354
Registered office	Hogarth House, 136 High Holborn London, England Greater London WC1V 6PX
Independent auditors	PricewaterhouseCoopers LLP 7 More London Riverside London SE1 2RT

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Directors' Report

For the Year Ended 31 December 2021

The directors present their report and the audited financial statements of GDFC Assets Limited ("GDFC Assets", "the Company") for the year ended 31 December 2021. GDFC Assets is indirectly owned by Tandem Money Limited ("TML").

Throughout the report TML and all of its subsidiaries are referred to as "the Group".

As of the financial year ended 31 December 2021, the Company's only key activity within the Group is holding the legal title of certain Green Deal loans, purchased from the original Green Deal Provider.

Principal activities

The Company continues to hold the legal title of certain Green Deal loans purchased from the original Green Deal Provider. The economic interest of the loans have been transferred to Tandem Bank Limited. The Company is an FCA-regulated entity.

Results and dividends

The loss for the year, after taxation, amounted to £24,388 (2020: loss of £4,980,997). The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

Paul Jonathan Noble (appointed 28 January 2020, resigned 25 March 2022)
Jorrit Matthijs Koop (appointed 26 June 2019, resigned 28 January 2022)
Paul Henry Owen McGarrigle (appointed 26 June 2019)
Julian Stanley Nutley (appointed 1 July 2019)

The directors at the point of the preparation of the accounts were:

Julian Stanley Nutley (appointed 1 July 2019)
Paul Henry Owen McGarrigle (appointed 26 June 2019)
Susannah Louise Alier (appointed 5 May 2022)
Alexander John Mollart (appointed 5 May 2022)

The Directors have the benefit of the indemnity provisions contained in the Company's Articles of Association ('Articles'), and the Company has maintained throughout the year Directors' and officers' liability insurance for the benefit of the Company, the Directors, and its officers. The Company has entered into qualifying third-party indemnity arrangements for the benefit of all its Directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the year and remain in force. The Company has also purchased Directors' and Officers' liability insurance in respect of itself and its Directors.

Political and charitable contributions

No charitable or political donations were made during the year.

GDFC Assets Limited

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Future developments

The Company is anticipated to continue to play the same administration function according to its FCA authorisations held (refer to the Principal Activities section).

Post balance sheet events

Post 31 December 2021, no significant event took place affecting the Company.

GDFC Assets Limited

Going Concern

As at the financial year ended 31 December 2021 the going concern assessment of the Company is strongly dependent on that of the Group. The Company has received a letter of financial support from TML, confirming its intention and ability to support the Company in operating as a going concern and to settle its liabilities as they fall due.

These financial statements have been prepared on a going concern basis. This basis is dependent on:

- TML maintaining adequate capital to fund its balance sheet and satisfy the Group's capital requirements. The Directors acknowledge the assessment of this performed by the directors of TML and refer to the latter's financial statements;
- TML continuing to support the Company's financial needs; and
- the Company's function within the Group as described under Principal Activities. The Directors consider that the Company is likely to continue to perform this function over the next 12 months.

Independent Auditors

The auditors, PricewaterhouseCoopers LLP, will be considered for re- appointment for the subsequent year's audit in accordance with section 485 of the Companies Act 2006.

The financial statements on pages 10 to 23 were approved by the Board of Directors on 15 July 2022 and signed on its behalf on 15 July 2022.



Susannah Louise Alier
Director

Independent auditors' report to the members of GDFC Assets Limited

Report on the audit of the financial statements

Opinion

In our opinion, GDFC Assets Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Statement of Financial Position as at 31 December 2021; Statement of Comprehensive Income, Statement of Cash Flows, and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' 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 remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material

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misstatement of the other information. 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

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.

Auditors' 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 auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to rules of the Financial Conduct Authority ("FCA") and UK tax legislation, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006 and UK tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the potential for management to post fraudulent journal entries. Audit procedures performed by the engagement team included:

- reviewing financial statement disclosures by testing to supporting documentation to assess the compliance with provisions of relevant laws and regulations described as having a direct impact on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;
- reading minutes of meetings of those charged with governance and reviewing regulatory correspondences; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business

GDFC Assets Limited

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Mike Wallace (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

London

15 July 2022

Statement of Comprehensive Income

For the Year Ended 31 December 2021

		Discontinued operations	Discontinued operations
		2021	2020
	Note	£	£
Interest income	5	-	1,493,509
Interest expense	5	-	(735,551)
Fees, commissions and other income	5	-	142,711
Gross loss		-	900,669
Impairment of intragroup debt		-	(3,232,888)
Movements in allowance for loan impairment	7	-	(119,530)
Net income after allowance for loan and receivable impairment		-	(2,451,749)
Administrative expenses	6	(24,388)	(2,529,248)
Operating loss before taxation		(24,388)	(4,980,997)
Tax on loss		-	-
Loss for the financial year		(24,388)	(4,980,997)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

The notes on pages 14 to 23 form part of these financial statement

Statement of Financial Position

As at 31 December 2021

	Note	2021 £	2020 £
Cash at bank and in hand	11	1,419,699	2,355,334
Creditors: amounts falling due within one year	12	(5,603,624)	(6,514,871)
Net current liabilities		(4,183,925)	(4,159,537)
Net liabilities		(4,183,925)	(4,159,537)
Called up share capital	15	2,000,001	2,000,001
Other equity reserves	16	34,271,397	34,271,397
Profit and loss account		(40,455,323)	(40,430,935)
Total Equity		(4,183,925)	(4,159,537)

The notes on pages 14 to 23 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 July 2022.



Susannah Louise Alier
Director

Statement of Changes in Equity

For the Year Ended 31 December 2021

	Called up share capital £	Other Equity Reserves £	Profit & Loss account £	Total equity £
At 1 January 2021	2,000,001	34,271,397	(40,430,935)	(4,159,537)
Loss for the year	-	-	(24,388)	(24,388)
Total comprehensive loss for the year	-	-	(24,388)	(24,388)
At 31 December 2021	2,000,001	34,271,397	(40,455,323)	(4,183,925)
At 1 January 2020	2,000,001	34,271,397	(36,307,100)	(35,702)
Loss for the year	-	-	(4,980,997)	(4,980,997)
Capital contribution	-	-	857,162	857,162
Total comprehensive loss for the year	-	-	(4,980,997)	(4,980,997)
At 31 December 2020	2,000,001	34,271,397	(40,430,935)	(4,159,537)

The notes on pages 14 to 23 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2021

	Note	2021 £	2020 £
<u>Cash flows from operating activities</u>			
Loss for year		(24,388)	(4,980,997)
<u>Adjustments for</u>			
Allowance for loan impairment	7	-	119,530
Finance income	5	-	(1,493,509)
Finance cost		-	735,551
Decrease in debtors		-	35,983,144
Decrease in creditors		(911,247)	(4,645,706)
Net cash flows (used in)/generated from operating activities before income tax		(935,635)	25,718,013
Interest received		-	1,493,509
Interest paid		-	(735,551)
Net cash (used in)/generated from operating activities		(935,635)	26,475,971
<u>Cash flows from financing activities</u>			
Proceeds from borrowings		-	954,519
Repayment of borrowings		-	(25,843,025)
Net cash used in financing activities		-	(24,888,506)
Net (decrease)/increase in cash and cash equivalents		(935,635)	1,587,465
Cash and cash equivalents at the beginning of the year		2,355,334	767,869
Cash and cash equivalents at the end of the year	11	1,419,699	2,355,334

The notes on pages 14 to 23 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2021

1. General information

GDFC Assets Limited (the “Company”) (registered number 08272354) is incorporated and domiciled in England and Wales, United Kingdom. The Company is a private Company limited by shares. The registered office of the Company is Hogarth House, 136 High Holborn, Greater London, England, WC1V 6PX.

For details on the nature of operations, please see the Principal Activities paragraph of the Directors' Report.

The Company has no employees (2020: nil).

2. Significant accounting policies

2.1 A) Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in Sterling (£).

Accounting policies have been applied consistently, other than where new policies have been adopted.

B) Going concern

The going concern assessment of the Company is strongly dependent on that of the Group.

These financial statements have been prepared on a going concern basis. This basis is dependent on:

- TML maintaining adequate capital to fund its balance sheet and satisfy the Group's capital requirements. The Directors acknowledge the assessment of this performed by the directors of TML and refer to the latter's financial statements;
- TML continuing to support the Company's financial needs; and
- the Company's function within the Group as described under Principal Activities. The Directors consider that the Company is likely to continue to perform this function over the next 12 months.

2. Significant accounting policies (continued)

The following principle accounting policies have been applied:

2.2 Consolidated financial statements

As of 31 December 2021, the Company was a wholly owned subsidiary of its ultimate parent, Tandem Money Limited. It is included in the consolidated financial statements of Tandem Money Limited which are publicly available. The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Tandem Money Limited. The address of the parent's registered office is Hogarth House, 136 High Holborn, London, England, WC1V 6PX. These financial statements are the Company's separate financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

(i) Interest income

Interest income from financial assets classified as loans and advances or deposits is calculated using the effective interest rate.

When the loan is originated with an upfront discount called 'retailer subsidy', which is deducted from the cash amount payable to the retailer, the fee is classified as deferred revenue and amortised using the effective interest rate. The amortisation of such fee is classified as interest income. When the loan to which such retailer subsidy is sold or otherwise removed from the Group's balance sheet without compensation for the deferred revenue, it is removed from the balance sheet.

When the receivable is impaired, the company reduces the carrying amount to its recoverable amount, being the estimate future cash flow discounted at the original effective interest rate of the instrument and continues to unwind the discount as interest income.

(ii) Fees, commissions and other income

Fees earned for services provided are recognised as revenue over the year that the service is provided.

2.4 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2. Significant accounting policies (continued)

2.5 Financial instruments

The entity is applying (a) section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting year financial assets measured at amortised cost are assessed for objective evidence of impairment. 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.

The Company transferred the economic interest of its outstanding customer loan balances on 21 August 2020 to Tandem Bank Limited ("Strategic Transaction"). Prior to the Strategic Transaction, loans and advances to customers were assessed collectively to reflect the estimated amount of losses incurred but yet to be individually identified. The methodology used a model which looked at the likelihood of balances moving into arrears status within a defined period, multiplying the probability of default ('PD') by the loss given default ('LGD') and then applying an emergence period.

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 those investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

2. Significant accounting policies (continued)

Financial liabilities – creditors

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares 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 receipts discounted at a market rate of interest.

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

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled, or expires.

Financial liabilities – Securitisation

As of year-end 2020, the Company has received funding from Citi via a Special Purpose Vehicle, Green Finco Limited, (the "SPV"). The SPV was not owned by the Group or otherwise legally controlled by it or by the Group's directors. However, Management has concluded that the risks and rewards of ownership of the underlying assets owned by the SPV effectively remained with the Company. The sole purpose of the SPV was to provide funding to the Company. Under the financing contract between the Company and the SPV, the Company retained the option to repurchase the SPVs assets at its discretion.

From an accounting perspective the underlying loan portfolio is therefore retained in the books of the Company and the effective loan from Citi (via the SPV) is recognised as being secured on the underlying portfolio of assets while the funding facility with Citi was in place. As of year-end 2020, the facility was fully redeemed and no longer remains on the balance sheet as of the year ended 31 December 2021.

As part of the operation of the SPV, the funds were swept on a regular basis from the Company to the SPV in order to pay loan amortisation, interest expenses and other expenses, incurred by the SPV from third parties. The Company recognises such expenses incurred by the SPV as its own, and cash amounts swept to the SPV as set out below:

- As third party SPV expenses accrue, the Company recognises the expense (and reduces the SPV debtor balance)

2. Significant accounting policies (continued)

- As SPV funds are used to repay the loan from Citi, the Company reduces the securitised loan balance
- As any residual funds are returned, the Company reduces the SPV debtor balance
- Any SPV income (primarily bank interest) is recognised as income of the Company (increasing the debtors' amount until paid over to the Company)

Offsetting

Financial assets and liabilities are offset, and the net amount reported in the Statement of financial position when there is an 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.

2.6 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred. Interest expenses include arrangement and other fees relating to the SPV.

2.7 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- i) The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- ii) Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date

2.8 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

GDFC Assets Limited

3. Discontinued operations

The company sold its outstanding customer loan balances to Tandem Bank Limited during the year ended 31 December 2020 as part of the Strategic Transaction and held no loan balances after this date. The par value of the portfolios at the date of disposal was £34,172,790. On top of this, the sale price included a premium of £857,162. The proceeds were used to pay down the Citi facility of £23,874,480, settling intercompany debt with GDFC Holdco Limited for £10,800,000 and the amount of £355,472 was recognised as receivables from the buyer. Profit and loss related to the sold customer loan balances are disclosed as discontinued operations.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It may also require management to make significant judgements and estimates. As of the year ended 31 December 2021 there have been no such judgments and estimates.

5. Interest income and expense

Interest income

An analysis of turnover by class of business is as follows:

	2021	2020
	£	£
Interest income on loans	-	1,479,702
Retailer subsidy income	-	13,141
Interest income from bank deposits	-	666
	<hr/>	<hr/>
	-	1,493,509

All turnover arose within the United Kingdom.

Interest Expense

	2021	2020
	£	£
Bank Loans	-	(735,551)

GDFC Assets Limited

5. Interest income and expense (continued)

Fees, commissions and other income

	2021	2020
	£	£
Fees and commission income	-	128,994
Other Income	-	13,717
	<hr/>	<hr/>
	-	142,711

6. Other administrative expenses

An analysis of other administrative expenses by type is as follows:

	2021	2020
	£	£
Legal fees payable	-	21,859
Commission Fees	-	(164,859)
Servicing Fee	-	(2,322,619)
Other administrative income & expenses	(24,388)	(63,629)
	<hr/>	<hr/>
	(24,388)	(2,529,248)

7. Movements in allowances of loans and receivables

	2021	2020
	£	£
Movements in allowance for loan impairment	-	(119,530)

8. Auditors' remuneration

The audit fee for the Company of £10,998 (2020: £47,625) was borne by Tandem Money Limited.

GDFC Assets Limited

9. Tax on loss

As the Company forms part of a tax group with TML and the overall group is in a loss position, no deferred tax asset has been recognised on the tax losses. Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At the financial year ended 31 December 2021, total cumulative losses are £40,455,323 (2020: £40,430,935).

Tax assessed for the year is the same (2020: same) as the standard rate of corporation tax in the UK for the year ended 31 December 2021 of 19% (2020: 19%).

	2021	2020
	£	£
Reconciliation of tax charge		
Loss before tax	(24,388)	(4,980,997)
Standard rate of tax in the UK	19.00%	19.00%
Loss before tax multiplied by standard rate of tax in UK	(4,634)	(946,389)
Effects of:		
- Deferred tax asset not recognised	<u>4,634</u>	<u>946,389</u>
Tax on loss - Total	-	-

10. Debtors

As of the year ended 31 December 2020, all loans to customers had been sold to Tandem Bank Limited in light of the Strategic Transaction (see notes 2.5 and 3). All allowances for impairment relating to these loans were either sold to Tandem Bank Limited or reversed by the Company post sale.

A reconciliation of the allowance for impairment of loans to customers is as follows:

	2021	2020
	£	£
At 1 January	-	5,452,130
Charge	-	119,530
Sale of impairment to Tandem Bank Limited	-	(5,571,660)
At 31 December	-	-

11. Cash at bank and in hand

	2021	2020
	£	£
Cash at bank and in hand	1,419,699	2,355,334

GDFC Assets Limited

12. Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to group undertakings	5,603,624	6,514,871

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

13. Financial instruments

	2021	2020
	£	£
Financial assets that are debt instruments measured at amortised cost	1,419,699	2,355,334
Financial liabilities measured at amortised cost	(5,603,624)	(6,514,871)

Financial assets measured at amortised cost comprise cash.

Financial liabilities measured at amortised cost comprise amounts owed to group undertaking.

14. Financial risk management

Credit Risk

As of the year ended 31 December 2021, the Company was no longer subject to direct credit risk related to customers.

Liquidity Risk

As of the year ended 31 December 2021, the Company was no longer subject to such direct liquidity risk.

Market Risk

The Company has not been subject to substantial market risk either during the financial year 2021 or in earlier years.

15. Called up share capital

	2021	2020
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
(2020: 2,000,001) Ordinary shares of £1	2,000,001	2,000,001

GDFC Assets Limited

16. Other equity reserves

Other reserves are comprised of capital contributions resulting from the completion of a company voluntary arrangement completed by the Group in 2017.

17. Related party transactions

The directors' emoluments have been borne by GDFC Services plc (another Group company).

The Company has taken advantage of the exemption in FRS 102 'The Reporting Standard applicable in the UK and Ireland' Section 33 and has not disclosed transactions with wholly owned group undertakings.

18. Controlling parties

The immediate parent is GDFC Holdco Limited, and the ultimate parent undertaking was Tandem Money Limited. The smallest and largest group to consolidate these financial statements was Tandem Money Limited. Copies of Tandem Money Limited consolidated financial statements are publicly available and can be obtained from the registered address of Tandem Money Limited at Hogarth House, 136 High Holborn, Greater London, England, WC1V 6PX.

19. Subsequent events

Post 31 December 2021, no significant event took place in the Company.