FULLERTON FM EUROPE LIMITED

(Incorporated in United Kingdom. Registration Number: 8943826)

ANNUAL REPORT

For the financial year ended 31 December 2021

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For the financial year ended 31 December 2021

Contents

STRATEGIC REPORT
For the financial year ended 31 December 2021

The directors present their strategic report on the Company for the year ended 31 December 2021.

Review of the business

The principal activity of the Company is the provision of marketing support to the related company, Fullerton Fund Management Company Ltd. The business conducted is principally provision of marketing support in United Kingdom and other European Economic Area (EEA) states.

Results and performance

The Company's loss for the year ended 31 December 2021 is GBP1,101,747 (2020: GBP915,729). The Company's net assets are GBP463,195 (2020: GBP274,942).

The Asset Management industry in the UK and the EU remains highly competitive and facing continued fee pressure. Investors main trends are ESG policies being increasingly applied across all their investments, and private assets seeing increased allocation. From a distribution standpoint, UK based asset managers have been tackling the challenges brought about by Brexit by setting up EU presence to comply with MIFID II requirements.

The Company will continue to concentrate its efforts on broadening and deepening its sales pipeline in the UK and Switzerland and those EU countries where it has applied for cross border authorization as well as Middle East while maintaining a high level of customer service for its existing clients. The Sales Team is focusing on attracting clients across both the institutional and intermediary segments.

While European investors are becoming more reserved regarding China from a macro and geo political standpoint, we are seeing increased potential demand in our Asian focused product range including Equities and Fixed Income.

Key performance indicators ('KPIs')

Revenue, which is considered to be the primary KPI, has increased to GBP120,046 in the year versus GBP45,282 in 2020.

Principal risks and uncertainties

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls. All policies are subject to Board approval or committees overseen by the Board. As the Company's main activity is provision of marketing support to its related company, the Company is not exposed to significant price, credit, liquidity or cash flow risk.

Other macro environmental risks (Including COVID-19)

The COVID-19 pandemic continued to affect all European countries in 2021 with varying degrees of travel and meeting restrictions and disrupted decision making from investors who had to adapt to new ways of working. This has led to an increased level of uncertainty in the financial markets which has triggered volatility in interest rates, foreign exchange rates and equity prices among others. Whereas the quantification of the impact on the Company is uncertain, management has considered the below specific factors that could affect the Company:

(i) Client activity and volume

Investors in Europe stepped up new allocation decisions in 2021 after staying mostly put in 2020. The Company saw an increase in client activity and was awarded two large mandates during the year. This translated in increased in revenue in 2021 with the full impact to be felt in 2022.

(ii) Liquidity

The Company continues to closely monitor the impact of market volatility on its balance sheet. The Company currently has sufficient liquidity in excess of its regulatory requirement to absorb any short-term losses.

(iii) Market fluctuations

The Company has no significant exposure to possible volatility of market rates or prices such as interest rates, foreign exchange rates and equity prices.

Going concern disclosure

Management has performed an assessment to determine whether there are any material uncertainties arising due to the pandemic that could cast significant doubt on the ability of the Company's parent to provide ongoing support to enable the company to continue as a going concern. This assessment is disclosed in Note 1 and focuses on the Company's financial and operational resilience to continue in operational existence for a period of at least twelve months after the date that the financial statements are signed. Accordingly, the Directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. The Company continues to carefully monitor and mitigate the Covid-19 risks on an ongoing basis in order to minimise exposure while maintaining sufficient headroom above regulatory capital requirements.

Responsibilities of Directors under Section 172 of the Companies Act 2006 ("Sn 172")

Sn 172 requires directors to promote the success of the company for the benefit of the members as a whole and in doing so have regard to the interests of stakeholders including customers, shareholders, employees, suppliers and the wider society in which it operates.

The directors are committed to holding themselves to the highest possible standards of conduct, and implicit in this is the recognition and understanding that the Company has a responsibility to a wide range of stakeholders, including but not limited to the following key stakeholders:

Key stakeholders	Relevance to the Company's long-term success	Our engagement policy
Customers	Customers are the bedrock of our business.	We are dedicated to meeting the evolving investment needs of our clients and servicing them to the best of our abilities.
Shareholders	We rely on the support of our shareholder to deliver our strategic objectives and grow the business.	Our financial results are presented to our sole shareholder. As we are a wholly owned subsidiary, there are no conflicts of interest arising between different shareholders.
Employees	Our employees are business enablers and are instrumental to our success.	We place a high priority in ensuring all members of staff are treated fairly. Staff are provided with appropriate support and training to enable them to develop in their roles and to maximise their full potential.
Suppliers	We rely on our service providers to provide us with support and to supplement our own expertise so that we can be more effective and efficient.	We are committed to paying our suppliers on time and to resolving any issues that may arise on a fair and equitable basis.

Responsibilities of Directors under Section 172 of the Companies Act 2006 ("Sn 172") (continued)

Key stakeholders	**Relevance to the Company's long-term success**	**Our engagement policy**
Society	We recognise the responsibility that we have to wider society and to the environment.	Fullerton Fund Management group (including Fullerton FM Europe Limited) has chosen the United Nations Sustainable Development Goals as the foundation for our sustainability strategy. Globally, we are a signatory of UN Principles for Responsible Investment and a supporter of the Task Force on Climate-Related Financial Disclosures. We are also a supporter of the Asia Investor Group on Climate Change and the Climate Action 100+.

On behalf of the Board of Directors

Mark Yuen Hsien-Chin
Director

Jean Yves André Thouvenin
Director

25 April 2022

DIRECTORS' REPORT

For the financial year ended 31 December 2021

The directors present the report to the member of the Company together with the audited financial statements for the financial year ended 31 December 2021.

Directors

The directors who were in office during the year and up to the date of this report are as follows:

Mark Yuen Hsien-Chin
Jean Yves André Thouvenin
Oliver John Gordon Cooper (resigned on 4 April 2022)

Principal activity

The principal activity of the Company is the provision of marketing support to related company, Fullerton Fund Management Company Ltd.

Results of the business for the year and future outlook

The Company's loss for the year ended 31 December 2021 is GBP1,101,747 (2020 loss: GBP915,729).

The directors do not anticipate any change in nature of the principal activity going forward.

The directors do not recommend the payment of a dividend for the year under review.

Key performance indicators

Revenue, which is considered to be the primary KPI, is considered within the Strategic Report on page 1.

Financial risk management

The Company is not exposed to significant price, credit, liquidity or cash flow risk.

Arrangements to enable director to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the director of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Directors' contractual benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest, except as disclosed in the accompanying financial statements and in this report, and except that certain director receive remuneration as a result of their employment with related corporations.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

Going concern

Having reviewed the balance sheet and current activities of the Company, the directors believe that it is appropriate to continue to adopt the going concern basis of preparation of the Company's financial statements.

The Company has the continued support of its parent.

Disclosure of information to auditors

Each of the persons who are director at the time when the Directors' Report is approved has confirmed that:

- So far as the directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- The directors 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.

Independent auditor

Pursuant to Section 487(2) of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

On behalf of the Board of Directors

Mark Yuen Hsien-Chin
Director

Jean Yves André Thouvenin
Director

25 April 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2021

The directors are responsible for preparing the Strategic Report, 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 year. Under that law they have elected to prepare the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 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 estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

On behalf of the Board of Directors

Mark Yuen Hsien-Chin	Jean Yves André Thouvenin
Director	Director

25 April 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FULLERTON FM EUROPE LIMITED

Opinion

We have audited the financial statements of Fullerton FM Europe Limited ("the company") for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows and related notes, including the accounting policies in note 2.

In our opinion the 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 for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and inspection of policy documentation as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls, in particular the risk that management may be in a position to make inappropriate accounting entries. On this audit we do not believe there is a fraud risk related to revenue recognition because the calculation of the revenue is non-judgmental and straightforward, with limited opportunity for manipulation.

We did not identify any additional fraud risks.

We also performed procedures including identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included all post year end closing journals.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and from inspection of the Company's regulatory and legal correspondence and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

As the Company is regulated, our assessment of risks involved gaining an understanding of the control environment including the entity's procedures for complying with regulatory requirements.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's authority to operate. We identified the following areas as those most likely to have such an effect: health and safety, anti-bribery, employment law, data protection, anti-money laundering, market abuse regulations and financial services regulations including Client Assets, and specific areas of regulatory capital and liquidity and certain aspects of company legislation recognising the financial and regulated nature of the Company's activities and its legal form. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

N Palmer

Neil Palmer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

25 April 2022

FULLERTON FM EUROPE LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2021

	Note	2021 GBP	2020 GBP
Revenue	4	**120,046**	45,282
Administrative expenses	5	**(1,221,793)**	(961,011)
Loss before tax		**(1,101,747)**	(915,729)
Tax	6	–	–
Loss for the year from continuing operations		**(1,101,747)**	(915,729)
Total comprehensive loss for the year		**(1,101,747)**	(915,729)

The accompanying notes on pages 18 to 35 form an integral part of these financial statements.

FULLERTON FM EUROPE LIMITED

BALANCE SHEET
As at 31 December 2021

	Note	2021 GBP	2020 GBP
ASSETS			
Non-current assets			
Property and equipment	7	**11,745**	47,506
Current assets			
Cash and cash equivalents	8	**956,065**	477,680
Trade and other receivables	9	**65,778**	60,066
		1,021,843	537,746
Total assets		**1,033,588**	585,252
LIABILITIES			
Non-current liabilities			
Other payable	10	**85,863**	16,535
Current liabilities			
Trade and other payables	10	**484,530**	293,775
Total liabilities		**570,393**	310,310
NET ASSETS		**463,195**	274,942
EQUITY			
Share capital	11	**5,275,100**	3,985,100
Accumulated losses		**(4,811,905)**	(3,710,158)
TOTAL EQUITY		**463,195**	274,942

The financial statements on pages 18 to 35 were approved by the Board of Directors on 25 April 2022 and were signed on its behalf by:

Mark Yuen Hsien-Chin
Director

Jean Yves André Thouvenin
Director

The accompanying notes on pages 18 to 35 form an integral part of these financial statements.

FULLERTON FM EUROPE LIMITED

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 31 December 2021

	Note	Share capital GBP	Accumulated losses GBP	Total equity GBP
Balance at 1 January 2021		**3,985,100**	**(3,710,158)**	**274,942**
Issuance of ordinary shares	11	1,290,000	–	1,290,000
Total comprehensive loss for the year		–	(1,101,747)	(1,101,747)
Balance at 31 December 2021		**5,275,100**	**(4,811,905)**	**463,195**
Balance at 1 January 2020		**3,245,100**	**(2,794,429)**	**450,671**
Issuance of ordinary shares	11	740,000	–	740,000
Total comprehensive loss for the year		–	(915,729)	(915,729)
Balance at 31 December 2020		**3,985,100**	**(3,710,158)**	**274,942**

The accompanying notes on pages 18 to 35 form an integral part of these financial statements.

FULLERTON FM EUROPE LIMITED

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

	Note	**2021 GBP**	2020 GBP
Cash flow from operating activities			
Loss before tax for the year		**(1,101,747)**	(915,729)
Adjustments for:			
- Depreciation of property and equipment		**35,761**	24,272
- Interest expense		**654**	826
Changes in working capital:			
- Trade and other receivables		**573**	5,522
- Trade and other payables		**236,123**	28,479
- Amount due from/to fellow subsidiary		**53,421**	(44,380)
Net cash used in operating activities		**(775,215)**	(901,010)
Cash flow from financing activities			
Proceeds from issuance of shares	11	**1,290,000**	740,000
Payment of lease liabilities		**(36,400)**	(23,200)
Net cash provided by financing activities		**1,253,600**	716,800
Net change in cash and cash equivalents		**478,385**	(184,210)
Cash and cash equivalents at beginning of the financial year		**477,680**	661,890
Cash and cash equivalents at end of the financial year	8	**956,065**	477,680

The accompanying notes on pages 18 to 35 form an integral part of these financial statements.

1. General information

Fullerton FM Europe Limited ("the Company") is incorporated and domiciled in United Kingdom. The address of its registered office is 1 Chamberlain Square CS, Birmingham, B3 3AX. It is a private company limited by shares.

The principal activity of the Company is the provision of marketing support to the related company, Fullerton Fund Management Company Ltd.

The principal accounting policies applied in the preparation of these financial statements are set out below and have been applied consistently.

Notwithstanding a loss for the year of GBP1,101,747 (2020: GBP915,729) and operating cash outflows for the year of GBP775,215 (2020: GBP901,010), the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The Directors have prepared cash flow forecasts for a period of twelve months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the Company will have sufficient funds, through funding from its immediate holding company, FFMC Holdings Pte. Ltd., to meet its liabilities as they fall due for that period.

Those forecasts are dependent on FFMC Holdings Pte. Ltd. providing additional financial support during that period. FFMC Holdings Pte. Ltd. has indicated its intention to continue to make available such funds as are needed by the Company for the period covered by the forecasts and at the date of approval of these financial statements, the directors have no reason to believe that it will not do so.

Consequently, the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least twelve months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis. The Company has assessed the impact of COVID-19 to be minimal on the going concern position and continues to carefully monitor and mitigate the risks on an ongoing basis.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("Adopted IFRSs"). The changes to significant accounting policies are described in Note 2.1 (a).

2. Significant accounting policies (continued)

2.1 Basis of preparation (continued)

(a) Changes in accounting policies

The Company has applied the new IFRSs, amendments to and interpretations of IFRS for the first time for the annual period beginning on 1 January 2021. The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

2.2 Revenue

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities. Revenue from provision of marketing support is recognised during the financial year in which the services are rendered by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of total services to be performed.

2.3 Property and equipment

(i) Recognition and measurement

Property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

(ii) Depreciation

Depreciation on property and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives whereby useful lives are the period over which the equipment and fittings are available for use. The estimated useful lives are as follows:

	Useful lives
Computers and related software	2 years
Office premise	2 years

2. Significant accounting policies (continued)

2.3 Property and equipment (continued)

(ii) Depreciation (continued)

The residual values and useful lives of property and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss for the financial year in which the changes arise.

(iii) Subsequent expenditure

Subsequent expenditure relating to property and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense in profit or loss during the financial year in which it is incurred.

(iv) Disposal

On disposal of an item of property and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

2.4 Impairment of non-financial assets

Assets including property and equipment are tested for impairment whenever there is any indication that these assets may be impaired. The carrying amount of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the assets recoverable amount is estimated.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

2. Significant accounting policies (continued)

2.4 Impairment of non-financial assets (continued)

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.5 Financial instruments

(i) Recognition and initial measurement

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

(ii) Classification, subsequent measurement and gains and losses

The Company classifies its financial assets in the following measurement categories:

- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Debt instruments mainly comprise of trade and other receivables.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Significant accounting policies (continued)

2.5 Financial instruments (continued)

(iii) Financial liabilities: Classification, subsequent measurement and gains and losses

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iv) Derecognition

(i) Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Transferred assets are not recognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

(ii) Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(v) Offsetting

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

2. **Significant accounting policies** (continued)

2.5 **Financial instruments** (continued)

(vi) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes deposits with financial institutions which are subject to an insignificant risk of changes in value.

2.6 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.7 Impairment of financial assets

The Company recognises loss allowances for Expected Credit Losses ("ECLs") on financial instruments measured at amortised cost.

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

2. Significant accounting policies (continued)

2.7 Impairment of financial assets (continued)

General approach

The Company applies the general approach to provide for ECL for all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECL at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improve such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECL.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

2.8 Operating expenses

Operating expenses are accrued and recognised as incurred.

2. Significant accounting policies (continued)

2.9 Income taxes

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.
- taxable temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

2. Significant accounting policies (continued)

2.9 Income taxes (continued)

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plan of the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

2.10 Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of office premises the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, equipment and fittings. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

2. Significant accounting policies (continued)

2.10 Leases (continued)

As a lessee (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets in property and equipment and lease liability in trade and other payables in the balance sheet.

2.11 Employee compensation

Defined contribution plans

The Company's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

2.12 Currency translation

The financial statements are presented in British Pound Sterling ("GBP"), which is the functional currency of the Company.

Transactions in a currency other than GBP ("foreign currency") are translated into GBP using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on these items are included in the fair value reserve.

2. Significant accounting policies (continued)

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas where estimates and assumptions are significant to the financial statements.

4. Revenue

	2021 GBP	2020 GBP
Client servicing and marketing fee (Note 14)	**120,046**	45,282

The Company derives its revenue from provision of marketing support in United Kingdom and other European Economic Area (EEA) states.

5. Administrative expenses

	2021 GBP	2020 GBP
Wages and salaries	**752,902**	578,868
Social security costs	**18,884**	20,941
Other pension costs - defined contribution plans	**122,541**	129,667
Audit fee	**8,978**	8,966
CASS audit fee	**8,978**	8,965
Travelling costs	**6,589**	2,744
Legal and professional fees	**51,104**	45,985
Marketing expense	**50,718**	30,158
Operating lease expenditure	**–**	7,008
Support fee to fellow subsidiary (Note 14)	**147,767**	72,211
Depreciation of property and equipment	**35,761**	24,272
Interest on lease liabilities	**654**	826
Other expenses	**16,917**	30,400
	1,221,793	961,011

There were up to two employees (2020: two) during the year.

Administrative expenses include GBP5,100 (2020: GBP6,350) for other secretarial services.

6. Tax

Income tax expense

The tax on loss before tax differs from the theoretical amount that would arise using the United Kingdom standard rate of income tax as follows:

	2021 GBP	2020 GBP
Loss before tax	**(1,101,747)**	(915,729)
Tax calculated at tax rate of 19% (2020: 19%)	**(209,332)**	(173,988)
Tax losses for which no deferred income tax asset was recognised	**209,332**	173,988
Tax charge	**–**	–

There is no income tax payable for the financial year (2020: nil). The Company has accumulated tax losses of GBP4,811,190 (2020: GBP3,673,507) at the balance sheet date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

7. Property and equipment

	Office premise GBP	**Computers and related software GBP**	**Total GBP**
2021			
Cost			
Beginning of financial year	**70,468**	**2,807**	**73,275**
Additions	**–**	**–**	**–**
End of financial year	**70,468**	**2,807**	**73,275**
Accumulated depreciation			
Beginning of financial year	**23,489**	**2,280**	**25,769**
Depreciation charge	**35,234**	**527**	**35,761**
End of financial year	**58,723**	**2,807**	**61,530**
Net book amount	**11,745**	**–**	**11,745**

7. Property and equipment (continued)

	Office premise GBP	Computers and related software GBP	Total GBP
2020			
Cost			
Beginning of financial year	–	2,807	2,807
Additions	70,468	–	70,468
End of financial year	70,468	2,807	73,275
Accumulated depreciation			
Beginning of financial year	–	1,497	1,497
Depreciation charge	23,489	783	24,272
End of financial year	23,489	2,280	25,769
Net book amount	46,979	527	47,506

8. Cash and cash equivalents

	2021 GBP	2020 GBP
Cash at bank	**956,065**	477,680

9. Trade and other receivables

	2021 GBP	2020 GBP
Amount due from a fellow subsidiary	**40,204**	33,920
Prepayment	**12,645**	13,921
Other debtors	**6,200**	6,200
VAT receivable	**6,729**	6,025
	65,778	60,066

10. Trade and other payables

	2021 GBP	2020 GBP
Non-current		
Accrual for operating expense	**85,863**	4,188
Lease liability	–	12,347
	85,863	16,535

10. Trade and other payables (continued)

	2021 GBP	2020 GBP
Current		
Amount due to a fellow subsidiary	**149,951**	90,246
Accruals for operating expenses	**322,232**	167,782
Lease liability	**12,347**	35,747
	484,530	293,775
	570,393	310,310

Amount due to a fellow subsidiary is unsecured, interest-free and repayable on demand.

The non-current accrual is staff cost payable in years 2023 to 2025.

11. Share capital

The Company's share capital comprises 5,275,100 (2020: 3,985,100) ordinary shares with a par value of GBP1 (2020: GBP1 per share), amounting to a total of GBP5,275,100 (2020: GBP3,985,100). The Company issued 430,000 shares on 23 March 2021 for GBP430,000 and 860,000 shares on 15 October 2021 for GBP860,000. All shares rank pari passu in all respects.

12. Financial risk management

Financial risk factors

The Company's activities may expose it to market risk (including currency risk) and liquidity risk.

Management is responsible for setting the objectives and underlying principles of financial risk management for the Company.

(a) Market risk

Currency risk

The Company is not exposed to significant foreign currency risks as it does not have any monetary assets and liabilities denominated in foreign currencies.

12. Financial risk management (continued)

(b) Credit risk

The Company's exposure to credit risk arises from its cash placed with a financial institution. Cash is held with a regulated financial institution with a high credit-rating as determined by international credit-rating agencies.

At the end of the reporting year, all cash deposits are held with HSBC Bank Plc, a financial institution with credit-rating of A- (2020: A-) by S&P.

There are no financial assets that are past due or impaired, or would otherwise be past due or impaired.

(c) Liquidity risk

The Company manages liquidity risk through funding from its related company.

	Less than 1 year GBP	**Between 1 and 2 years GBP**	**Between 2 and 5 years GBP**
At 31 December 2021			
Trade and other payables	**484,530**	**30,417**	**55,446**
At 31 December 2020			
Trade and other payables	293,775	14,441	2,094

(d) Fair value measurements

The below analyses financial assets and liabilities carried at fair value, by valuation method. The different levels are defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Except for cash and cash equivalents which are classified as Level 1, the Company's assets and liabilities not measured at fair value at 31 December 2021 and 2020 have been classified as Level 2.

12. Financial risk management (continued)

(d) Fair value measurements (continued)

The carrying amounts of the Company's asset and liabilities approximate their fair values as at the end of the reporting year. The total financial assets are classified as loans and receivables and the total financial liabilities are classified as financial liabilities measured at amortised cost.

13. Immediate and ultimate holding corporation

The Company's immediate holding company is FFMC Holdings Pte. Ltd., a company incorporated in Singapore.

The Company's immediate holding company is 51% owned by Seviora Holdings Pte. Ltd. and 49% owned by NTUC Income Holdings Pte Ltd, both of which are incorporated in Singapore. The ultimate holding company of Seviora Holdings Pte. Ltd. is Temasek Holdings (Private) Limited, also incorporated in Singapore.

The results of the Company are included in the consolidated financial statements of FFMC Holdings Pte. Ltd., copies are available from the Accounting and Corporate Regulatory Authority, 10 Anson Road, International Plaza, Singapore 079903.

14. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties at terms agreed between the parties:

(a) Revenue and payment on behalf

	2021 GBP	2020 GBP
Client servicing and marketing fee received/ receivable from a related company	**120,046**	45,282
Support fee paid/payable to fellow subsidiary	**147,767**	72,211
Payments made on behalf by a related company	**2,184**	–
Amount due from a related company	**40,204**	33,920
Amount due to a related company	**149,951**	90,246

14. Related party transactions (continued)

(b) Director's remuneration

Director's remuneration is as follows:

	2021 GBP	2020 GBP
Salaries and other short-term employee benefits	**922,794**	629,197

15. Lease

Lease as leasee (IFRS16)

The Company leases an office premise. The lease runs for a period of 2 years, with an option to renew the lease after that date.

Information about leases for which the Company is a lessee is presented below.

Right-of-use asset

	2021 GBP	2020 GBP
Beginning of the year	**46,979**	–
Additions	–	70,468
Depreciation charge for the year	**(35,234)**	(23,489)
End of financial year	**11,745**	46,979

Amounts recognised in profit or loss

	2021 GBP	2020 GBP
Lease under IFRS16		
Interest on lease liabilities	**654**	826

Amounts recognised in statement of cash flows

	2021 GBP	2020 GBP
Total cash outflow for a lease	**36,400**	23,200

16. Capital management

The Company manages its capital to ensure that the Company will be able to continue as a going concern as well as to ensure that the Company is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity when necessary.

The capital structure of the Company consists of the equity of the Company as disclosed in Note 11. The Company is subject to external imposed capital requirements due to its authorisation by the Financial Conduct Authority ("FCA") and is in compliance with all regulatory capital requirements for the financial year ended 31 December 2021.

17. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Company's directors on 25 April 2022.