

Atallah Group Limited

Annual report and financial statements
December 31, 2020



(Registered number: 08993514)

Directors' report

The directors present their annual report on the affairs of Atallah Group Limited ("the Company"), together with the financial statements and auditor's report, for the period ended 31 December 2020. The Company by virtue of its size qualifies for the small companies' exemption afforded by s415(a) of the Companies Act 2006 and therefore has elected not to present a Strategic Report as well as taking certain other exemptions in relation to the financial statements and Directors' Report.

Principal activities and future developments

The Company provides services to the online retailer brand Ssense and other online and fashion sector brands for the UK and wider European markets. The Company began trading in 2018 and thus expects its operations to grow over future periods.

Events after the balance sheet date

There have been no events after the balance sheet date to disclose.

Principal risks and uncertainties

The Company's activities expose it to a number of financial risks such as credit risk and liquidity risk:

Credit risk

The Company's principal financial assets are bank balances and cash, receivables and investments. The Company's credit risk is primarily attributable to its receivables – held predominantly with its parent. Given that there is a shared ownership and management of the two entities, the directors believe that counterparty risk is appropriately minimised.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company is considered to be a component of the wider group and its working capital and financing structure.

The Company also considers the principal risks for the business to be the competitive environment and the resolution of the UK's exit from the EU.

Competitive environment

The directors believe that the quality of the Ssense user interface and experience positions the business favourably in the competitive landscape. Nevertheless, the wider Atallah group continue to place significant importance in the maintenance and development of its product offering and invests accordingly.

Brexit

The Company is exposed to potential costs as the impact of the UK's exit from the EU becomes a reality. The Directors continue to monitor the situation and will act accordingly as the political landscape becomes clearer.

Going concern

The Company at the year end is in a net current liability position and, given the knowledge the directors have of the parent company's financial situation and thus ability to continue to support the Company, have adopted the going concern basis in the preparation of the financial statements.

Dividends

The directors do not recommend the payment of a dividend (31 December 2019 nil).

Directors

The directors, who served throughout the year and to the date of this report were as follows:

B. Atallah
R. Atallah
F. Atallah

Directors' Indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors, which were made during the year and remain in force at the date of this report.

Political contributions

The Company made no political or charitable donations during the year (31 December 2019: nil).

Auditor

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

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Nexia Smith & Williamson Limited have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

DocuSigned by:

8C5A3731608E42D...
F Atallah
Director

Date: 2/22/2022

Directors' responsibilities statement

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

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

In preparing these financial statements, the directors are required to:

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

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ATALLAH GROUP LIMITED

Opinion

We have audited the financial statements of Atallah Group Limited (the 'company') for the period ended 31 December 2020 which comprise Statement of Income and Retained Earnings, Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and financial statements. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

We obtained an understanding of the Company's legal and regulatory framework through enquiry of management of their understanding of the relevant laws and regulations, the company's policies and procedures regarding compliance and how they identify, evaluate and rectify any instances of non-compliance. We also drew on our existing understanding of the Company's industry and regulation.

We understand the Company complies with requirements of the framework through:

- The Directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly; and
- The engagement of external experts to ensure ongoing tax compliance and to assist with the preparation of the statutory accounts.

We have identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur. The key areas identified as part of the discussion were with regard to the manipulation of the financial statements through manual journals and incorrect recognition of revenue. This was communicated to the other members of the engagement team who were not present at the discussion.

The procedures carried out to gain evidence in the above areas included:

- Testing a sample of revenue transactions to underlying documentation; and
- Testing of manual journal entries, selected based on specific risk assessments applied based on the client processes and controls surrounding manual journals.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sancho Simmonds

Sancho Simmonds (Mar 11, 2022 18:34 GMT)

Sancho Simmonds (Senior Statutory Auditor)
Senior Statutory Auditor, for and on behalf of
Nexia Smith & Williamson
Statutory Auditor
Chartered Accountants
25 Moorgate
London
EC2R 6AY

Date: 11/03/2022

Atallah Group Limited (Registered number: 08993514)

**Statement of Income and Retained Earnings
for the 12 months ended 31 December 2020**

	12 months ended 31 December 2020	8 months ended 31 December 2019
	£	£
Revenue	873,585	536,921
Cost of sales	(817,663)	(485,835)
Gross profit	55,922	51,086
Administrative expenses	(59,590)	(39,442)
Foreign exchange (loss)/gain	108,769	(6,515)
Impairment on investment	-	-
Gain on sale of asset	1	-
Profit before taxation	105,102	5,129
Tax on profit	(23,779)	(2,563)
Profit for the financial year	81,323	2,566
Retained earnings at the beginning of the year	(177,040)	(179,606)
Retained earnings at the end of the year	(95,717)	(177,040)

Atallah Group Limited (Registered number: 08993514)**Balance Sheet
As at 31 December 2020**

	Note	31 December 2020 £	31 December 2019 £
Fixed assets			
Investments	6	<u>-</u>	<u>1</u>
		-	1
Current assets			
Debtors	7	520,593	25,004
Cash at bank and in hand		<u>496,346</u>	<u>2,017,409</u>
		1,016,939	2,042,413
Creditors: Amounts falling due within one year	8	<u>(1,112,655)</u>	<u>(2,219,453)</u>
Net current liabilities		(95,716)	(177,040)
Net assets/(liabilities)		(95,716)	(177,039)
Capital and reserves			
Called up share capital		1	1
Retained earnings		(95,717)	(177,040)
Shareholder funds		(95,716)	(177,039)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 BC5A3731608E42D...
F Atallah
 Director

Date: 2/22/2022

The notes on pages 10 to 17 form part of these financial statements.

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2020

1. Accounting policies

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

(a) General information and basis of accounting

Atallah Group Limited (the "Company") is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is 125 Old Broad Street, London EC2N JAR.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling. Foreign operations are included in accordance with the policies set out below.

(b) Going concern

The financial statements have been prepared using the going concern basis of accounting.

The company operates under a cost-plus arrangement with other group companies and therefore is expected to generate future profits.

The statement of financial position shows net current liabilities and net liabilities. The ultimate parent company has guaranteed that it will provide financial support to enable the company to continue as a going concern and meet its liabilities as they fall due for a period of at least one year from the date of approval of these financial statements. On this basis, the director considers it appropriate to prepare the accounts on the going concern basis. The financial statements do not include any adjustments that would be required in the event of the withdrawal of this support.

(c) Financial instruments

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

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

(i) Financial assets and liabilities

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

Atallah Group Limited **Notes to financial statements**

For the year ended 31 December 2020

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

Debt instruments which meet the following conditions of being 'basic' financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being 'basic' financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

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

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

(ii) Investments

Investments in non-derivative instruments that are equity of the issuer are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

(iii) Equity instruments

Equity instruments issued by the Company are recorded at the fair value of cash or other resources received or receivable, net of transaction costs.

(d) Associates

In the Company's financial statements, investments in associates are accounted for at cost less related impairment.

(e) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2020

(f) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2020

(g) 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:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

(h) Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are at times required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. At 31 December 2020 the directors do not consider there to be any critical accounting judgements or estimates that are material to the financial statements in either period.

3. Revenue

Revenue arises solely through a contractual relationship with a related party after discharging services on behalf of the related party in the UK.

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2020

4. Profit before taxation

Profit before taxation is stated after charging:

	12 months ended 31 December 2020 £	8 months ended 31 December 2019 £
Foreign exchange loss/(gain)	(108,769)	6,515
Fees payable to the Company's auditor for:		
the audit of the Company's accounts	6,600	10,595
the preparation of Company's accounts	1,250	-

The directors were compensated for their services to the Company through a related party. No expense related to remuneration of the directors was recharged to the Company in either year.

5. Tax on profit

The tax charge comprises:

	12 months ended 31 December 2020 £	8 months ended 31 December 2019 £
Current tax on profit		
UK corporation tax	23,779	2,563
Total tax on profit	23,779	2,563

Atallah Group Limited

Notes to financial statements

For the year ended 31 December 2020

6. Fixed asset investments

	31 December 2020 £	31 December 2019 £
Investment	1	1
Disposal	(1)	-
Total	-	1

On June 29, 2020, the Company sold its investment to a commonly controlled company for its fair market value of £1.75 in exchange for a non-interest-bearing demand promissory note.

7. Debtors

	31 December 2020 £	31 December 2019 £
Amounts falling due within one year		
Accounts receivable	518,557	7,450
Other debtors	2	-
Prepayments	2,034	13,257
VAT receivable	-	4,297
	520,593	25,004

8. Creditors – amounts falling due within one year

	31 December 2020 £	31 December 2019 £
Trade creditors	5,038	16,832
Accruals	94,385	159,075
Corporation tax	26,297	2,563
Intercompany creditors	986,935	2,040,928
	1,112,655	2,219,453

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

Atallah Group Limited
Notes to financial statements
For the year ended 31 December 2020

9. Called-up share capital and reserves

	31 December 2020 £	31 December 2019 £
1 ordinary share of £1 each	1	1

The Company has one class of ordinary shares which carry no right to fixed income.

The profit and loss reserve represent cumulative profits or losses less amounts distributed to shareholders.

10. Controlling party

The directors of the Company are considered to control the Company as a result of controlling the majority of the capital of its parent undertaking, Atallah International Inc.

Atallah International Inc. is registered at 333 Chabanel, Montreal, Quebec, Canada.

11. Commitments under operating leases

At 31 December 2020 the Company had no future minimum lease payments under non-cancellable operating leases.

12. Financial Instruments

(a) Carrying values and fair values:

Fair value estimates are made as of a specific point in time using available information about the financial instruments. These estimates are subjective in nature and often cannot be determined with precision.

The Company has determined that the fair values of its short-term financial assets and liabilities approximate their respective carrying amounts as at the balance sheet date due to the short-term maturity of those instruments.

(b) Foreign currency risk:

A portion of the Company's purchases and revenue is denominated in foreign currencies. From time to time, the Company contracts foreign exchange contracts in US dollars ("USD") and euros ("EUR") to mitigate its exposure to foreign exchange variations.

Atallah Group Limited
Notes to financial statements

For the year ended 31 December 2020

13. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

14. Contingency

The Company has agreed to guarantee the obligations of its parent in case of non-payment to a maximum of CAD\$150,000,000 and has pledged its bank account, present and future book and other debts, and monetary and other claims due or owing to the Company as security of its guarantee. As at December 31, 2020, the ultimate parent indebtedness was CAD\$3,652,000. Should any amount become payable under the guarantee, such amount would be expensed in the year incurred.