

**Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 March 2021**
for
LONDON TREASURY LIMITED



LONDON TREASURY LIMITED

Contents of the Financial Statements for the Year Ended 31 March 2021

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Independent Auditors' Report	5
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Statement of Cash Flows	12
Notes to the Financial Statements	13
Income Statement Summaries	23

LONDON TREASURY LIMITED

**Company Information
for the Year Ended 31 March 2021**

DIRECTORS:

L Webster
I M Williams

SECRETARY:

H E Carter

REGISTERED OFFICE:

5 Endeavour Square
London
E20 1JN

REGISTERED NUMBER:

11035820 (England and Wales)

AUDITORS:

Ernst & Young LLP (Statutory Auditor)
London

LONDON TREASURY LIMITED

Strategic Report for the Year Ended 31 March 2021

The directors present their strategic report for the year ended 31 March 2021.

REVIEW OF BUSINESS

The Company receives remuneration for the investment management services it provides to its parent undertaking at a fixed margin relative to the costs incurred by the Company in delivering these services. The directors have determined a fixed mark-up of 10% based on the arm's length principle.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors' risk management policy is to identify the principal business and operational risks in achieving the Company's strategic objectives, establishing appropriate internal controls to manage those risks and ensuring that appropriate monitoring and reporting systems are in place.

Business Risk

The Company's revenue is entirely derived from the services provided to parent undertaking, therefore the principal risks relate to the credit default and liquidity risks associated with the timely receipt of income is minimised by agreeing the budget for the costs in advance and billing those costs plus mark-up on a timely basis.

Operational Risk

Operational risk is the risk of loss arising from inadequate or failed internal processes and controls. The key risk in this category is the risk relates to the potential for non-compliance with the regulations issued by the Financial Conduct Authority that could lead to the company being subject to disciplinary proceedings which may lead to fine or revocation of license to carry out financial and business activities. The Company has employed a compliance officer to manage the regulatory compliance. The directors monitor the compliance function by reviewing the monthly reports and regulatory reports when produced.

SECTION 172(1) STATEMENT

In accordance with entities of similar size and structure, London Treasury Limited is focussed on returning a financial benefit to all its stakeholders, shareholders, employees, suppliers and the community at large. The company pursues a policy of openness in its reporting to Shareholders, provides Training and support, both financial and social to its employees, treats its suppliers fairly both in terms of contract negotiations and payment policy, endeavours to give good value for money in respect of its services to its customers and finally looks to support the community at large by trying to minimise its carbon footprint by employing where possible carbon neutral technology, such as video conferencing.

ON BEHALF OF THE BOARD:



L Webster - Director

Date: 29/07/2021

LONDON TREASURY LIMITED

Report of the Directors for the Year Ended 31 March 2021

The directors present their report with the financial statements of the company for the year ended 31 March 2021.

PRINCIPAL ACTIVITY

The Company is regulated by the Financial Conduct Authority (FCA). Its principal activity is the provision investment management services to The Greater London Authority; the company's ultimate parent undertaking.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2021.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2020 to the date of this report.

L Webster
I M Williams

PILLAR 3

The Company has prepared information on its risk management objectives and its regulatory capital requirement and resources. This information is set out in note 17 of the financial statements.

GOING CONCERN

The Company has sufficient financial resources together with a long term investment management mandate. Whilst the company remains dependent on a single source of revenue from its parent undertaking, the directors are not aware of any reason that this agreement will be terminated in a foreseeable future. During the accounting period the Company has received income from the parent undertaking in a timely manner in order to manage its obligations (which are relatively predictable in nature). As a consequence, the directors believe that the company is well placed to manage its business risks successfully.

COVID-19

At the time of the preparation of the accounts, the Covid-19 crisis still has a major impact in the UK, which, in turn, has had an impact on the Company. In compliance with lockdown procedures, office working, face to face meetings and events have temporarily ceased, but staff and committees have fulfilled their responsibilities via remote access. The crisis is likely to have an adverse impact on investment income, investment values and operational costs. However, the Company does not believe that there is any material risk that the Company could not continue as a going concern as it has a continuous support from its parent company.

ENGAGEMENT WITH EMPLOYEES

London Treasury Limited follows a policy of engagement with its employees. Working in a small office environment ensures that staff may feedback to the director on issues and concerns they may have and matters raised are attended to in a prompt and open manner.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS

The directors treats suppliers, customers and others openly and fairly. Their aim is to ensure that interaction between the company and counterparties is for the benefit of all and by its nature of being aligned to the public sector not simply to maximise financial gain at the expense of all else.

STATEMENT OF CORPORATE GOVERNANCE ARRANGEMENTS

The reputation of London Treasury Limited is central to the directors' view of the entity. The role of corporate governance within and around the organisation is therefore of paramount importance. For this reason, the directors have retained the services of industry leaders to promote and support the brand and public image of the company as well as ensure that the company fulfils its statutory obligations, financial, regulatory and otherwise.

LONDON TREASURY LIMITED

Report of the Directors for the Year Ended 31 March 2021

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Ernst & Young LLP (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
L Webster - Director

Date: 29/07/2021

Independent Auditors' Report to the Members of LONDON TREASURY LIMITED

Opinion

We have audited the financial statements of London Treasury Limited for the year ended 31 March 2021 which comprise Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, Statement of Cash Flows, notes 1 and 2 to the Statement of Cashflows, and the related notes 1 to 16, 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:

- give a true and fair view of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

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 this 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 there is 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

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 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.

Independent Auditors' Report to the Members of LONDON TREASURY LIMITED

Matters on which we are required to report by exception

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

Auditors' 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 Auditors' 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.

Independent Auditors' Report to the Members of LONDON TREASURY LIMITED

Explanation as to what extent the audit was considered 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 irregularities, including fraud. 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 or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are Companies Act 2006, complying with Financial Conduct Authority requirements and employment and taxation legislation.
- We understood how London Treasury Limited is complying with those frameworks by understanding the incentive, opportunities and motives for non-compliance. We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud may occur by enquiring of management, reviewing of relevant information and analytical procedures over financial and non-financial information.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved inquiring of management, whether there has been any communication with regulatory authorities including the FCA and obtaining and reviewing supporting documentation relating to the company's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.

Our procedures also included discussing among the engagement team, including regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion we identified potential for management override of controls through posting of journals. Our procedures to respond to identified risks included the following:

- testing the appropriateness of journal entries and other adjustments and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business; assessing whether the judgements made in making accounting estimates are indicative of a potential bias;
 - reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above
- ~~--reading minutes of meetings of the Board--~~

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 Auditors' Report.

Use of our report

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



Andrew Brittain (Senior Statutory Auditor)
for and on behalf of Ernst & Young LLP (Statutory Auditor)
London

29 July 2021

Date:

LONDON TREASURY LIMITED

**Statement of Profit or Loss and Other Comprehensive Income
for the Year Ended 31 March 2021**

	Notes	31.3.21 £	31.3.20 £
CONTINUING OPERATIONS			
Revenue		751,257	461,599
Other operating income		10,000	-
Administrative expenses		(694,217)	(420,478)
OPERATING PROFIT		67,040	41,121
Finance income	4	181	927
PROFIT BEFORE INCOME TAX		67,221	42,048
Income tax	6	(10,763)	(7,817)
PROFIT FOR THE YEAR		56,458	34,231
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		56,458	34,231

The notes form part of these financial statements

LONDON TREASURY LIMITED (Registered number: 11035820)

**Statement of Financial Position
31 March 2021**

	Notes	31.3.21 £	31.3.20 £
ASSETS			
NON-CURRENT ASSETS			
Investments in subsidiary	7	100	-
CURRENT ASSETS			
Trade and other receivables	8	206,279	157,240
Investments	9	1,125,181	125,500
Cash and cash equivalents	10	97,601	175,889
		1,429,061	458,629
TOTAL ASSETS		1,429,161	458,629
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	11	1,125,000	125,000
Retained earnings	12	111,843	55,385
TOTAL EQUITY		1,236,843	180,385
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	175,158	271,885
Tax payable		17,160	6,359
		192,318	278,244
TOTAL LIABILITIES		192,318	278,244
TOTAL EQUITY AND LIABILITIES		1,429,161	458,629

The financial statements were approved by the Board of Directors and authorised for issue on 29/07/2021 and were signed on its behalf by:


L Webster - Director

The notes form part of these financial statements

LONDON TREASURY LIMITED**Statement of Changes in Equity
for the Year Ended 31 March 2021**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2019	125,000	21,154	146,154
Changes in equity			
Total comprehensive income	-	34,231	34,231
Balance at 31 March 2020	<u>125,000</u>	<u>55,385</u>	<u>180,385</u>
Changes in equity			
Issue of share capital	1,000,000	-	1,000,000
Total comprehensive income	-	56,458	56,458
Balance at 31 March 2021	<u><u>1,125,000</u></u>	<u><u>111,843</u></u>	<u><u>1,236,843</u></u>

The notes form part of these financial statements

LONDON TREASURY LIMITED

Statement of Cash Flows for the Year Ended 31 March 2021

	Notes	31.3.21 £	31.3.20 £
Cash flows from operating activities			
Cash generated from operations	1	(78,826)	52,533
Tax paid		38	(6,633)
Net cash from operating activities		<u>(78,788)</u>	<u>45,900</u>
Cash flows from investing activities			
Purchase of investments		(999,681)	(500)
Interest received		181	927
Net cash from investing activities		<u>(999,500)</u>	<u>427</u>
Cash flows from financing activities			
Share issue		1,000,000	-
Net cash from financing activities		<u>1,000,000</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		<u>(78,288)</u>	<u>46,327</u>
Cash and cash equivalents at beginning of year	2	175,889	129,562
Cash and cash equivalents at end of year	2	<u><u>97,601</u></u>	<u><u>175,889</u></u>

The notes form part of these financial statements

LONDON TREASURY LIMITED

Notes to the Statement of Cash Flows for the Year Ended 31 March 2021

1. RECONCILIATION OF PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	31.3.21	31.3.20
	£	£
Profit before income tax	67,221	42,048
Finance income	(181)	(927)
	<u>67,040</u>	<u>41,121</u>
Increase in trade and other receivables	(49,039)	(157,240)
(Decrease)/increase in trade and other payables	(96,827)	168,652
	<u>(78,826)</u>	<u>52,533</u>
Cash generated from operations	(78,826)	52,533

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2021

	31.3.21	1.4.20
	£	£
Cash and cash equivalents	<u>97,601</u>	<u>175,889</u>

Year ended 31 March 2020

	31.3.20	1.4.19
	£	£
Cash and cash equivalents	<u>175,889</u>	<u>129,562</u>

The notes form part of these financial statements

LONDON TREASURY LIMITED

Notes to the Financial Statements for the Year Ended 31 March 2021

1. STATUTORY INFORMATION

LONDON TREASURY LIMITED is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The Company's financial statements are prepared on a going concern basis, that is, the financial statements have been prepared on the assumption that the Company will continue in operational existence for the foreseeable future. The company has the continuing financial support of its parent entity, for a period at least twelve months from the date of approval of these financial statements. The directors therefore consider that the going concern basis of accounting remains appropriate. The Directors do not anticipate a material impact on the going concern status of the company stemming from the Covid-19 pandemic.

Revenue recognition

Revenue is recognised on an accrual basis to the extent that the company obtains the right to consideration in exchange for its services. Revenue is measured at fair value of the consideration receivable. Amounts recognised as turnover are after deduction of value added tax, where applicable.

Revenue is recognised when services are rendered, the amount can be measured reliably, and it becomes evident that the economic benefits associated with the transaction will flow to the entity.

Financial instruments

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into.

All the financial assets and liabilities, i.e. payables and receivables are initially measured at transaction price (including transaction costs).

Investments are measured at amortised cost.

Taxation

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the statement of financial position date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

2. ACCOUNTING POLICIES - continued

Accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on evidence available at the time; including historical experience and other factors that are considered to be applicable. Actual results may differ from these estimates.

The estimates are reviewed on an on-going basis and revisions to accounting estimates are recognised in the year in which the estimate is revised. The directors are not aware of any significant sources of estimation uncertainty in the preparation of the financial statements.

3. EMPLOYEES AND DIRECTORS

	31.3.21	31.3.20
	£	£
Wages and salaries	369,374	215,239
Social security costs	23,600	16,690
Other pension costs	26,867	19,344
	<u>419,841</u>	<u>251,273</u>

The average number of employees during the year was as follows:

	31.3.21	31.3.20
Directors	2	2
Administration	1	1
Compliance	1	1
	<u>4</u>	<u>4</u>

	31.3.21	31.3.20
	£	£
Directors' remuneration	<u>127,046</u>	<u>84,333</u>

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	<u>1</u>	<u>1</u>
-------------------------	----------	----------

In addition to the salaries, £13,853 (2020: £8,752) was paid towards a defined benefit pension scheme for the directors of the company.

4. NET FINANCE INCOME

	31.3.21	31.3.20
	£	£
Finance income:		
Deposit account interest	-	927
Current asset investment income	181	-
	<u>181</u>	<u>927</u>

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

5. AUDITORS' REMUNERATION

	31.3.21 £	31.3.20 £
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	<u>16,000</u>	<u>20,000</u>

6. INCOME TAX

Analysis of tax expense

	31.3.21 £	31.3.20 £
Current tax: Tax	10,763	6,359
Deferred tax	-	1,458
Total tax expense in statement of profit or loss and other comprehensive income	<u>10,763</u>	<u>7,817</u>

Factors affecting the tax expense

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.3.21 £	31.3.20 £
Profit before income tax	<u>67,221</u>	<u>42,048</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	12,772	7,989
Effects of:		
Deferred taxation	-	1,458
Allowable expenses from previous year	-	(1,630)
Group relief	<u>(2,009)</u>	<u>-</u>
Tax expense	<u>10,763</u>	<u>7,817</u>

7. INVESTMENTS IN SUBSIDIARY

	Shares in group undertaking £
COST	
Additions	<u>100</u>
At 31 March 2021	<u>100</u>
NET BOOK VALUE	
At 31 March 2021	<u>100</u>

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

7. INVESTMENTS IN SUBSIDIARY - continued

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

LSR GP Limited

Registered office: 50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ

Nature of business: Asset Management

Class of shares:	% holding	
Ordinary	100.00	31.3.21 £ 100
Aggregate capital and reserves		

LSR GP Limited was incorporated on 05 November 2020. The first financial statements of the Company will be prepared for the period ending 31 March 2022.

8. TRADE AND OTHER RECEIVABLES

	31.3.21 £	31.3.20 £
Current:		
Trade debtors	199,067	-
Accrued Income	-	157,240
Prepayments	7,212	-
	<u>206,279</u>	<u>157,240</u>

9. INVESTMENTS

	31.3.21 £	31.3.20 £
Other	<u>1,125,181</u>	<u>125,500</u>

The investment of £1,125,181 represents a short-term investment in Money Market Fund.

10. CASH AND CASH EQUIVALENTS

	31.3.21 £	31.3.20 £
Bank accounts	<u>97,601</u>	<u>175,889</u>

11. CALLED UP SHARE CAPITAL

Allotted and issued:			31.3.21	31.3.20
Number:	Class:	Nominal value		
9,000	Ordinary	£125	<u>£1,125,000</u>	<u>125,000</u>

During the year 8,000 shares of £125 each were issued at their nominal value.

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

12. RESERVES

	Retained earnings £
At 1 April 2020	55,385
Profit for the year	56,458
	<hr/>
At 31 March 2021	111,843
	<hr/>

13. TRADE AND OTHER PAYABLES

	31.3.21 £	31.3.20 £
Current:		
Trade creditors	25,878	11,794
Amounts owed to group undertakings	100	-
Social security and other taxes	9,074	9,728
Other creditors	4,183	5,123
Accruals and deferred income	103,823	215,375
VAT	32,100	29,865
	<hr/>	<hr/>
	175,158	271,885
	<hr/>	<hr/>

14. ULTIMATE PARENT COMPANY

The company's ultimate controlling party is The Greater London Authority incorporated under the Greater London Authority Act 1999. The registered office of The Greater London Authority is situated at City Hall, The Queen's Walk, London SE1 2AA.

15. RELATED PARTY DISCLOSURES

Greater London Authority (Ultimate Parent Company)

During the year London Treasury Limited charged £751,257 (2020: £461,599) for its services to the Greater London Authority.

GLA Land and Property Ltd (Group member)

During the year London Treasury Limited re-charged £10,000 of professional fee to GLA Land and Property Limited.

16. EVENTS AFTER THE REPORTING PERIOD

There are no events after the reporting period requiring adjustments to the Financial Statements.

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

17. PILLAR 3 DISCLOSURES (UNAUDITED)

Introduction

Regulatory Context

The Pillar 3 disclosure of London Treasury Limited ("the Firm") is set out below as required by the FCA's "Prudential Sourcebook for Banks, Building Societies and Investment Firms" (BIPRU) specifically BIPRU

11.3.3 R (for ICAAP) and BIPRU 11.5.18 R (for remuneration). This follows the introduction of the Capital Requirements Directive ("CRD") which represents the application of the Basel Capital Accord. The regulatory aim of the disclosures is to improve transparency and thereby to protect consumers:

Frequency

The Firm will be making Pillar 3 disclosures annually. The disclosures will be as at the Accounting Reference Date ("ARD") which is currently 31 March.

Media and Location

The disclosure is published only in our Accounts and will be available from the Registered office on request.

Verification

This information has not been audited by the Firm's external auditors and does not constitute any form of financial statement and must not be relied upon in making any judgement on London Treasury Limited.

Materiality

The Firm regards information as material in disclosures if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions. If the Firm deems a certain disclosure to be immaterial, it may be omitted from this statement.

Risk Management

The Firm is mindful of the FCA's comments regarding confidentiality and of the comment that both qualitative and quantitative data must be disclosed.

As such, the Firm's policy is to disclose that information required under the FCA Rules but to treat further information as proprietary if sharing that information with the public would undermine its competitive position. Proprietary information may include information on products or systems which, if shared with competitors, would render the Firm's investments therein less valuable. Further, the Firm will regard information as confidential if there are obligations to customers or other counterparties.

Summary

The CRD requirements have three pillars. Pillar 1 deals with minimum capital requirements; Pillar 2 deals with Internal Capital Adequacy Assessment Process ("ICAAP") undertaken by a firm and the Supervisory Review and Evaluation Process through which the firm and regulator satisfy themselves on the adequacy of capital held by the Firm in relation to the risks it faces and; Pillar 3 which deals with public disclosure of risk management policies, capital resources, capital requirements and remuneration.

The Firm is a BIPRU £50K firm primarily undertaking investment management business on behalf of clients. The Firm's key risks have been identified and grouped as either market, credit, business or operational risks. The Firm has assessed these risks in its ICAAP and has set out appropriate actions to manage them.

The Firm may control but not hold client money

Market Risk

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

The Firm has very little market risk given that it does not deal as principal or operates a trading book. The Firm holds money markets funds as its liquid assets buffer to meet its regulated capital adequacy obligations.

The Firm does not have and in practice are unexpected to have open positions in foreign currencies. Whilst there are no open positions even if they are deemed not material, under Pillar 1, the market risk has still been calculated at 8% of the sterling equivalent open position. Due to the minimal open positions (<£10k) maintained in other currencies, the capital requirement rounds down to nil. Foreign exchange risk is included in the Firm's Risk Register and a separate internal capital assessment has been completed which considers potential losses.

The Firm does not enter into any financial derivatives contracts for its customers.

Whilst the firm's fees are unlikely to be in foreign currencies, any foreign currencies are periodically converted to sterling thus ensuring we are not exposed to any material currency risk on the balance sheet of the company.

Credit Risk

The most significant risk faced by the Firm and its customers is the failure of one or more of its major counterparties.

Credit risk is principally controlled by establishing and enforcing authorisation limits, including set-off limits, and by defining exposure levels to counterparties and checking the creditworthiness of counterparties that are not parent undertakings. Daily monitoring of positions ensures that prudential limits are not exceeded. The Firm continues to adopt a conservative investment policy, which has resulted in a low credit failure record.

In respect of counterparties, the Firm aims to place all its customers holdings with financial institutions of high credit quality.

Business risk

The Firm again has a conservative business risk appetite.

Currently the Firm has a simple business strategy with a single client who is also the ultimate and exclusive shareholder of the Firm. There is no significant business risk assuming the Firm meets the client's requirements.

Operational Risk

This incorporates management services as well as the regulatory and contingency planning done at the Firm level. Our operational risk appetite is conservative and, as a result, we invest to mitigate such risks.

Our staffing levels also provide a level of contingency cover in all critical business areas.

The Firm has documented contingency planning and disasters recovery procedures, and these are regularly reviewed and tested.

We also aim to keep all aspects of our operations as simple as possible. Background to the Firm
Background

The Firm is incorporated in the UK and is authorised and regulated by the FCA as an investment management firm. The Firm's activities give it the BIPRU categorisation of a "BIPRU €50K" firm

Governance Framework

Luke Webster and Ian Williams made up the managing board of London Treasury Limited as of 31 March 2021.

The Directors meet informally on a regular basis and formally on a quarterly basis or more often as required. Luke Webster, as the Managing Director, has the daily management and oversight responsibility for the Firm.

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

Risk Framework

The Directors are responsible for risk management and reviews the effectiveness of the Firm's system of internal controls to manage and mitigate the risks identified.

The ICAAP is reviewed by the Directors of the Firm annually, or when a material change to the business occurs.

BIPRU 3

Given the Firm's unique risk appetite and its risk management policies, it is deemed that the Pillar 1 calculation of credit risk is zero. However, owing to the overlap of various risks, some of the non-credit risks assessed individually by the firm do have an element of credit risk incorporated in them (for example, Collateral Risk, Concentration Risk, and Economic Risk).

Credit Risk calculation @ 31 March 2021. Credit Risk Capital Requirement £0.

BIPRU 4

The Firm does not adopt the Internal Ratings Based approach and hence this is not applicable.

BIPRU 6

Basel 2 sets out a simple means to calculate capital required to meet operational risk requirements. Under the Basic Indicator approach (followed by the Firm) this is 25% of the Firm's proposed average operating income taken over its first year.

BIPRU 7

The Firm has no Trading or non-Trading Book potential exposure. (BIPRU 7.4, 7.5).

BIPRU 11

BIPRU 11.5.2 - Disclosure: Scope of application of directive requirements The Banking Consolidation Directive does not apply to the Firm.

BIPRU 11.5.3 - Disclosure: Capital resources

The Firm has a risk management objective to develop systems and controls to mitigate risk to within its conservative risk appetite. Thus, the Firm's Capital resources are calculated in line with GENPRU 2.1.45 and GENPRU 2.1.53.

ICAAP Risk calculation @ 31 March 2021. Credit Risk Capital Requirement £0 Market Risk Capital Requirement £0

Operational Risk Capital Requirement £222,000 being ¼ of the Firm's annual budgeted operational expenses of £202,000 plus a provision of £20,000 for any potential operational events (GENPRU2.1.53) as of 31 March 2021.

Shareholders Tier 1 Capital £1,125,000 share capital plus retained earnings of £113,463 totalling £1,238,463 as of 31 March 2021

There are no positive items or deductions to the Tier 1 Capital. BIPRU 11.5.4 - Disclosure: Internal Capital

The Firm has adopted the "Simplified" approach to the calculation of its ICAAP Capital Resources Requirement so disclosure of BIPRU 11.5.3 applies

BIPRU 11.5.5 - Disclosure: Retail Exposures

The Firm does not have Retail Clients so deemed not to apply

BIPRU 11.5.6 - Disclosure: Equity Exposures

The Firm does not have Equity Exposures so deemed not to apply

BIPRU 11.5.7 - Disclosure: Counterparty Credit Exposures

The Firm does not have Counterparty Credit Exposures so deemed not to apply

BIPRU 11.5.8 & 11.5.9 - Disclosure: Credit & Dilution Risk

The Firm is primarily exposed to Credit Risk from the risk of non-collection of fees and the exposure to banks where cash held is deposited.

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

The Firm holds all cash with an A rated UK bank.

See above (BIPRU 3) for calculation of credit risk as at 31 March 2021.

BIPRU 11.5.10 - Disclosure: Firms calculating Risk Weighted Exposure Amounts in accordance with the Standardised Approach.

This disclosure is not required as disclosure of BIPRU 11.5.3 applies.

BIPRU 11.5.11 - Disclosure: Firms calculating Risk Weighted Exposure amounts using the IRB Approach This disclosure is not required as the Firm has not adopted the Internal Ratings Based approach to Credit and therefore is not affected by BIPRU 11.5.4R (3).

BIPRU 11.5.12 - Disclosure: Market risk

The Firm has very little market risk given that it does not deal as principal or operates a trading book. Nor has the Firm have any significant foreign exchange risks.

As per the ICAAP and disclosure BIPRU 11.5.3, this exposure is considered to be negligible.

BIPRU 11.5.13 - Disclosure: Use of VaR model for calculation of Market Risk Capital Requirement

This disclosure is not required as the Firm does not use a VaR model for calculation of Market Risk Capital Requirement.

BIPRU 11.5.15 - Disclosure: Non-Trading Book Exposures in Equities

This disclosure is not required as the Firm does not have a Non-Trading Book Exposure to Equities

BIPRU 11.5.16 - Disclosures: Exposures to Interest Rate Risk in the Non-Trading Book

Although the Firm can have substantial cash balances on its Balance Sheet, there is currently no significant exposure to Interest Rate fluctuations.

BIPRU 11.5.17 - Disclosures: Securitisation

This disclosure is not required as the Firm does not Securitise its assets.

BIPRU 11.5.18 - Disclosures: Remuneration Background

During the year the Directors reviewed the drawings policy in light of the rules and guidance contained in the FCA Remuneration Code ("the Code") published in December 2010. The Code itself implements remuneration rules required by the Capital Requirements Directive ("CRD 3") and the Financial Services Act 2010.

The proportionality principle contained in the Code rules requires the firm to comply with the Code only in a way and to the extent that is appropriate to its size, internal organization and the nature, the scope and the complexities of its activities.

In fixing the remuneration packages for current and future financial years the Directors have the following in mind:

- The need to attract, retain and motivate Members of the quality required
- What comparable firms are paying, taking into account relative performance; and
- Pay and employment conditions elsewhere in the firm.

The FCA defines Remuneration Code Staff ("Code Staff") in SYSC 19A.3.4 as senior management, risk takers, staff engaged in control functions and any employee receiving total remuneration that takes them into the same remuneration bracket as those detailed above, whose professional activities have a material impact on the firm's risk profile.

At present the Code Staff receive a monthly salary and are not subject to additional remuneration based on performance or profitability.

Application

LONDON TREASURY LIMITED

Notes to the Financial Statements - continued for the Year Ended 31 March 2021

Based on the Firm's profile, the Firm has adopted a proportioned approach to our remuneration policy. We have considered our individual needs on an ongoing basis and where appropriate applied certain provisions in accordance with FCA and CEBS/EBA guidance. The Managing Director will review any provisions which have been applied on at least an annual basis, to ensure that it continues to be appropriate.

Information concerning the decision-making process

Due to the size of the Firm, the Firm does not consider it appropriate to have a separate remuneration committee. Instead this function is undertaken by the Managing Board and the shareholders under the Firm's Articles of Association. This will be kept under review and should the need arise, the Firm will consider amending this arrangement to provide greater independent review.

The Firm's Board makes final decisions.

No external consultants assisted in this review. Any person with a question regarding the policy or disclosures made under this policy should refer to the Firm's Compliance Officer.

Information on the link between pay and performance

All Code Staff salaries are fixed annually by the Board on the advice of the Managing Director following agreement of the annual budget with the shareholder.

Based on the profile of the Firm we consider we have one business area, Investment Management and all Directors, as Code Staff, have responsibilities that typically fall within job titles FCA guidance indicated would suggest they are senior personnel whose role impacts the risk profile of the Firm.

As such, to comply with the FCA disclosure requirement BIRPU 11.5.18 R (6) and (7), we disclose, as per the audited accounts of the Firm, the total Directors' drawings, which, for the period ended 31 March 2021 was £nil (31 March 2020: £nil).