

WELLESLEY SECURED FUNDING LIMITED

Annual Report and Financial Statements

For year ended 31 December 2016

Company Number 09151623



WELLESLEY SECURED FUNDING LIMITED

Report and financial statements
For year ended 31 December 2016

Contents

Page:

2	Officers and advisers
3	Strategic report
4	Report of the Directors
5	Statement of Directors' responsibilities
6	Independent auditors' report
8	Statement of comprehensive income
8	Statement of other comprehensive income
9	Statement of financial position
10	Statement of changes in equity
11	Statement of cash flows
12	Notes forming part of the financial statements

WELLESLEY SECURED FUNDING LIMITED

Officers and advisers

Directors

Andrew Turnbull
Graham Wellesley
Gary Sher (Resigned 4 July 2016)

Registered Office

6th Floor, St Albans House, 57/59 Haymarket, London, SW1Y 4QX

Company Registration Number

09151623

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Bankers

Barclays, Leicester, Leicestershire, LE87 2BB

WELLESLEY SECURED FUNDING LIMITED

Strategic Report For year ended 31 December 2016

Overview

Wellesley Secured Funding Limited (the "Company") was established as a specialist provider of invoice discounting. The decision was subsequently taken not to proceed with starting this business.

Business, Operating and Financial Review

The Company had limited activity during the period except for small operational costs. The Company earned £Nil (2015: £7,000) of income incurring £12,243 (2015: £93,721) of administration expenses, generating a loss before taxation of £12,243 (2015: a loss of £86,721).

The Company benefits significantly from the wider Wellesley Group and its ability to originate loans in future.

Principal risks and uncertainties

The principal risk to the Company is liquidity risk. The Company is exposed to the liquidity risk arising from the requirement to fund its operations. Liquidity risk is the risk arising from unplanned decreases or changes in funding sources. The Company regularly reviews its forward cashflow and ensures it matches its assets and liabilities. The Company has received a letter of support from its direct parent company.

WELLESLEY SECURED FUNDING LIMITED

Report of the Directors For year ended 31 December 2016

The Directors present the Strategic Report, Directors' Report and the financial statements of Wellesley Secured Funding Limited for the year ended 31 December 2016. The directors of the Company during the year were those listed on page 2.

Results

The Company earned £Nil (2015: £7,000) of income and incurred £12,243 (2015: £93,721) of administration expenses generating a loss of £12,243 (2015: a loss of £86,721) of a loss before taxation.

The directors do not recommend the payment of a final dividend.

Principal activities

The Company was established as a specialist provider of invoice discounting. However, the decision not to proceed with this business has subsequently been taken.

Principal risk and uncertainties

The principal risks, including financial risk management, and the management of these risks are detailed in the Strategic Report on page 3.

Future developments

The future developments of the Company are detailed in the Strategic Report on page 3.

Post balance sheet events

No information has been identified since the statement of financial position date about conditions existing at the statement of financial position date which is required to be disclosed in these financial statements.

Going concern

The financial statements are prepared on a going concern basis, as the directors have considered financial projections for the two years from the date of approval of the financial statements which support the directors' view that the Company will continue to operate as a going concern.

The directors have reviewed financial projections and cash forecasts under various scenarios over a two-year period to the end of 2018, which illustrate adequate levels of liquidity and capital for this period. Business investment and the pace of expansion will be managed within the levels of investment available. In summary, the directors are satisfied that the actions being taken to manage the capital and liquidity position of the Group are aligned to the strategic objectives of the Company.

The Company's parent, Wellesley Group Investors Limited, has provided a letter of support which will allow for the continued operations of the Company for a period of not less than one year from the date of approval of the financial statements.

WELLESLEY SECURED FUNDING LIMITED

Report of the Directors (*continued*) For year ended 31 December 2016

Statement of directors' responsibilities

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 the directors have elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the European Union. 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 IFRSs as adopted by the European Union, 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.

Auditors

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.

It was resolved to appoint BDO LLP as auditors. It is proposed to re-appoint BDO LLP as auditor at the Annual General Meeting.


Graham Wellesley
Director

Approved by the Board of Directors and signed on behalf of the Board on 28/09/17

WELLESLEY SECURED FUNDING LIMITED

Independent auditor's report For year ended 31 December 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLESLEY SECURED FUNDING LIMITED

We have audited the financial statements of Wellesley Secured Funding Limited for the year ended 31 December 2016 which comprise the statement of comprehensive income, statement of other comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of the Company's loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

WELLESLEY SECURED FUNDING LIMITED

Independent auditor's report For year ended 31 December 2016 *(continued)*

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- 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.

LJ Treacy

Leigh Treacy (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
London
Date 28 SEPTEMBER 2017.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

WELLESLEY SECURED FUNDING LIMITED

Statement of comprehensive income For year ended 31 December 2016

	Notes	Year to 31 December 2016 £	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
Other operating income	5	-	7,000
Total operating income		-	7,000
Administrative expenses	6	(12,243)	(93,721)
Loss from operations before tax		(12,243)	(86,721)
Income tax credit	8	16,246	-
Profit/(loss) after taxation - attributable to the equity holders of the Company		4,003	(86,721)

Statement of other comprehensive income For year ended 31 December 2016

	Notes	Year to 31 December 2016 £	Period from 29 July 2014 (date of incorporation) to 31 December 2015 £
Profit/(loss) after taxation - attributable to the equity holders of the Company		4,003	(86,721)
Net change in fair value of investment securities		-	-
Tax on other comprehensive loss		-	-
Total other comprehensive loss for the year, net of taxation		-	-
Total comprehensive profit/(loss) for the year, net of taxation		4,003	(86,721)

The accounting policies and notes set out on pages 12 to 21 form an integral part of these financial statements.

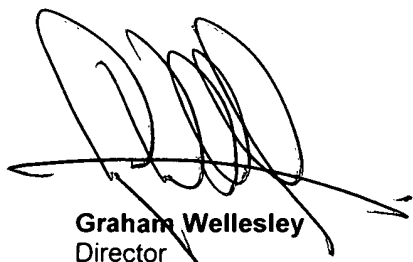
WELLESLEY SECURED FUNDING LIMITED

Statement of financial position For year ended 31 December 2016

	Notes	31 December 2016 £	31 December 2015 £
Receivables			
<i>Current receivables</i>			
Cash and cash equivalents		633	2,041
Receivables	9	421	1,426
Deferred tax		16,246	-
Total receivables		17,300	3,467
Liabilities			
<i>Current liabilities</i>			
Liabilities	10	100,017	90,187
		100,017	90,187
Net liabilities		(82,717)	(86,720)
Equity			
Share capital	11	1	1
Accumulated losses		(82,718)	(86,721)
Total equity		(82,717)	(86,720)

The notes on pages 12 to 21 are an integral part of these financial statements.

These financial statements were approved by the Board of directors on 28/09/17 and were signed on its behalf by:



Graham Wellesley
Director
Company number 09151623

WELLESLEY SECURED FUNDING LIMITED

Statement of changes in equity For year ended 31 December 2016

	Share capital £	Accumulated losses £	Total equity £
Balance at 1 January 2016	1	(86,721)	(86,720)
Total comprehensive income for the period			
Profit for the year	-	4,003	4,003
Other comprehensive income	-	-	-
Total comprehensive income for the year	-	4,003	4,003
Transactions with owners recorded directly in equity:			
Issue of shares	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2016	1	(82,718)	(82,717)
Balance at 29 July 2014	-	-	-
Total comprehensive loss for the period			
Loss for the period	-	(86,721)	(86,721)
Other comprehensive income	-	-	-
Total comprehensive loss for the period	-	(86,721)	(86,721)
Transactions with owners recorded directly in equity:			
Issue of shares	1	-	1
Total contributions by and distributions to owners	1	-	1
Balance at 31 December 2015	1	(86,721)	(86,720)

The notes on pages 12 to 21 are an integral part of these financial statements.

WELLESLEY SECURED FUNDING LIMITED

Statement of cash flows For year ended 31 December 2016

	Period from 29 July 2014 (date of incorporation) to	
Notes	31 December 2016	31 December 2015
	£	£
Cash flows from operating activities		
Loss before taxation	(12,243)	(86,721)
Adjustments to working capital items:		
Decrease/(increase) in receivables	1,005	(1,426)
Increase in liabilities	9,830	90,187
Net cash flows (utilised by)/generated from operating activities	(1,408)	2,040
Cash flows from financing activities		
Proceeds from issue of shares	-	1
Net cash used in financing activities	-	1
Net (decrease)/increase in cash and cash equivalents	(1,408)	2,041
Cash and cash equivalents at the start of the year	2,041	-
Movement during year	(1,408)	2,041
Cash and cash equivalents at the end of the year	633	2,041

The notes on pages 12 to 21 are an integral part of these financial statements.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements For year ended 31 December 2016

1 Nature of operations

Wellesley Secured Funding Limited, (the "Company"), was established as a provider of invoice discounting. The decision was subsequently taken not to proceed with starting this business.

2 Basis of preparation

2.1 Accounting basis

The financial statements of the Company have been prepared in accordance with the Companies Act 2006 and IFRSs as developed and published by the International Accounting Standards Board ("IASB") as adopted by the European Union ("EU").

The comparative period is from 29 July 2014 (date of incorporation) to 31 December 2015.

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about areas of estimation, uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are included in Note 4.

The accounting policies that have been used in the preparation of these financial statements are described below. The particular accounting policies adopted by the Directors are described below and have been applied consistently year on year.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements For year ended 31 December 2016

2 Basis of preparation (*Continued*)

2.2 Future accounting developments

New standards and amendments

There have been no new standards having a material impact on the financial statements for the period. The following standards and amendments to existing standards have been published, but in some cases, not yet adopted by the EU. They are mandatory from the financial period beginning on or after the effective dates shown below.

- IFRS 9 – Financial instruments classification and measurement. Applicable for financial years beginning on or after 1 January 2018. IFRS 9 was endorsed by the EU in September 2016.

The Company's assessment of the impact of this new standard and interpretation is set out below.

IFRS 9 Financial instruments

IFRS 9 Financial Instruments issued on 24 July 2014 is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The standard includes requirements for recognition and measurement, impairment, de-recognition and general hedge accounting.

The key changes relate to:

- Financial assets: Financial assets will be held at either fair value or amortised cost, except for equity investments not held for trading and certain debt instruments, which may be held at fair value through other comprehensive income;
- Financial liabilities: Gains and losses arising from changes in own credit on non-derivative financial liabilities designated at fair value through profit or loss will be excluded from the income statement and instead taken to other comprehensive income; and
- Impairment: Credit losses expected at the statement of financial position date (rather than only losses incurred in the year) on loans, debt securities and loan commitments not held at fair value through profit or loss will be reflected in impairment allowances.

Adoption is not mandatory until periods beginning on or after 1 January 2018. The standard was endorsed by the EU in September 2016. A work stream will be undertaken in 2017 to assess the impact of this standard on the Company.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For year ended 31 December 2016
(Continued)

2 Basis of preparation (Continued)

2.3 Going concern

The financial statements are prepared on a going concern basis, as the directors have considered financial projections for the two years from the date of approval of the financial statements which supports the director's view that the Company will continue to operate as a going concern

The directors have reviewed financial projections and cash forecasts under various scenarios over a two-year period to the end of 2018, which illustrate adequate levels of liquidity and capital for this period. Business investment and the pace of expansion will be managed within the levels of investment available. In summary, the directors are satisfied that the actions being taken to manage the capital and liquidity position of the Company are aligned to the strategic objectives of the Company.

The Company's parent, Wellesley Group Investors Limited, has provided a letter of support which will allow for the continued operations of the Company for a period of not less than one year from the date of approval of the financial statements.

3 Significant accounting policies

3.1 Expenses

Expenses incurred by the Company are accounted for on an accruals basis.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For year ended 31 December 2016
(Continued)

3 Significant accounting policies (continued)

3.2 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax. It is recognised in the statement of comprehensive income except to the extent that it relates to a business combination, or items recognised directly in equity or in equity through other comprehensive income.

Current tax

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 substantially enacted by the period end date.

Deferred tax

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary difference, the carry forward of unused tax credits and any unused losses. Such assets and liabilities are not recognised if they arise from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. Deferred tax liabilities are recognised for taxable differences arising on investments in subsidiaries except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting date and reduced to the extent that it is not probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right of offset exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For year ended 31 December 2016
(Continued)

3 Significant accounting policies *(continued)*

3.3 Cash and cash equivalents

Cash and cash equivalents comprise cash balance and balances with a maturity of three months or less from the acquisition date, which are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

3.4 Equity instruments

The Company classifies instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instruments. Where an instrument contains no obligation on the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company, or where the instrument will or may be settled in the Company's own equity instruments but includes no obligation to deliver a variable number of the Company's own equity instruments then it is treated as an equity instrument. Accordingly, the Company's share capital is presented as a component of equity within shareholders' funds. Any dividend or other distributions on equity instruments are recognised in equity. Related income tax is accounted for in accordance with IAS 12.

4 Use of estimates and judgements

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Company has made estimates in respect of operating expenses incurred during the year.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements For year ended 31 December 2016 (Continued)

5 Other operating income

	Period from 29 July 2014 (date of incorporation) to Year to 31 31 December 2015 December 2016	
	£	£
Other	-	7,000
	-	<u>7,000</u>

6 Administrative expenses

	Period from 29 July 2014 (date of incorporation) to Year to 31 31 December 2015 December 2016	
	£	£
Staff costs	-	-
Legal & professional	-	65,536
FX on foreign cash balances	-	358
Other administrative expenses	12,243	27,827
	<u>12,243</u>	<u>93,721</u>

All other administrative expenses are incurred in the normal course of business.

Directors were remunerated for their services to the company via a separate Group entity.

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For year ended 31 December 2016
(Continued)

7 Auditor's remuneration

	Year to 31 December 2016	Period from 29 July 2014 (date of incorporation) to 31 December 2015
	£	£
Auditor's remuneration	12,150	5,000
<i>Amounts receivable by the Company's auditor and their associates in respect of other services:</i>		
Tax advisory services	-	-
Other advisory services	-	-
	12,150	5,000

8 Taxation

	Year to 31 December 2016	Period from 29 July 2014 (date of incorporation) to 31 December 2015
	£	£
Recognised in the Statement of Comprehensive Income	(16,246)	-
Current tax:		
UK corporation tax at 20% (2015: 20.49%)	-	-
Total current tax	-	-
Deferred tax:		
Origination and reversal of temporary difference	(16,246)	-
Total deferred tax	(16,246)	-
Total tax credit	(16,246)	-
Reconciliation of tax credit:		
Loss on ordinary activities before tax	(12,243)	(86,721)
Tax on loss on ordinary activities at standard corporation tax rate of 20% (2015: 20.49%)	(2,449)	(17,754)
Effects of:		
Adjustment in respect deferred tax rate to average rate of tax 20%	1,201	-
Deferred tax not previously recognised	(14,998)	-
Expenses not deductible for tax purposes	-	696
Group relief surrendered	-	17,058
Total tax credit	(16,246)	-

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements
For year ended 31 December 2016
(Continued)

9 Receivables

31 December 2016	31 December 2015
£	£
Other receivables	1,426
421	1,426

10 Liabilities

31 December 2016	31 December 2015
£	£
Accruals	975
Other payables	89,212
100,017	90,187

11 Share capital

31 December 2016	31 December 2015
£	£
1 issued ordinary share at £1 each (1 authorised ordinary share at £1 each)	1
1	1

At the year end, the Company had 1 authorised share (31 December 2015: 1 authorised share)

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements For year ended 31 December 2016 (Continued)

12 Commitments and contingent liabilities

At 31 December 2016, the Company had no undrawn commitments or contingent liabilities.

13 Risk management

The main areas of risk that the business is exposed to are:

- **Funding risk**
The Company is exposed to liquidity risk of funding its minimal operating expenses. Wellesley Group Investors Limited, the immediate parent, has indicated its willingness to continue to fund the Company; and
- **Credit risk**
The Company has exposure to credit risk in the form of the receivables held on the statement of financial position. The risk to the Company is that these receivables are uncollectible. The risk is mitigated due to the receivables being owed by other Wellesley group entities.

14 Related party transactions

Related parties of the Company include key management personnel, close family members of key management personnel and entities which are controlled, jointly controlled or significantly influenced, or for which significant voting power is held, by key management personnel or their close family members. Key management personnel are defined as the Directors.

The Company is owed the below from the following related party entities:

	31 December 2016 £	31 December 2015 £
<i>Wellesley Lease Finance Limited</i>		
Opening balance	420	-
Advances	-	420
Repayments	-	-
	<u>420</u>	<u>420</u>

The maximum balance during the year was £420 (2015: £420).

	31 December 2016 £	31 December 2015 £
<i>Wellesley Group Investors Limited</i>		
Opening balance	1	-
Advances	-	1
Repayments	-	-
	<u>1</u>	<u>1</u>

The maximum balance during the year was £1 (2015: £1).

WELLESLEY SECURED FUNDING LIMITED

Notes forming part of the financial statements For year ended 31 December 2016 (Continued)

14 Related party transactions (continued)

The Company owes the below to the following related party entities:

	31 December 2016 £	31 December 2015 £
<i>Wellesley & Co Limited</i>		
Opening balance	28,146	-
Advances	5,000	37,146
Repayments	(33,146)	(9,000)
	<u>-</u>	<u>28,146</u>

The maximum balance during the year was £31,976 (2015: £28,080).

	31 December 2016 £	31 December 2015 £
<i>Wellesley Finance PLC</i>		
Opening balance	61,066	-
Advances	31,976	397,284
Repayments	-	(336,218)
	<u>93,042</u>	<u>61,066</u>

The maximum balance during the year was £93,042 (2015: £348,066).

15 Ultimate controlling party

Wellesley Group Investors Limited, a company incorporated in England, is the immediate parent of the Company and is the largest Group for which consolidated accounts are prepared. The ultimate controlling party of the immediate parent is IFX Group Trust.

16 Events after the statement of financial position date

No information has been identified since the statement of financial position date about conditions existing at the statement of financial position date which is required to be disclosed in these financial statements.