

Registered number: 12488452

Kilter Finance Services Limited

Report And Financial Statements

31 December 2021



Kilter Finance Services Limited

COMPANY INFORMATION

Directors	Anirban Ghosh Varun Khanna Dan Knipe John Mark Laidlaw (appointed 21 June 2021)
Registered number	12488452
Registered office	11th Floor 200 Aldersgate Street London EC1A 4HD
Independent auditor	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street London WC2B 5AH

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTER FINANCE SERVICES LIMITED

Opinion

We have audited the financial statements of Kilter Finance Services Limited (the 'Company') for the year ended 31 December 2021, which comprise the statement of comprehensive income, the balance sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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 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 United Kingdom, including the Financial Reporting Council'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 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTER FINANCE SERVICES LIMITED
(CONTINUED)**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 1, 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 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:

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, and non-compliance with laws and regulations, our procedures included the following: enquiring of management concerning the Company's policies with regards identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; enquiring of management concerning the Company's policies detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; enquiring of management concerning the Company's policies in relation to the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations; discussing among the engagement team where fraud might occur in the financial statements and any potential indicators of fraud; and obtaining an understanding of the legal and regulatory framework that the Company operates in and focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Company. The key laws and regulations we considered in this context included the UK Companies Act and applicable tax legislation.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KILTER FINANCE SERVICES LIMITED
(CONTINUED)**

A particular focus area included the risk of fraud through management override of controls. Our procedures to respond to risks identified included the following: performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; reviewing the bank statements of the Company for evidence of any large or unusual activity which may be indicative of fraud; enquiring of management in relation to any potential litigation and claims; and testing the appropriateness of journal entries and other adjustments.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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 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.

Philip Vipond (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
London

WC2B 5AH

Date: 1 March 2022

BALANCE SHEET
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	7,338	6,475
Investments	5	72	-
		<u>7,410</u>	<u>6,475</u>
Current assets			
Debtors: amounts falling due after more than one year	6	-	2,069
Debtors: amounts falling due within one year	6	329,145	171,558
Cash at bank and in hand		67,791	64,324
		<u>396,936</u>	<u>237,951</u>
Creditors: amounts falling due within one year	7	(128,214)	(111,602)
Net current assets		<u>268,722</u>	<u>126,349</u>
Total assets less current liabilities		<u>276,132</u>	<u>132,824</u>
Net assets		<u>276,132</u>	<u>132,824</u>
Capital and reserves			
Called up share capital	8	1,000	1,000
Profit and loss account		275,132	131,824
		<u>276,132</u>	<u>132,824</u>

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

The statement of comprehensive income and director's report have not been delivered to the Registrar of Companies in accordance with the special provisions applicable to companies subject to small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 February 2022.



Dan Knipe
Director

The notes on pages 8 to 13 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

1. General information

Kilter Finance Services Limited is a limited company registered in England and Wales. The Company's address is 11th Floor, 200 Aldersgate Street, London, EC1A 4HD.

The principal activity of the company is the provision of support services.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. Management do not consider there are any key accounting estimates or assumptions made that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Management are also required to exercise judgement in applying the company's accounting policies. Due to the straight forward nature of the business management consider that no critical judgements have been made in applying the company's accounting policies.

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is the pound sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.3 Going concern

The Company's turnover is entirely derived from services provided to the company's immediate parent undertaking. Therefore, the Company's ability to continue as a going concern is linked to that of the wider group. The group has provided written assurances to the directors that the Company remains part of the group's operational plans for a period of at least twelve months from the approval of these financial statements. These assurances also state that no material changes to the Company's remuneration for its services to the group will be made during 2022. The directors have considered the group's ability to offer these assurances and concluded that the group has sufficient resources to provide support for the foreseeable future.

Accordingly, the directors have adopted the going concern basis in preparing these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.4 Turnover

Turnover comprises revenue recognised by the Company in respect of support services supplied during the year, exclusive of value added tax. Turnover is recognised over the period which support services provided.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.6 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.7 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.8 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Computer equipment	- 3 years
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Financial instruments

All trade and other debtors are initially recognised at transaction value, as none contain in substance a financing transaction. Thereafter trade and other debtors are reviewed for impairment where there is objective evidence based on observable data that the balance may be impaired. The company does not hold collateral against its trade and other receivables so its exposure to credit risk is the net balance of trade and other debtors after allowance for impairment.

The company's cash holdings comprise on demand balances only. All cash is held with banks with strong external credit ratings.

Trade and other creditors and accruals are initially recognised at transaction value as none represent a financing transaction. They are only derecognised when they are extinguished. As the company only has short term receivables and payables, its net current asset position is a reasonable measure of its liquidity at any given time.

2.11 Related parties

The company is exempt under section 33 of FRS102 from disclosing transactions or balances between wholly owned group companies.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2020 - 4).

4. Tangible fixed assets

	Computer equipment £
Cost	
At 1 January 2021	8,063
Additions	4,262
At 31 December 2021	<u>12,325</u>
Depreciation	
At 1 January 2021	1,588
Charge for the year on owned assets	3,399
At 31 December 2021	<u>4,987</u>
Net book value	
At 31 December 2021	<u><u>7,338</u></u>
At 31 December 2020	<u><u>6,475</u></u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2021	-
Additions	72
At 31 December 2021	<u><u>72</u></u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021
6. Debtors

	2021 £	2020 £
Due after more than one year		
Other debtors	-	2,069
	<u> </u>	<u> </u>
Due within one year		
Amounts owed by group undertakings	281,329	133,096
Other debtors	41,584	35,247
Prepayments and accrued income	6,232	3,215
	<u>329,145</u>	<u>171,558</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	21,613	20,182
Corporation tax	34,253	30,312
Other taxation and social security	46,500	48,908
Other creditors	2,468	2,700
Accruals and deferred income	23,380	9,500
	<u>128,214</u>	<u>111,602</u>

8. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary Shares shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2021

9. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	7,800	10,345
Later than 1 year and not later than 5 years	-	3,103
	<u>7,800</u>	<u>13,448</u>

Subsequent to the balance sheet date, on 4 January 2022 the Company renewed its lease for a further 1 year to 31 March 2023, with rent payments of £39,000 per annum payable from 1 April 2022.

10. Controlling party

The company's immediate parent undertaking is Kilter Finance Holdings Ltd, a company registered in the Cayman Islands.

The parent undertaking of the largest and smallest group to consolidate these financial statements is Kilter Finance Holdings Ltd, registered address PO Box 309, Ugland House, Grand Cayman, KY.