

PRODIGY REPAYMENTS LIMITED

(Registered number 11281979)

Annual Report and Audited Financial Statements

for the financial year ended 31 December 2022

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PRODIGY REPAYMENTS LIMITED

(Registration Number 11281979)

Annual Financial Statements for the financial year ended 31 December 2022

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General Information

Company Number	11281979	
Country of Incorporation and Domicile	England/ Wales	
Directors	Colin Arthur Benford Apex Corporate Services (UK) Limited Apex Trust Corporate Limited	
Registered Office	<i>As from 20 March 2023</i> 6th Floor 125 London Wall London United Kingdom EC2Y 5AS	<i>Up to 20 March 2023</i> Bastion House 6th Floor, 140 London Wall London EC2Y 5DN United Kingdom
Company Secretary	<i>As from 20 March 2023</i> Apex Trust Corporate Limited 6th Floor 125 London Wall London United Kingdom EC2Y 5AS	<i>Up to 20 March 2023</i> Apex Trust Corporate Limited Bastion House 6th Floor, 140 London Wall London EC2Y 5DN United Kingdom
Banker	HSBC Bank plc 1 Centenary Square Birmingham, B1 1HQ, United Kingdom	
Solicitor	Freshfields Bruckhaus Deringer LLP 65 Fleet Street London EC4Y 1HS United Kingdom	
Corporate Service Provider	<i>As from 20 March 2023</i> Apex Trust Corporate Limited 6th Floor 125 London Wall London United Kingdom EC2Y 5AS	<i>Up to 20 March 2023</i> Apex Trust Corporate Limited Bastion House 6th Floor, 140 London Wall London EC2Y 5DN United Kingdom
Independent Auditors	PricewaterhouseCoopers LLP 7 More London Riverside London United Kingdom SE1 2RT	

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Strategic Report

The Directors (the "Directors") present the strategic report of Prodigy Repayments Limited (the "Company") for the financial year ended 31 December 2022.

Review of the business

The Company's other income amounted to GBP 47,707 for the financial year ended 31 December 2022 (2021: GBP 41,323). Profit before tax for the year amounted to GBP 2,000 (2021: GBP 2,000). The Company was in a net asset position at year end with cash and cash equivalents of GBP 4,877,149 (2021: GBP 2,688,696).

Financial instruments

The financial instruments used by the Company arise wholly and directly from its activities and comprise of cash and cash equivalents, trade payables and trade receivables.

Financial risk management

The Company continues to maintain a rigorous risk management policy. The principal risks for the Company are dealt with in note 14 to the financial statements.

Ukraine and Russian conflict

On 24 February 2022, Russian Federation launched a full-scale invasion into Ukraine sovereign state. The potential impacts from the Ukraine and Russian conflict remain uncertain, including but not limited to, on global economic conditions, asset valuations, interest rate expectations and exchange rates. There has been no immediate impact on the performance or operations of the Company, however, given the broad nature of the sanctions imposed by a number of governments, (including the US, UK and EU) directly targeting the Russian Federation and Belarus, the Global nature of the asset management and capital markets sector and the potential for other impacts to emerge, the Directors continue to actively monitor the situation.

Going concern

Having considered the Company's future cash flows and its business plans, including in particular the confirmed support of the Company by Prodigy Finance LTD, the Directors believe that the Company will have sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation. The purpose of the Company is to collect cash flows on behalf of Prodigy Finance LTD and distribute these cashflows to a number of special purpose vehicles ("SPVs"), set up by Prodigy Finance LTD to provide access to funding to disburse the student loans. Cash collection and disbursement activity to the various SPVs for the period is presented within note 15 to these accounts and this activity is expected to continue for a period of at least 12 months from the approval of the financial statements. There is no intention to wind up the Company.

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Strategic Report (continued)

Key performance indicators ("KPIs")

The Company's principal activity is to collect repayments made by student borrowers and distribute these to the Prodigy entities on behalf of Prodigy Finance LTD. The best benchmark is comparison against prior year financial figures.

The Directors confirm that the key performance indicators as disclosed below in the financial statements are those that are used to assess the performance of the Company.

During the financial year,

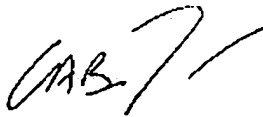
- the profit after taxation of the Company was GBP 1,620 (2021: GBP 1,620);
- the gross profit margin was 4% (2021: 5%); and
- the Company's other income was GBP 47,707 (2021: GBP 41,323).

As at 31 December 2022,

- the Company's net asset position was GBP 6,797 (2021: GBP 5,177); and
- the Company had cash and cash equivalents of GBP 4,877,149 (2021: GBP 2,688,696).

The Company did not have any employees during the financial year ended 31 December 2022 (2021: None).

On behalf of the Board



Colin Benford

Apex Corporate Services (UK) Limited
Director

Date: 3 May 2023

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Directors' Report

The Directors present their Annual Report and Audited financial statements of the Company for the financial year ended 31 December 2022.

1 Principal activities and business review

The Company was incorporated under the Companies Acts 2006 in England and Wales on 28 March 2018 as a private company limited by shares whose principal activity is to collect repayments made by student borrowers and distribute these to the Prodigy SPVs on behalf of Prodigy Finance LTD. Prodigy Finance LTD originates and services student loans. The Company collects cash flows on behalf of Prodigy Finance LTD and distributes these to a number of SPVs, set up by Prodigy Finance LTD to provide access to funding to disburse the student loans. There is no forecast change in the business expected.

2 Going concern

Having considered the Company's future cash flows and its business plans, including in particular the confirmed support of the Company by Prodigy Finance LTD, the Directors believe that the Company will have sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation. The purpose of the Company is to collect cash flows on behalf of Prodigy Finance LTD and distribute these cashflows to a number of special purpose vehicles, set up by Prodigy Finance LTD to provide access to funding to disburse the student loans. Cash collection and disbursement activity to the various SPVs for the period is presented within note 15 to these accounts and this activity is expected to continue for a period of at least 12 months from the approval of the financial statements. There is no intention to wind up the Company.

3 Results and dividends for the financial year

The Statement of Profit or Loss and Other Comprehensive Income for the financial year ended 31 December 2022 and the Statement of Financial Position at that date are set out in pages 10 and 11 respectively. The result for the financial year was a profit after tax of GBP 1,620 (2021: GBP 1,620).

The Directors do not recommend the payment of a dividend (2021: GBP Nil).

4 Change in registered office, Directors and secretary

The Directors and secretary of the Company are as outlined on page 1.

5 Directors, secretary and their interests

The Directors and secretary who held office on 1 January 2022 and 31 December 2022 had no interests in the share capital of the Company during the financial year.

6 Accounting records

The Directors are responsible for ensuring that proper books and accounting records, as outlined in Section 281 to 285 of the Companies Act 2006, are kept by the Company. To achieve this, the Directors have appointed Apex Trust Corporate Limited to provide accounting services, who report to the Board and ensure that the requirements of Section 281 to 285 of the Companies Act 2006, are complied with. The accounting records of the Company are maintained at 6th Floor 125 London Wall, London, United Kingdom, EC2Y 5AS.

7 Political donations

No political donations were made by the Company during the current financial year (2021: GBP Nil).

8 Subsequent events

The significant events since financial year end are disclosed in note 17.

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Directors' Report (continued)

9 Ukraine and Russian conflict

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10 Independent auditors

PricewaterhouseCoopers LLP were the independent auditors for the financial year under review.

PricewaterhouseCoopers LLP were re-appointed as the independent auditors for the Company for the financial year under review and will continue in office as auditors of the Company pursuant to section 487(2) of the Companies Act 2006 and paragraph 44 of Schedule to the Companies Act 2006 (Commencement No. 3 Consequential Amendment, Transitional Provisions and Savings) Order 2007.

11 Directors' declaration on audited financial statements

In relation to the financial statements as set out on pages 10 to 19.

- the Directors approve these financial statements and confirm that they are responsible for them, including selecting the appropriate accounting policies, applying them consistently and making, on a reasonable and prudent basis, the judgements underlying them. They have been prepared on the going concern basis on the grounds that the Company will continue in business.
- the Directors confirm that to the best of their knowledge and belief, the accounting records reflect all of the transactions of the Company for the financial year ended 31 December 2022.

12 Qualifying third party indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity is currently in force.

13 Statement of Directors' responsibilities in respect of the financial statements

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006.

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 financial year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable international accounting standards in conformity with the requirements of the Companies Act 2006 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are 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.

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.

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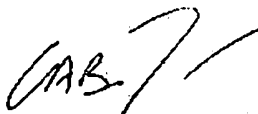
Directors' Report (continued)

14 Disclosure of information to auditors

In the case of each Director in office at the date the Directors' report is approved:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Board



Colin Benford

Apex Corporate Services (UK) Limited
Director

Date: 3 May 2023

Independent auditors' report to the members of Prodigy Repayments Limited

Report on the audit of the financial statements

Opinion

In our opinion, Prodigy Repayments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss and cash flows for the year then ended;
- have been properly prepared in accordance with UK-adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report, which comprise: Statement of Financial Position as at 31 December 2022; Statements of Profit or Loss and Other Comprehensive Income, Statements of Changes in Equity, and Statement of Cash Flows; for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' report for the year ended 31 December 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibility in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of relevant legislation including the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated 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 of inappropriate journal entries or through misappropriation of assets. Audit procedures performed by the engagement team included:

- We obtained an understanding of the legal and regulatory framework applicable to the company and how the company is complies with that framework
- Held discussions with management and those charged with governance including making specific inquiries about any consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewed minutes of meetings of those charged with governance along with key transaction documents; and
- Tested a sample of manual journal entries and other adjustments impacting the company's the accounting records.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

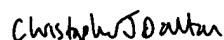
Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



Christopher Dalton (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
04 May 2023

PRODIGY REPAYMENTS LIMITED**(Registration Number 11281979)****Annual Financial Statements for the financial year ended 31 December 2022****Page 10****Statement of Profit or Loss and Other Comprehensive Income**

	Note	2022 GBP	2021 GBP
Income			
Other income	4	47,707	41,323
		<u>47,707</u>	<u>41,323</u>
Expenses			
Administrative expenses	5	(45,707)	(39,323)
		<u>2,000</u>	<u>2,000</u>
Operating profit			
		<u>2,000</u>	<u>2,000</u>
Profit before income tax			
		<u>2,000</u>	<u>2,000</u>
Taxation	7	(380)	(380)
		<u>1,620</u>	<u>1,620</u>
Profit for the financial year			
		<u>1,620</u>	<u>1,620</u>
Total comprehensive income for the financial year		<u>1,620</u>	<u>1,620</u>

The notes on pages 14 to 19 form an integral part of the financial statements.

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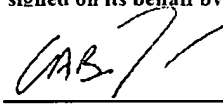
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Statement of Financial Position

	Note	As at 31-Dec-22 GBP	As at 31-Dec-21 GBP
Assets			
Current assets			
Trade and other receivables	8	49,307	25,611
Cash and cash equivalents	9	4,877,149	2,688,696
Total assets		<u>4,926,456</u>	<u>2,714,307</u>
Liabilities and equity			
Liabilities			
Current liabilities			
Trade and other payables	12	4,919,659	2,709,130
Total liabilities		<u>4,919,659</u>	<u>2,709,130</u>
Equity			
Issued capital	10	1	1
Retained earnings	11	6,796	5,176
Total equity		<u>6,797</u>	<u>5,177</u>
Total liabilities and equity		<u>4,926,456</u>	<u>2,714,307</u>

The financial statements on pages 10 to 13 were approved by the Board of Directors on 3 May 2023 and signed on its behalf by:


Colin Benford
Apex Corporate Services (UK) Limited
Director

Date: 3 May 2023

The notes on pages 14 to 19 form an integral part of the financial statements.

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Statement of Changes in Equity

	Share capital GBP	Retained earnings GBP	Total equity GBP
Balance as at 1 January 2021	1	3,556	3,557
<i>Total comprehensive income for the financial year</i>			
Profit for the financial year	-	1,620	1,620
Total comprehensive income for the financial year	-	1,620	1,620
Balance as at 31 December 2021	1	5,176	5,177
Balance as at 1 January 2022	1	5,176	5,177
<i>Total comprehensive income for the financial year</i>			
Profit for the financial year	-	1,620	1,620
Total comprehensive income for the financial year	-	1,620	1,620
Balance as at 31 December 2022	1	6,796	6,797

The notes on pages 14 to 19 form an integral part of the financial statements.

PRODIGY REPAYMENTS LIMITED**(Registration Number 11281979)****Annual Financial Statements for the financial year ended 31 December 2022****Page 13****Statement of Cash Flows**

	Notes	2022 GBP	2021 GBP
Cash flows from operating activities			
Profit before taxation		2,000	2,000
<i>Movements in working capital</i>			
(Increase)/decrease in trade and other receivables		(23,696)	9,639
Increase in trade and other payables		2,210,909	2,180,947
Tax Paid		(760)	(454)
Net cash generated from operating activities		2,188,453	2,192,132
Increase in cash and cash equivalents		2,188,453	2,192,132
Cash and cash equivalents at start of the financial year		2,688,696	496,564
Cash and cash equivalents at end of the financial year	9	4,877,149	2,688,696

The notes on pages 14 to 19 form an integral part of the financial statements.

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Notes to the Annual Financial Statements

1 General information

The Company is a single member private company limited by shares. The Company was incorporated on 28 March 2018. The address of the Company's registered office is 6th Floor 125 London Wall, London, United Kingdom, EC2Y 5AS.

The principal activity of the Company is to collect repayments made by student borrowers and distribute payments on the portfolio of the Prodigy entities within the Group on behalf of Prodigy Finance LTD. Prodigy Finance Limited originates and services student loans. The Company collects cash flows on behalf of Prodigy Finance Limited and distributes these to a number of special purpose vehicles, set up by Prodigy to provide access to funding to disburse the student loans. There is no forecast change in the business expected.

2 Basis of preparation

(a) Basis of accounting

The financial statements have been prepared in accordance with UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. UK-adopted IFRS was identical to UK-adopted IAS on 1 January 2022.

The financial statements have been prepared under the historical cost convention. The Company continues to adopt the going concern basis in preparing the financial statements.

The accounting policies have been applied consistently, there haven't been any new policies adopted.

The financial statements are presented in British Pound ("GBP"), which is the functional and presentation currency of the Company.

(b) Estimates and judgements

The preparation of the financial statements in conformity with international accounting standards in conformity with the requirements of the Companies Act 2006 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimate is revised if the revision only affects that year or in the year of the revision and future years if the revision affects both current and future years.

During the financial year, the Directors did not make any judgements and estimates.

(c) New standards, amendments and interpretations

There are no new and amended IFRSs or IFRIC interpretations that are effective for the first time for the financial period beginning on or after 1 January 2022 that would be expected to have a material impact on the Company.

3 Significant accounting policies

(a) Foreign currency transactions

Foreign currency transactions are translated to the Company's functional currency at the exchange rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currency are translated at the exchange rates prevailing at the reporting date. Foreign currency differences on these are recognised in the Statement of Profit or Loss and Other Comprehensive Income.

(b) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from retained earnings, net of any tax effects.

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Notes to the Annual Financial Statements (continued)**3 Significant accounting policies (continued)****(c) Income tax expense (continued)**

Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income in equity.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous financial year.

(d) Going concern

Having considered the Company's future cash flows and its business plans, including in particular the confirmed support of the Company by Prodigy Finance LTD, the Directors believe that the Company will have sufficient liquidity to meet its obligations as they fall due and that it continues to be appropriate to prepare the financial statements on a going concern basis of preparation. The purpose of the Company is to collect cash flows on behalf of Prodigy Finance LTD and distribute these cashflows to a number of special purpose vehicles ("SPVs"), set up by Prodigy Finance LTD to provide access to funding to disburse the student loans. Cash collection and disbursement activity to the various SPVs for the period is presented within note 15 to these accounts and this activity is expected to continue for a period of at least 12 months from the approval of the financial statements. There is no intention to wind up the Company.

(e) Cash and cash equivalents

Cash at bank comprise only of bank balances.

(f) Trade and other receivables

Trade and other receivables are classified as financial assets and are subsequently measured at amortised cost.

(g) Trade and other payables

Trade and other payables are classified as other financial liabilities and are subsequently measured at amortised cost.

4 Other income

	2022	2021
	GBP	GBP
Other income	45,707	39,323
Account holder fee	2,000	2,000
	<u>47,707</u>	<u>41,323</u>

Other income includes income receivable from Prodigy Finance LTD to pay for the expenses.

5 Administrative expenses

	2022	2021
	GBP	GBP
Accounting and administration fees	19,978	17,852
Directors' remuneration	7,757	7,273
Tax advisory fee	5,280	3,120
Audit fees payable to the company's auditor for the audit of the parent company financial statements*	5,077	4,850
Company secretarial fees	3,878	3,638
Other expenses	2,137	1,071
Trustee fees	1,293	1,212
Bank charges	307	307
	<u>45,707</u>	<u>39,323</u>

* There was no non-audit or other assurance services provided by the auditor.

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Notes to the Annual Financial Statements (continued)**6 Staff numbers and costs**

The Company had no employees during the financial year ended 31 December 2022 (2021: none).

Apex Trust Corporate Limited acts as secretary and as corporate services provider to the Company in accordance with the terms of the service agreements made with the Company.

7 Taxation

Reconciliation	2022 GBP	2021 GBP
Profit before taxation	2,000	2,000
Profit before taxation for the reporting year multiplied by the standard rate of UK corporation tax of 19% (2021: 19%)	380	380
Total tax charge for the financial year	<u>380</u>	<u>380</u>

8 Trade and other receivables

	31-Dec-22 GBP	31-Dec-21 GBP
Account holder fees receivable	2,000	6,000
Other income receivable	712	405
Share capital receivable	1	1
Fees prepaid	27,774	-
<i>Income receivable from Prodigy Finance LTD for below fees:</i>		
Tax advisory Fee	9,330	7,440
Accounting and Administration Fees	-	7,280
Audit fees	9,490	4,350
Other Professional Fees	-	135
	<u>49,307</u>	<u>25,611</u>

9 Cash and cash equivalents

	31-Dec-22 GBP	31-Dec-21 GBP
Bank balances	<u>4,877,149</u>	<u>2,688,696</u>

10 Issued capital

	31-Dec-22 GBP	31-Dec-21 GBP
<i>Authorised:</i>		
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>
<i>Issued and called up</i>	GBP	GBP
1 Ordinary shares of £1 each	<u>1</u>	<u>1</u>

Apex Trust Nominees No. 1 Limited held the entire share capital of the Company at 31 December 2022. Prodigy Investments Limited is the ultimate controlling party of the Company, whilst the Board manage the day to day activities of the business.

The holders of ordinary shares are entitled to receive dividends as declared from time to time. No dividends were paid during the financial year or proposed by the Directors at the reporting date (2021: GBP nil).

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Notes to the Annual Financial Statements (continued)**11 Retained earnings**

	2022 GBP	2021 GBP
Reserves at the beginning of the financial year	5,176	3,556
Profit for the financial year	1,620	1,620
Reserves at the end of the financial year	6,796	5,176

12 Trade and other payables

	2022 GBP	2021 GBP
Payable to related parties	4,868,326	2,689,166
Accruals	18,819	19,204
Corporation tax payable	380	760
Payable to Prodigy Finance LTD for accrued fees	32,134	-
	4,919,659	2,709,130

13 Reserves

Retained earnings include all current financial year and prior years' retained profits and losses.

14 Financial risk management

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company is exposed to a variety of financial risks as a result of its activities as described below.

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligation, and arises principally from cash holdings.

The policy of the Company in relation to credit risk is to expose itself to the credit risk in relation to the financial assets only. The Board considers the risk to be of an acceptable nature.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments. Liquidity risk may also result from an inability to sell a financial asset quickly at its fair value. The objective of liquidity management is to ensure that the company has sufficient funds to meet contractual and financial obligations when they fall due.

To manage liquidity risk, the company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operation. Wherever possible, the Company matches the properties of its financial liabilities to its assets to avoid significant elements of risk generated by mismatches of investment performance against its obligations.

The Company has maintained sufficient funds to finance its ongoing working capital requirements. When necessary the company is able to seek further funding from external investors.

(iii) Market risk

Market risk is the risk that changes in interest rates and foreign exchange rates will affect the Company's income and operations. Given that the Company receives funding from Prodigy Finance LTD, the above risks are very minimal.

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Notes to the Annual Financial Statements (continued)**14 Financial risk management (continued)****(iii) Market risk (continued)***Interest rate risk*

Interest rate risk arises where assets and liabilities have interest rates under a different basis or which reset at a different time. Given that the Company has no trading activities and has only a cash balance, the above risks are very minimal.

Currency risk

The Company is exposed to foreign exchange risk because the functional currency differs from the currency in which other expenses are incurred and the currency in which its cash at bank is held. This risk however is very minimal as all income received are matched to the expenses paid out.

15 Related party transactions

During the financial year, the Company had the following transactions and balances with the related parties:

Name	Relationship	Transactions	Transactions (charged to)/received from the related party during the financial year		Amounts receivable/(payable to) by the related party at year-end	
			2022 GBP	2021 GBP	2022 GBP	2021 GBP
Apex Trust Corporate Limited	Company Secretary	Corporate services	(19,978)	(17,852)	27,774	(7,415)
Prodigy Finance LTD	Provides income to Company	Net income to cover fees	47,707	41,323	21,532	25,610
Prodigy Finance CM-2020-1 DAC	Repayment account holder	Collect payments for student loans	-	-	(620,828)	(50,627)
Prodigy Finance CM-2021-1 DAC	Repayment account holder	Collect payments for student loans	-	-	(330,774)	(163,142)
Prodigy Finance CM-2021-2 DAC	Repayment account holder	Collect payments for student loans	-	-	(2,485,393)	(26,104)
MBA Community Loans PLC	Repayment account holder	Collect payments for student loans	-	-	(1,039,364)	(2,298,797)
Items in transit*	Repayment account holder	Repayment account holder	-	-	(391,191)	(150,496)
			-	-	(4,867,550)	(2,689,166)

*This balance is swept to the appropriate related party as part of the clearing process. Prodigy Finance Limited originates and services student loans. The Company collects cash flows on behalf of Prodigy Finance Limited and distributes these to a number of special purpose vehicles, set up by Prodigy to provide access to funding to disburse the student loans. There is no forecast change in the business expected.

Amounts outstanding between related parties are unsecured and payable on demand. Related party transactions were made on equivalent terms to those that prevail in arm's length transactions.

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Notes to the Annual Financial Statements (continued)

15 Related party transactions (continued)

During the financial year, the Company received an income amount to GBP 44,980 (2021: GBP 39,323) from Prodigy Finance LTD to cover for expenses.

The administration fees for the financial year 31 December 2022 amounted to GBP 19,978 (2021: GBP 17,852). An amount of GBP 27,774, relating to the administration fees, was prepaid for the financial year December 2022 (2021: due GBP 7,415).

16 Commitments and contingencies

At 31 December 2022, the Company had no commitments or contingencies (2021: GBP nil).

17 Subsequent events

There were no events after the reporting financial year, which would require revision of the figures or disclosure in the financial statements.

18 Approval of financial statements

The financial statements were approved and authorised by the Board on 3 May 2023