

Company Number 09918839

441 Trust Company Limited

Annual Report - 30 September 2021

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441 Trust Company Limited
Corporate directory
30 September 2021

Directors

JP Albert
G Bernard De Montessus De Ballore (appointed 11 May 2021)
M Bolgiani
D Brames (resigned 8 April 2021)
C Carnero-Silvo
B Connolly
M Dayal
F Denèle
E Deutsch
J Evers
J Lagerstrom
P Lybecker
V Maru
B Mingrone
M Pettican
S Ulgen
J Van Autgaerden
M Vial
S Yarham

Company secretary

A Phillips

Registered office

441 Trust Company Limited
12th Floor 5 Merchant Square
London
W2 1AY

Auditor

Mazars LLP
2nd Floor, 6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

441 Trust Company Limited
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441 Trust Company Limited

Directors' report

30 September 2021

441 Trust Company Limited (formerly Valise Trust Company Limited) was incorporated on 16 December 2015, following the announcement that Visa Inc. would acquire Visa Europe. It assumed its full responsibilities following the Acquisition that was completed on 21 June 2016.

The role of 441 Trust Company Limited ("the Company") is that of trustee, to represent the interests of the former Visa Europe members, who hold preferred stock in Visa Inc. (the 441 beneficiaries). The value of the preferred stock is subject to litigation and other claims and investigations against Visa and its subsidiaries.

The scope and responsibilities of the Company are defined within the legal framework that accompanied the Acquisition, the key document being the Litigation Management Deed (LMD). Central to the activities of the Company is the management of a Committee Structure, comprising the Litigation Management Committee (LMC), the UK&I Domestic Claims Committee (UK&I DCC) and the Europe Domestic Claims Committee (Europe DCC). The Directors on these three committees are all from 441 beneficiary organisations.

Personnel

These are the three employees of 441 Trust Company Limited:

Marco Bolgiani, Chief Executive Officer

Appointed: March 2016.

Skills and experience: A senior banker with experience gained at major banking groups including Intesa Sanpaolo and UniCredit. Served as Board Member of the Italian Stock Exchange and of 2S Bank, the securities services bank of UniCredit.

Adrian Phillips, General Counsel and Company Secretary

Appointed: March 2016.

Skills and experience: An experienced General Counsel and Head of Risk, who has held senior positions at Visa Inc., Visa International and Amadeus.

External appointments: NED at Americio SICAV.

Kim Rosenbaum, Office Manager

Appointed: September 2016.

Future plans

For the duration of the Company, it is not envisaged that there will be any increase in staff numbers. Instead, advisers and contractors will be engaged to provide additional expertise and capacity, as and when required.

Objectives of the Company

The sole objects of the Company shall be:

- to perform its obligations and enforce its rights under the Transaction Agreement and the Litigation Management Deed;
- to act as a trustee of the 441 Trusts and to perform its duties and exercise its rights and discretions pursuant to the Deferred Consideration Rights Trust Deed and the Litigation Management Rights Trust Deed; and
- to act as a documentary agent for certain persons for the purposes of a loss sharing agreement between such persons,

and in any case, to take action necessary or appropriate in connection therewith.

The Company shall have the powers to do all such things as may be considered, in the opinion of the directors, necessary to achieve its objectives.

441 Trust Company Limited
Directors' report
30 September 2021

Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

Review of operations

The profit for the Company after providing for income tax amounted to £nil (30 September 2020: £nil).

During the year, the Company incurred a net loss on foreign exchange of £1,966,668 (2020: net gain of £909,133). This loss is mainly unrealised, and has arisen as a result of the strengthening of Pound sterling against the Euro, in which currency the majority of the Company's bank balances are held. As any reimbursement will be in Euros, the policy currently pursued is to convert into Pound sterling only what is envisaged as needed to fund the running costs of the Company and to keep in Euros what has been funded for extraordinary events.

The Company continues to administer and operate the three Committees (LMC, UK&I DCC and Europe DCC) that it is required to do under the Litigation Management Deed (LMD).

The Company has ensured that Visa Inc. has followed all due processes relating to the preferred stock, as outlined in the LMD. The Company has been proactive in ensuring that the interests of the 441 beneficiaries have been represented, by working with the relevant committees to make suggestions and recommendations to Visa Inc. The Company has ensured that the Directors on the committees are well informed, including when they have been required to provide approval to Visa Inc. of a material decision relating to litigation or other claims. The Company has also ensured that a number of adjustments to the conversion rate, which affect the value of Visa Inc. preferred stock, were in compliance with the provisions of the LMD.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the financial year.

Matters subsequent to the end of the financial year

No matter or circumstance has arisen since 30 September 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Likely developments and expected results of operations

Information on likely developments in the operations of the Company and the expected results of operations have not been included in this report because the directors believe it would be likely to result in unreasonable prejudice to the Company.

Principal risks and uncertainties

A central aspect of the work of the Company involves engagement with the progress of actual and potential litigations with consequences for 441 beneficiaries, the outcome of which is affected by various risks and has a degree of uncertainty.

In contrast, the operations of the Company itself are largely free of risks and uncertainties. This is because the Company does not generate any revenues (other than small amounts of interest in its deposit accounts), has a predetermined budget, and has been set up for a fixed duration. The activities of the Company are not regulated by any entity, other than needing to meet the requirements of the UK Companies Act.

An Audit, Compliance and Risk Committee is in operation, reporting to the Company Board. An internal auditor regularly reviews the Company's policies, procedures and risks, and reports regularly to the Committee on these matters.

Withdrawal of the United Kingdom from the European Union

Due to the invocation of Article 50 of the Treaty on European Union by the United Kingdom, the country resigned its position within the European Union on 31 January 2020. The terms of the future relationship between the UK and the EU are still unknown, and at the date of this report it is impossible to assess in detail the opportunities and threats that such a resignation could present. The directors are managing these risks by closely monitoring developments, and are confident that the company will be able to amend and modify its procedures to remain fully compliant with any new rules and regulations, and to maintain its standing and reputation in the marketplace both locally and, where appropriate, throughout Europe and worldwide.

441 Trust Company Limited
Directors' report
30 September 2021

Environmental regulation

The Company is not subject to any significant environmental regulation.

Going concern

Taking into consideration the Company's current cash position and its forecast operational requirements, the directors believe that there will be no significant impact of COVID-19 on the Company and that the Company is well placed to meet its commitments and manage its business risks successfully for the foreseeable future. On this basis the directors consider the going concern basis to be appropriate.

Small companies provision

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies regime.

Auditor

The auditor Mazars LLP continues in office.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved, has confirmed 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 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.

This report is made in accordance with a resolution of directors.

On behalf of the directors



M Bolgiani

28/03/ 2022

441 Trust Company Limited
Statement of directors' responsibilities
30 September 2021

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

Company law requires the director to prepare company financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the Company and of the result for the Company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS (as adopted by the EU);
- 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.

441 Trust Company Limited

Independent auditor's report to the members of 441 Trust Company Limited

30 September 2021

Opinion

We have audited the financial statements of 441 Trust Company Limited (the 'company') for the year ended 30 September 2021 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 and of its result for the year then ended; and
- have been properly prepared in accordance with international accounting standards in conformity 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 director's 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. 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.

441 Trust Company Limited

Independent auditor's report to the members of 441 Trust Company Limited 30 September 2021

Opinions 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In 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 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, 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.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 6, 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 the financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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.

Based on our understanding of the company and its industry, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: UK tax legislation, pensions legislation, employment regulation and health and safety regulation, anti-bribery, corruption and fraud and money laundering.

441 Trust Company Limited

Independent auditor's report to the members of 441 Trust Company Limited

30 September 2021

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- Inquiring of management and, where appropriate, those charged with governance, as to whether the company is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- Inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- Communicating identified laws and regulations to the engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- Considering the risk of acts by the company which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as tax legislation, pension legislation, the Companies Act 2006.

In addition, we evaluated the directors' and management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance.

Our audit procedures in relation to fraud included but were not limited to:

- Making enquiries of the directors and management on whether they had knowledge of any actual, suspected or alleged fraud;
- Gaining an understanding of the internal controls established to mitigate risks related to fraud;
- Discussing amongst the engagement team the risks of fraud; and
- Addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud rests with management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

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 the audit 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.



Gerhard Bonthuys (Senior Statutory Auditor) for and on behalf of Mazars LLP
Chartered Accountants and Statutory Auditor

2nd Floor
6 Sutton Plaza
Sutton Court Road
Sutton
SM1 4FS

Date: Mar 31, 2022

441 Trust Company Limited
Statement of comprehensive income
For the year ended 30 September 2021

	Note	2021 £	2020 £
Revenue	4	4,396,478	1,460,705
Total revenue		<u>4,396,478</u>	<u>1,460,705</u>
Expenses			
Administrative expenses	5	(582,000)	(845,738)
Employee benefits expense	16	(1,823,920)	(1,527,916)
Depreciation and amortisation expense		(2,846)	(6,238)
Total expenses		<u>(2,408,766)</u>	<u>(2,379,892)</u>
Operating profit/(loss)		1,987,712	(919,187)
Net foreign exchange (losses)/gains		(1,966,668)	909,133
Interest received		15,791	62,848
Interest payable		<u>(36,835)</u>	<u>(52,794)</u>
Profit before income tax expense		-	-
Income tax expense		<u>-</u>	<u>-</u>
Profit after income tax expense for the year attributable to the owners of 441 Trust Company Limited	13	-	-
Other comprehensive income for the year, net of tax		<u>-</u>	<u>-</u>
Total comprehensive income for the year attributable to the owners of 441 Trust Company Limited		<u><u>-</u></u>	<u><u>-</u></u>

The above statement of comprehensive income should be read in conjunction with the accompanying notes

441 Trust Company Limited
Statement of financial position
As at 30 September 2021

	Note	2021 £	2020 £
Assets			
Current assets			
Cash and cash equivalents	6	38,851,510	45,055,660
Trade and other receivables	7	107,272	74,879
Total current assets		<u>38,958,782</u>	<u>45,130,539</u>
Non-current assets			
Property, plant and equipment	8	212	3,058
Total non-current assets		<u>212</u>	<u>3,058</u>
Total assets		<u>38,958,994</u>	<u>45,133,597</u>
Liabilities			
Current liabilities			
Trade and other payables	9	389,252	2,924,184
Borrowings	10	37,812,935	42,209,413
Total current liabilities		<u>38,202,187</u>	<u>45,133,597</u>
Non-current liabilities			
Trade and other payables	11	756,807	-
Total non-current liabilities		<u>756,807</u>	<u>-</u>
Total liabilities		<u>38,958,994</u>	<u>45,133,597</u>
Net assets		<u>-</u>	<u>-</u>
Equity			
Total equity		<u>-</u>	<u>-</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

These financial statements were approved and authorised for issue, by the board, and signed on its behalf.



Director

28/03/2022

The above statement of financial position should be read in conjunction with the accompanying notes

441 Trust Company Limited
Statement of changes in equity
For the year ended 30 September 2021

	Issued capital £	Retained profits £	Total equity £
Balance at 1 October 2019	-	-	-
Profit after income tax expense for the year	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 30 September 2020	-	-	-

	Issued capital £	Retained profits £	Total equity £
Balance at 1 October 2020	-	-	-
Profit after income tax expense for the year	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
Total comprehensive income for the year	-	-	-
Balance at 30 September 2021	-	-	-

The above statement of changes in equity should be read in conjunction with the accompanying notes

441 Trust Company Limited
Statement of cash flows
For the year ended 30 September 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit before income tax expense for the year		-	-
Adjustments for:			
Depreciation and amortisation		2,846	6,238
Revenue - non-cash		(4,396,478)	(1,460,705)
Foreign exchange differences		1,966,668	(909,133)
		(2,426,964)	(2,363,600)
Change in operating assets and liabilities:			
(Increase)/decrease in trade and other receivables		(32,393)	12,595
(Decrease)/increase in trade and other payables		(1,778,125)	103,725
Decrease in other operating liabilities		-	(972,649)
Net cash used in operating activities		(4,237,482)	(3,219,929)
Net cash from investing activities		-	-
Cash flows from financing activities			
Net cash from financing activities		-	-
Net decrease in cash and cash equivalents		(4,237,482)	(3,219,929)
Cash and cash equivalents at the beginning of the financial year		45,055,660	47,366,456
Effects of exchange rate changes on cash and cash equivalents		(1,966,668)	909,133
Cash and cash equivalents at the end of the financial year	6	<u>38,851,510</u>	<u>45,055,660</u>

The above statement of cash flows should be read in conjunction with the accompanying notes

441 Trust Company Limited

Notes to the financial statements

30 September 2021

1. General information

The financial statements cover 441 Trust Company Limited as an individual entity. The financial statements are presented in Pound sterling, rounded to the nearest pound, which is 441 Trust Company Limited's functional and presentation currency.

441 Trust Company Limited is a company limited by guarantee, incorporated and domiciled in England and Wales. Its registered office is 441 Trust Company Limited, 12th Floor 5 Merchant Square, London, W2 1AY.

A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on _____ 2022. The directors have the power to amend and reissue the financial statements.

2. Significant accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose financial statements have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and as appropriate for companies that are limited by guarantee.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the International Accounting Standards Board ('IASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Going concern

Taking into consideration the Company's current cash position and its forecast operational requirements, the directors believe that there will be no significant impact of COVID-19 on the Company and that the Company is well placed to meet its commitments and manage its business risks successfully for the foreseeable future. On this basis the directors consider the going concern basis to be appropriate.

Revenue recognition

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

441 Trust Company Limited
Notes to the financial statements
30 September 2021

2. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established. Revenue has been recognised from the loan designated as 'Contributions from beneficiaries', within current liabilities on the basis that the risks and rewards have sufficiently passed over to the Company at the point in time where certain administrative expenses and foreign exchange gains and losses have been recognised in the income statement.

Income tax

As detailed in the Deferred Consideration Rights Trust Deed, 441 Trust Company Limited shall hold any moneys received by the Trustee in respect of the Rights or amounts payable to the Trustee under the Transaction Agreement on bare trust for the Trust Beneficiaries absolutely. As such, 441 Trust Company Limited is not subject to corporation tax on income or gains in respect of the assets it holds as bare trustee.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment over their expected useful lives as follows:

Office equipment	3 years
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The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to the statement of comprehensive income.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

441 Trust Company Limited
Notes to the financial statements
30 September 2021

2. Significant accounting policies (continued)

Loan - Contributions from beneficiaries

Contributions from beneficiaries relates to an amount of €40 million contributed upon inception from 441 member banks to facilitate the Company's objects and expense requirements for the foreseeable future. It is expected that this amount will reduce over a period of time as the Company incurs allowable expenses. The amount has been recognised as due within one year on the basis that the timing as to when any residual funds will be repayable to the beneficiaries is unclear. In June 2019 the beneficiaries contributed a further €20 million.

The amount is considered to be interest free.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Accounting Standards that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Company for the annual reporting period ended 30 September 2021. The Company has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

3. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

4. Revenue

	2021 £	2020 £
Fees earned	<u>4,396,478</u>	<u>1,460,705</u>

The Company received a €40 million loan from beneficiaries at its inception. In June 2019 the beneficiaries contributed a further €20 million. Under the terms of this loan, it is to be used by the Company to fund allowable expenditure. Only any residual, unspent, amount is required to be repaid to beneficiaries. During the year, revenue has therefore been recognised in the Statement of Comprehensive Income to the extent of the allowable expenditure incurred (net of interest receivable and foreign exchange gains/losses).

During the year, the Company incurred a net loss on foreign exchange of £1,966,668 (2020: net gain of £909,133). This loss is mainly unrealised, and has arisen as a result of the strengthening of Pound sterling against the Euro, in which currency the majority of the Company's bank balances are held. As any reimbursement will be in Euros, the policy currently pursued is to convert into Pound sterling only what is envisaged as needed to fund the running costs of the Company and to keep in Euros what has been funded for extraordinary events.

441 Trust Company Limited
Notes to the financial statements
30 September 2021

5. Administrative expenses

	2021 £	2020 £
Travel and subsistence	2,360	11,670
Printing, postage and stationery	1,474	1,386
Computers and software	5,812	6,043
Employee medical expenses	35,789	32,596
Rent	100,712	110,303
Telephone and fax	3,135	5,072
Insurance	87,679	72,341
Legal and professional	216,479	525,971
Auditors remuneration	19,350	14,400
Accountancy	39,787	37,951
Consultancy	66,468	23,515
Bank charges	1,616	1,913
Other miscellaneous expenses	1,339	2,577
	<u>582,000</u>	<u>845,738</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank	<u>38,851,510</u>	<u>45,055,660</u>

The directors consider that the carrying amount of the cash and cash equivalents approximates their fair value. All of the Company's cash and cash equivalents at 30 September 2021 are at floating interest rates and are held in pound sterling and euro, as set out in note 15 .

7. Trade and other receivables

	2021 £	2020 £
Other receivables	<u>107,272</u>	<u>74,879</u>

The directors consider that the carrying amount of other receivables is approximately equal to their fair value.

8. Property, plant and equipment

	2021 £	2020 £
Office equipment - at cost	46,801	46,801
Less: Accumulated depreciation	<u>(46,589)</u>	<u>(43,743)</u>
	<u>212</u>	<u>3,058</u>

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8. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Office equipment £	Total £
Balance at 1 October 2019	9,296	9,296
Depreciation expense	<u>(6,238)</u>	<u>(6,238)</u>
Balance at 30 September 2020	3,058	3,058
Depreciation expense	<u>(2,846)</u>	<u>(2,846)</u>
Balance at 30 September 2021	<u><u>212</u></u>	<u><u>212</u></u>

9. Trade and other payables

Current

	2021 £	2020 £
Trade payables and accruals	355,930	2,895,629
Other payables	<u>33,322</u>	<u>28,555</u>
	<u><u>389,252</u></u>	<u><u>2,924,184</u></u>

Refer to note 15 for further information on financial instruments.

Trade payables principally comprise amounts outstanding for trade purchases. The average credit period taken for trade purchases is considered to be 30 days. Also included within trade and other payables are directors' and employees' bonuses amounting to £257,452 (2020: £1,812,625).

Within trade payables and accruals at 30 September 2020, £985,185 was held by the Company on behalf of Visa Europe due to the contractual agreement between 441 Banks, Visa Inc and the Company for the payment of the deferred consideration that had not been distributed by September 2020. The remaining balance was distributed in October 2020.

The directors consider that the carrying amounts of trade and other payables are approximate to their fair values. Trade and other payables are wholly denominated in Sterling.

The Company has financial risk management policies in place to ensure that all payables are paid within the credit time frame and no interest has been charged by any suppliers as a result of late payment of invoices during the year.

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10. Borrowings

	2021 £	2020 £
Loan - contributions from beneficiaries	<u>37,812,935</u>	<u>42,209,413</u>

Refer to note 15 for further information on financial instruments.

Contributions from beneficiaries relates to an amount of €40 million contributed upon inception, and a further €20 million contributed in June 2019, from 441 member banks to facilitate the Company's objects and expense requirements for the foreseeable future. It is expected that this amount will reduce over a period of time as the Company incurs allowable expenses. The amount has been recognised as due within one year on the basis that the timing as to when any residual funds will be repayable to the beneficiaries is unclear. The directors consider that the carrying amount approximates the fair value.

The loan is considered to be interest free.

11. Trade and other payables

Non-current

	2021 £	2020 £
Trade payables and accruals	<u>756,807</u>	<u>-</u>

Refer to note 15 for further information on financial instruments.

Included within trade and other payables are directors' and employees' bonuses amounting to £756,807 (2020: £nil), payable in October 2024.

12. Limited by guarantee

The Company is limited by guarantee and as such the liability of each member is limited to £1 (2020: £1), being the amount that each member undertakes to contribute to the assets of the Company in the event of it being wound up while he is a member or within one year after he ceases to be a member.

13. Retained profits

	2021 £	2020 £
Retained profits at the beginning of the financial year	-	-
Profit after income tax expense for the year	<u>-</u>	<u>-</u>
Retained profits at the end of the financial year	<u>-</u>	<u>-</u>

14. Dividends

There were no dividends paid, recommended or declared during the current or previous financial year.

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15. Financial instruments

Financial risk management objectives

The Company's activities expose it to a variety of financial risks: market risk (including foreign currency risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Company and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Company.

Market risk

Foreign currency risk

The Company undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency.

The carrying amount of the Company's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

	2021	Assets	2021	Liabilities
	£	2020	£	2020
		£		£
Euros	33,974,045	36,955,100	38,288,309	42,209,413

The Company had net liabilities denominated in foreign currencies of £4,314,264 as at 30 September 2021 (2020: £5,254,313). The directors do not consider it necessary to carry out any sensitivity analysis in regard to movements in the exchange rate as any excess foreign exchange movements will be transferred to the 'Loan - contributions from members' on the basis that the Company is not expected to make a profit or loss in this or any future year and that on winding up, the balancing amount will be repaid to members.

Price risk

The Company is not exposed to any significant price risk.

Interest rate risk

The Company is not exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is not exposed to any significant credit risk.

Liquidity risk

Vigilant liquidity risk management requires the Company to maintain sufficient liquid assets (mainly cash and cash equivalents) and available borrowing facilities to be able to pay debts as and when they become due and payable.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Fair value of financial instruments

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

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16. Employee benefits expense

The aggregate remuneration, which also relates to the Company's key management personnel, is comprised:

	2021 £	2020 £
Wages and salaries	1,542,794	1,290,514
Social security costs	219,567	184,175
Other pension costs	61,559	53,227
	<u>1,823,920</u>	<u>1,527,916</u>

The average number of employees (including executive directors) employed was as follows:

	2021	2020
Management	2	2
Administrative	1	1
	<u>3</u>	<u>3</u>

Highest paid director:

	2021 £	2020 £
Wages and salaries	820,614	524,604
Social security costs	118,777	74,977
Other pension costs	31,635	27,417
	<u>971,026</u>	<u>626,998</u>

17. Related party transactions

Transactions with related parties

The following transactions occurred with related parties:

	2021 £	2020 £
Payment for services from close family members of key management personnel	7,500	5,243

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date (2020: £nil).

Loans to/from related parties

There were no loans to or from related parties other than the 'contributions from beneficiaries' disclosed in note 10 at the reporting date (2020: £nil).

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

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18. Events after the reporting period

No matter or circumstance has arisen since 30 September 2021 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.