

Registered number: 09879916

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Annual report and audited financial statements

for the period ended 31 December 2021



<p>SANNE FUND SERVICES (UK) LIMITED (formerly PRAXISIFM FUND SERVICES (UK) LIMITED)</p>

Company Information

Directors	Brian Smith Sugeeswaran Mahendrarajah (resigned 16 March 2022) Martin Darragh Christopher Hickling Sylvanus Cofie Christopher Warnes (appointed 29 November 2021)
Company secretary	Jennifer Thompson (resigned 16 March 2022) Sanne Group Secretaries (UK) Limited (appointed 16 March 2022)
Registered number	09879916
Registered office	6 th Floor 125 London Wall London EC2Y 5AS
Independent auditor	BDO Limited Place du Pré Rue du Pré St Peter Port Guernsey GY1 3LL
Bankers	The Royal Bank of Scotland 36-37 New Bridge Street London EC4V 6BJ

SANNE FUND SERVICES (UK) LIMITED (formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 - 22

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Strategic report
for the period ended 31 December 2021

Introduction

Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited) (the "Company") was incorporated in England under the Companies Act 2006 on 19 November 2015. The presentation and functional currency of the Company is the pound sterling.

On 28 July 2021, PraxisIFM Group Limited ("PIGL") (the Company's previous Ultimate Parent Company) announced it had agreed to sell the Praxis Funds division (including the Company). On 3 December 2021, the ownership of the Praxis Fund Holdings Limited (the Company's Parent Company) was transferred from PIGL to Sanne Finance Limited, a Jersey company that is a 100% subsidiary of Sanne Group PLC. Directly after the acquisition the Company was restructured and its ownership transferred to Sanne Group (UK) Limited. The Company is ultimately a 100% subsidiary of Sanne Group PLC, a company listed on the London Stock Exchange ("LSE"). Prior to 3 December 2021, the Company was ultimately a 100% subsidiary of PIGL, a company listed on The International Stock Exchange ("TISE").

Business review

The principal activity of the Company is the provision of administration and company secretarial services primarily to listed investment funds and other companies.

The address of the registered office is given in the Company information page.

The financial position of the Company is set out on page 9. The Company has adequate cash resources and the only indebtedness is current liabilities arising in the normal course of business.

The results for the period are set out on page 8. The profit before tax for the period ended 31 December amounted to £411,647 (year ended 30 April 2021: £386,365). The Company has retained earnings of £1,028,012 (year ended 30 April 2021: £751,033) as at 31 December 2021.

The Directors declared and paid a dividend of £50,000 during the period (year ended 30 April 2021: £nil).

Principal risks and uncertainties

The Directors consider the principal risks faced by the Company and have reviewed cash flow forecasts which include the reassessment of the Company's operational forecasts as a result of COVID-19 as described in note 2 to the financial statements, as well as the potential loss of administration contracts. Other risks are considered to be of an ordinary commercial nature and at a relatively low level. The Company has no external borrowings and modest levels of external creditors. Given the nature of the Company's client base, credit risks are considered to be minimal.

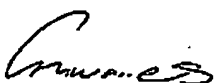
Financial key performance indicators (KPIs)

The Directors consider the Company's principal KPIs to be the maintenance of a high level of service to its clients and a good spread of administration contracts. The Company's objective is to maintain and increase the number of such contracts, while at the same time keeping its cost base at a level which keeps the Company profitable.

The Directors consider the Company's KPIs to have been achieved during the period ended 31 December 2021. They hope to build upon this base to develop the business further in forthcoming years.

This report was approved by the Board on 13 May 2022 and signed on its behalf.

Sanne Group Secretaries (UK) Limited
Company Secretary



Director of Sanne Group Secretaries (UK) Limited

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Directors' report
for the period ended 31 December 2021

The Directors present their annual report and the audited financial statements for the period ended 31 December 2021.

Company Name

On 3 February 2022, the Company changed its name from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited.

Accounting Reference Date

On 5 May 2021, the Directors of the Company resolved to change the Company's financial year end from 30 April to 31 December.

Directors' responsibilities statement

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 financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 Section 1A, applicable to small entities '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 for the Company's financial statements and then apply them consistently;
- make judgments 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 for a period of at least twelve months from when the financial statements are authorised for issue.

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.

Directors

The Directors who served during the period and to date are:

Brian Smith

Sugeeswaran Mahendrarajah (resigned 16 March 2022)

Martin Darragh

Christopher Hickling

Sylvanus Cofie

Christopher Warnes (appointed 29 November 2021)

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Directors' report, continued
for the period ended 31 December 2021

Going concern

The Directors have considered and reviewed cash flow forecasts which include the reassessment of the Company's operational forecasts as a result of COVID-19 as described in note 2.

After making enquiries, the Directors believe that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Further details regarding the going concern basis are set out in the accounting policies described in the notes to the financial statements.

Disclosure of information to auditors

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

- so far as that Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post period end events

Other than disclosed in note 17 to the financial statements, there are no significant post period end events that require adjustment to or disclosure in these financial statements.

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for all of the Directors of Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited).

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by Section 415A of the Companies Act 2006.

Independent Auditor

Under section 487(2) of the Companies Act 2006, BDO Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

Approval

This report was approved by the Board on 13 May 2022 and signed on its behalf by:



Brian Smith
Director

<p style="text-align: center;">SANNE FUND SERVICES (UK) LIMITED (formerly PRAXISIFM FUND SERVICES (UK) LIMITED)</p>

Independent auditor's report to the member of Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited)

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the affairs of Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited) (the "Company") as at 31 December 2021 and of its profit for the period then ended;
- the financial statements have been properly prepared in accordance with Section 1A Financial Reporting Standard 102, applicable to small entities and The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") Section 1A applicable to small entities ("United Kingdom Generally Accepted Accounting Practice"); and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of the Company for the period ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, and 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 Generally Accepted Accounting Practice.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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 Financial Reporting Council's ("FRC's") Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Independent auditor's report to the member of Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited), continued

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual report other than the financial statements and our auditor's report thereon. 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.

Other Companies Act 2006 reporting

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

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

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 and Directors' Report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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
- the Directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the Directors' Report and Strategic Report; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement in the Directors' Report, 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.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Independent auditor's report to the member of Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited), continued

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.

Extent to which the audit was capable of detecting irregularities, including fraud

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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which would be contrary to applicable laws and regulations, including fraud. These included but were not limited to compliance with Companies Act 2006 and tax legislation. We also assessed the susceptibility of the financial statements to material misstatement, including fraud and considered the fraud risk areas to be management override of controls and revenue recognition.

Our tests included, but were not limited to:

- Understanding how the Company is complying with those legal and regulatory frameworks by making enquiries of management and those responsible for compliance;
- We corroborated our enquiries through our review of Board minutes and other management reports;
- Reviewed of the financial statement disclosures and testing to supporting documentation to assess compliance with the relevant laws and regulations discussed above;
- Analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Evaluation of management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls and inappropriate revenue recognition) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial results. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk. These procedures included testing manual journals and were designed to provide reasonable assurance that the financial statements were free of fraud or error; and
- Communication of relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Independent auditor's report to the member of Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited), continued

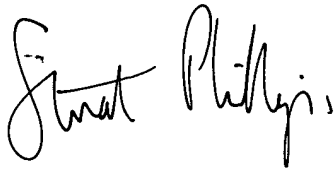
Auditor's responsibilities for the audit of the financial statements, continued

There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the FRC'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 member 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 member, as a body, for our audit work, for this report, or for the opinions we have formed.



Stuart Martin Phillips (Senior Statutory Auditor)
For and on behalf of BDO Limited, statutory auditor
Place du Pré
Rue du Pré
St Peter Port
Guernsey

Date: 17 May 2022

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Statement of Comprehensive Income
for the period ended 31 December 2021

		Period ended 31 December 2021 £	Year ended 30 April 2021 £
	Note		
Turnover	4	1,979,183	2,332,246
Employment costs	7	(1,028,407)	(1,322,521)
Gross profit		950,776	1,009,725
Administrative expenses		(287,065)	(344,961)
Other operating charges		(252,064)	(278,399)
Operating profit before tax	5	411,647	386,365
Taxation	9	(84,668)	(6,981)
Total comprehensive income for the period/year		326,979	379,384

There are no other recognised gains or losses for the period/year other than shown above.

The results from the current period and prior year are derived from continuing operations.

The notes on pages 12 to 22 form part of these financial statements.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Statement of Financial Position
as at 31 December 2021

Company Number: 09879916

	Note	31 December 2021 £	30 April 2021 £
Intangible assets	10	165,907	194,147
Tangible fixed assets	11	459	20,828
		<u>166,366</u>	<u>214,975</u>
Current assets			
Debtors	12	460,259	416,296
Cash and cash equivalents	13	829,830	363,106
		<u>1,290,089</u>	<u>779,402</u>
Creditors: amounts falling due within one year	14	(428,441)	(243,342)
Net current assets		<u>861,648</u>	<u>536,060</u>
Net assets		<u>1,028,014</u>	<u>751,035</u>
Capital and reserves			
Share capital	15	2	2
Retained earnings		<u>1,028,012</u>	<u>751,033</u>
Total equity		<u>1,028,014</u>	<u>751,035</u>

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

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 13 May 2022 by:



Brian Smith
Director

The notes on pages 12 to 22 form part of these financial statements.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Statement of Changes in Equity
for the period ended 31 December 2021

	Period ended 31 December 2021		
	Share capital	Retained earnings	Total Equity
	£	£	£
As at 1 May 2021	2	751,033	751,035
Profit and total comprehensive income for the period	-	326,979	326,979
	2	1,078,012	1,078,014
Dividend paid in the period	-	(50,000)	(50,000)
As at 31 December 2021	2	1,028,012	1,028,014

	Year ended 30 April 2021		
	Share capital	Retained earnings	Total Equity
	£	£	£
As at 1 May 2020	2	371,649	371,651
Profit and total comprehensive income for the year	-	379,384	379,384
	2	751,033	751,035
Dividends paid in the year	-	-	-
As at 30 April 2021	2	751,033	751,035

The notes on pages 12 to 22 form part of these financial statements.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Statement of Cash Flows
for the period ended 31 December 2021

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Cash flows from operating activities		
Total comprehensive income for the period/year	326,979	379,384
Adjustments for:		
Amortisation of intangible asset	28,240	42,359
Depreciation	5,732	9,268
Taxation charge for the period/year	84,668	6,981
Increase in receivables	(60,245)	(57,437)
Increase in payables	101,636	61,112
Taxation repaid	15,077	44,915
Cash generated from operations	<u>502,087</u>	<u>486,582</u>
Cash flows from/(used in) investing activities		
Sale of fixed assets	17,500	-
Purchase of fixed assets	(2,863)	(6,437)
Net cash outflows from/(used in) investing activities	<u>14,637</u>	<u>(6,437)</u>
Cash flows from/(used in) financing activities		
Loan repaid to parent company	-	(207,347)
Dividends paid	(50,000)	-
Net cash outflows used in financing activities	<u>(50,000)</u>	<u>(207,347)</u>
Cash and cash equivalents at the start of period/year	363,106	90,308
Increase in cash and cash equivalents during period/year	<u>466,724</u>	<u>272,798</u>
Cash and cash equivalents at the end of period/year	<u>829,830</u>	<u>363,106</u>

The notes on pages 12 to 22 form part of these financial statements.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements
for the period ended 31 December 2021

1. General information

Sanne Fund Services (UK) Limited (formerly PraxisIFM Fund Services (UK) Limited) is a private company limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given in the Company information page and the nature of the Company's operations and its principal activities are set out in the strategic report.

On 28 July 2021, PraxisIFM Group Limited ("PIGL") (the Company's previous Ultimate Parent Company) announced it had agreed to sell the Praxis Funds division (including the Company). On 3 December 2021, the ownership of the Praxis Fund Holdings Limited (the Company's Parent Company) was transferred from PIGL to Sanne Finance Limited, a Jersey company that is a 100% subsidiary of Sanne Group PLC. Directly after the acquisition the Company was restructured and its ownership transferred to Sanne Group (UK) Limited. The Company is ultimately a 100% subsidiary of Sanne Group PLC, a company listed on the London Stock Exchange ("LSE"). Prior to 3 December 2021, the Company was ultimately a 100% subsidiary of PraxisIFM Group Limited, a company listed on The International Stock Exchange ("TISE").

Company Name

On 3 February 2022, the Company changed its name from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited.

Accounting reference date

On 5 May 2021, the Directors of the Company resolved to change the Company's financial year end from 30 April to 31 December.

2. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A Financial Reporting Standard 102, applicable to small entities and The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") Section 1A applicable to small entities and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been consistently applied:

1.2 Going concern

The Company's business activities, together with the factors likely to affect its future development, are set out in the business review section of the Strategic report. This describes the financial position of the Company and its principal management policies and objectives.

As set out in the Directors' Report, the Directors have considered detailed budgeted profitability and cash flows of the Company for the 12 months following the date on which these financial statements were approved by the Board of Directors, which include the assessment of the operational forecasts as a result of COVID-19 on a reasonable "worst case" scenario.

Based on those forecasts and an assessment of group support where applicable, the Directors consider it appropriate to continue to prepare the financial statements of the Company on a going concern basis.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

2. Accounting policies, continued

1.3 Revenue

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

Rendering of services

Revenue from a contract to provide administration, company secretarial and accounting 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.

Deferred revenue

Deferred revenue on contracted services comprises amounts relating to services that will be delivered in the future, which are billed and/or paid by a client in advance.

1.4 Intangible asset

The intangible asset consists of the recognition of the legal and contractual relationships gained through a business combination. The intangible asset acquired in a business combination is initially recognised at fair value at the date of acquisition (which is regarded as the cost). Subsequent to initial recognition, the intangible asset is measured at cost less accumulated amortisation and accumulated impairment losses. The intangible asset is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life which is 10 years.

1.5 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is 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.

With effect from 1 December 2021, depreciation is recognised to write off the cost of assets less their residual values over their useful lives, using the straight-line method, over the following periods:

Computer equipment	3 to 5 years
Computer software	3 years
Fixtures and equipment	5 years

The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period with the effect of any changes in estimate accounted for on a prospective basis.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

2. Accounting policies, continued

1.5 Tangible fixed assets, continued

The gain or loss arising on the disposal or scrapping of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the Statement of Comprehensive Income.

Change in estimate

As of 1 December 2021, the total useful lives of certain items of IT equipment and software were adjusted to align with the useful lives that the Sanne Group estimates for these classes of assets. The net effect of the changes for the period 1 December 2021 to 31 December 2021 was an increase in depreciation expense of £39. This was recognised in the depreciation charge for the period ending 31 December 2021 of £5,732.

For the prior year, depreciation was provided on all tangible fixed assets, on a straight line basis, at rates calculated to write down the cost to the estimated residual value of each asset class as follows:

Computer equipment	20%
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1.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.7 Cash and cash equivalents

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

1.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities including trade and other accounts receivable and payable and amounts due to related parties.

1.9 Creditors

Short term creditors are measured at the transaction price.

1.10 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees, of which certain Directors are members. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

SANNE FUND SERVICES (UK) LIMITED (formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

2. Accounting policies, continued

1.10 Pensions, continued

Defined contribution pension plan, continued

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

Personal pension plans

The Company also makes contributions to employee personal pension plans. The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

1.11 Retained earnings

Comprises the profit undistributed, arising from the trading operations of the Company since acquisition.

1.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of Financial Position date.

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

2. Accounting policies, continued

1.13 Dividends

Equity dividends are recognised in the Statement of Changes in Equity when they become legally payable.

3. Significant judgements and estimations

The Directors have reviewed matters requiring estimation and/or judgement. In particular the Directors have considered the value of the remaining intangible asset as described in note 10. In assessing the intangible asset for evidence of impairment, the Directors consider factors including client retention rates and expected income levels in order to estimate future underlying profitability. Following this review, no impairment of the intangible asset has been identified in the current period.

4. Turnover

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Fee income	1,979,183	2,332,246

All fee income is derived in the United Kingdom and Channel Islands.

5. Operating profit before tax

The operating profit is stated after charging:

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Amortisation of intangible asset	28,240	42,359
Depreciation of tangible assets	5,732	9,268
Defined contribution pension cost	87,801	96,188

6. Auditor's remuneration

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	23,750	12,450
Fees payable to the Company's auditor and its associates for non-audit services	7,675	10,972

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

7. Employment costs

Staff costs, including Directors' remuneration, were as follows:

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Wages and salaries	840,395	1,100,707
Social security costs	100,211	125,626
Company contributions to defined contribution pension schemes	87,801	96,188
	<u>1,028,407</u>	<u>1,322,521</u>

During the period the average number of employees was 15 (year ended 30 April 2021: 13).

8. Directors' remuneration

	Period ended 31 December 2021 £	Year ended 30 April 2021 £
Directors' emoluments	328,263	470,023
Company contributions to defined contribution pension schemes	35,189	46,470
	<u>363,452</u>	<u>516,493</u>

During the period, retirement benefits were accruing for two Directors in respect of defined contribution pension schemes.

9. Taxation and deferred taxation

	31 December 2021 £	30 April 2021 £
Corporation tax		
Current tax on profits for the period/year	84,668	-
Prior year under-provision	-	14,169
	<u>84,668</u>	<u>14,169</u>
Deferred tax	<u>-</u>	<u>(7,188)</u>
Taxation charge on profit	<u>84,668</u>	<u>6,981</u>

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

9. Taxation and deferred taxation, continued

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	31 December 2021 £	30 April 2021 £
Profit before tax	411,647	386,365
Profit multiplied by standard rate of corporation tax in the UK of 19%	78,213	73,409
Effects of:		
Group relief claimed	-	(88,654)
Expenses not deductible for tax	6,464	8,057
Other adjustments	(9)	14,169
Total tax charge for the period/year	84,668	6,981

There were no factors that may affect future tax charges.

	31 December 2021 £	30 April 2021 £
Deferred taxation:		
At beginning of the period/year	27,183	19,995
Movement in the period/year	-	7,188
At end of the period/year	27,183	27,183

The deferred tax asset is made up as follows:

	31 December 2021 £	30 April 2021 £
Surplus of capital allowances over depreciation	27,183	27,183

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

10. Intangible asset

	31 December 2021
	£
Cost	
Brought forward and carried forward	427,909
Amortisation	
Brought forward	233,762
Charge for the period	28,240
Carried forward	262,002
Carrying value	
At 31 December 2021	165,907
At 30 April 2021	194,147

On 25 November 2015, the Company acquired 100% of the voting equity of Cavendish Administration Limited. The consideration of £725,450 was settled in cash and an estimate of deferred consideration based on the fees billed over the three years following the acquisition. The net assets acquired were £254,542, and this led to an initial goodwill of £470,908. As at 30 April 2017, the estimate for the aggregate deferred consideration was reduced by £50,000. During the year ended 30 April 2019 the estimate for the aggregate deferred consideration was revised upwards by an additional £7,001 and this resulted in a final revised unamortised goodwill of £427,909. This is being amortised over ten years on a straight line basis, as this is considered to be the useful economic life of the goodwill. During the period, the charge relating to the amortisation of goodwill was £28,240. As at 31 December 2021, the remaining unamortised goodwill totalled £165,907 (30 April 2021: £194,147).

Change in asset classification

As of 3 December 2021, the asset classification policy changed from Goodwill to Intangible Asset in line with Sanne Group's policy for these classes of assets. Client agreements being seen as an intangible asset. Therefore, the acquisition of Cavendish Administration Limited was assessed to determine if there were intangible assets present at acquisition date. The amount previously disclosed as goodwill at the date of acquisition was found to be the fair value of this intangible asset. Shortly after the acquisition all the assets, liabilities and operations were migrated from Cavendish Administration Limited into the Company. In valuing the assets that were transferred, it was found that an intangible asset should be recognised equal to the value previously disclosed as goodwill. This migration resulted in the recognition of the intangible asset in the Company (previously disclosed as goodwill).

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

11. Tangible fixed assets

	Computer Equipment 31 December 2021 £
Cost	
Brought forward	46,419
Additions in period	2,863
Disposals in period	(17,500)
Adjustment for fully depreciated assets	(17,828)
Carried forward	<u>13,954</u>
Depreciation	
Brought forward	25,591
Charge in period	5,732
Adjustment for fully depreciated assets	(17,828)
Carried forward	<u>13,495</u>
Net book value	
At 31 December 2021	<u>459</u>
At 30 April 2021	<u>20,828</u>

12. Debtors

	31 December 2021 £	30 April 2021 £
Trade debtors and accrued income	369,062	313,254
Other debtors	51,385	14,161
Prepayments	12,629	45,416
Tax debtor	-	16,282
Non-current asset - deferred tax asset (note 9)	<u>27,183</u>	<u>27,183</u>
	<u>460,259</u>	<u>416,296</u>

13. Cash and cash equivalents

	31 December 2021 £	30 April 2021 £
Cash at bank	<u>829,830</u>	<u>363,106</u>

SANNE FUND SERVICES (UK) LIMITED
(formerly PRAXISIFM FUND SERVICES (UK) LIMITED)

Notes to the Financial Statements, continued
for the period ended 31 December 2021

14. Creditors: amounts falling due within one year

	31 December 2021	30 April 2021
	£	£
Trade creditors	2,044	6,740
Deferred income	38,207	22,000
VAT	85,717	92,811
Amounts owed to group undertakings (1)	67,673	14
Taxation and social security	102,777	40,025
Corporation tax	83,463	-
Accruals	48,560	81,752
	<u>428,441</u>	<u>243,342</u>

(1) The amounts owed to group undertakings are interest-free, unsecured and payable/repayable on demand.

15. Share capital

	31 December 2021	30 April 2021
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>

16. Controlling party and related party transactions

On 28 July 2021, PraxisIFM Group Limited ("PIGL") (the Company's previous Ultimate Parent Company) announced it had agreed to sell the Praxis Funds division (including the Company). On 3 December 2021, the ownership of the Praxis Fund Holdings Limited (the Company's Parent Company) was transferred from PIGL to Sanne Finance Limited, a Jersey company that is a 100% subsidiary of Sanne Group PLC. The Company is ultimately a 100% subsidiary of Sanne Group PLC, a company listed on the London Stock Exchange ("LSE"). Prior to 3 December 2021, the Company was ultimately a 100% subsidiary of PraxisIFM Group Limited, a company listed on The International Stock Exchange ("TISE").

17. Post period end events

On 25 August 2021, the Sanne Group plc and Apex Group Limited ("Apex") announced a recommended all cash offer of 920p per share to be made by Apex for the Sanne Group plc, the ultimate holding company and controlling party of Sanne Fund Services (UK) Limited. This transaction is expected to be finalized during 2022.

On 3 February 2022, the Company changed its name from PraxisIFM Fund Services (UK) Limited to Sanne Fund Services (UK) Limited.

<p>SANNE FUND SERVICES (UK) LIMITED (formerly PRAXISIFM FUND SERVICES (UK) LIMITED)</p>

Notes to the Financial Statements, continued
for the period ended 31 December 2021

17. Post period end events, continued

We have been watching with concern the increasing geopolitical uncertainties and humanitarian crises arising from the conflict in the Ukraine. Whilst our thoughts are with all those affected by the crisis, the Company does not operate in either Russia or the Ukraine and has very limited exposure to the region. In addition, the Company's income is not expected to be materially impacted by the wider economic market volatility and asset price fluctuations. As such, we do not expect the political and economic implications of the conflict to have any material impact on the Company's performance.

There are no other significant events that require disclosure in these Financial Statements.