

DON'T
STAPLE**OS AA01**Statement of details of parent law and other
information for an overseas company

Companies House

✓ **What this form is for**
You may use this form to
accompany your accounts
disclosed under parent law.

✗ **What this form is NOT for**
You cannot use this form to
an alteration of manner of
with accounting requirements

WEDNESDAY



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20/07/2022

#35

COMPANIES HOUSE

Part 1 Corporate company nameCorporate name of
overseas company ①

HORDLE FINANCE B.V.

UK establishment
number

B R 0 0 1 0 5 9 5

→ **Filling in this form**Please complete in typescript or in
bold black capitals.All fields are mandatory unless
specified or indicated by *① This is the name of the company in
its home state.**Part 2 Statement of details of parent law and other
information for an overseas company****A1 Legislation**Please give the legislation under which the accounts have been prepared and
audited.

Legislation ②

NETHERLANDS

② This means the relevant rules or
legislation which regulates the
preparation of accounts.**A2 Accounting principles**

Accounts

Have the accounts been prepared in accordance with a set of generally accepted
accounting principles?

Please tick the appropriate box.

☐ **No.** Go to **Section A3.**☒ **Yes.** Please enter the name of the organisation or other
body which issued those principles below, and then go to **Section A3.**Name of organisation
or body ③

INTERNATIONAL ACCOUNTING STANDARDS BOARD

③ Please insert the name of the
appropriate accounting organisation
or body.

OS AA01

Statement of details of parent law and other information for an overseas company

A3

Audited accounts

Audited accounts

Have the accounts been audited in accordance with a set of generally accepted auditing standards?

Please tick the appropriate box.

☐

No. Go to **Part 3 'Signature'**.

☒

Yes. Please enter the name of the organisation or other body which issued those standards below, and then go to **Part 3 'Signature'**.

❶ Please insert the name of the appropriate accounting organisation or body.

Name of organisation or body ❶

INTERNATIONAL ACCOUNTING STANDARDS BOARD

Part 3

Signature

I am signing this form on behalf of the overseas company.

Signature

Signature

X

Nail P...

X

This form may be signed by:

Director, Secretary, Permanent Representative

**Presenter information**

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name	Kasia Balinska-Jundzill									
Company name	Hordle Finance B.V.									
Address	One Bank Street									
Canary Wharf										
Post town	London									
County/Region										
Postcode	E	1	4		4	S	G			
Country	United Kingdom									
DX										
Telephone	020 7676 6889									

**Checklist**

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and, if appropriate, the registered number, match the information held on the public Register.
- ☐ You have completed all sections of the form, if appropriate.
- ☐ You have signed the form.

**Important information**

Please note that all this information will appear on the public record.

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You may return this form to any Companies House address:

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The Registrar of Companies, Companies House,
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DX 33050 Cardiff.

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The Registrar of Companies, Companies House,
Fourth floor, Edinburgh Quay 2,
139 Fountainbridge, Edinburgh, Scotland, EH3 9FF.
DX ED235 Edinburgh 1

Northern Ireland:

The Registrar of Companies, Companies House,
Second Floor, The Linenhall, 32-38 Linenhall Street,
Belfast, Northern Ireland, BT2 8BG.
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For further information, please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

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Independent auditor's report

To the shareholders of Hordle Finance B.V.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2021 INCLUDED IN THE ANNUAL ACCOUNTS

Our opinion

We have audited the accompanying financial statements 2021 of Hordle Finance B.V., based in Amsterdam.

In our opinion the accompanying financial statements give a true and fair view of the financial position of Hordle Finance B.V. as at December 31, 2021, and of its result and its cash flows for 2021 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements comprise:

1. The statement of financial position as at December 31, 2021.
1. The following statements for 2021: the statement of comprehensive income, the statement of changes in equity and the statement cash flows.
2. The notes comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the "Our responsibilities for the audit of the financial statements" section of our report.

We are independent of Hordle Finance B.V. in accordance with the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Emphasis of the impact of the Russia/Ukraine-Crisis

The Russia/Ukraine-Crisis also impacts Hordle Finance B.V. Management disclosed the estimated impact on financial performance and health of Hordle Finance B.V. and her plans to deal with these events or circumstances in page 24 of the financial statements. Our opinion is not modified in respect of this matter.

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL ACCOUNTS

In addition to the financial statements and our auditor's report thereon, the annual accounts contain other information that consists of:

- Board of Directors report.
- Other Information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- Is consistent with the financial statements and does not contain material misstatements.
- Contains the information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Board of Directors Report in accordance with Part 9 of Book 2 of the Dutch Civil Code, and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

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. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures.
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identified during our audit.

Amsterdam, May 25, 2022

Deloitte Accountants B.V.

Signed on the original: A.N. Guman

HORDLE FINANCE B.V.

ANNUAL REPORT AND FINANCIAL STATEMENTS

31 DECEMBER 2021

COMPANY REGISTRATION NO. 34352724

Deloitte Accountants B.V.
For identification purpose only
Related to auditor's report
Dated May 25, 2022

CONTENTS

	<u>Pages</u>
Officers and professional advisers	3
Report of the directors	4
Financial statements:	
• Statement of comprehensive income	8
• Statement of financial position	9
• Statement of changes in equity	10
• Statement of cash flows	11
Notes to the financial statements	12 to 24
Other information	
• Provisions in the Company's Articles of Association for appropriation of profits	25
• Independent auditor's report	25

HORDLE FINANCE B.V.
YEAR ENDED 31 DECEMBER 2021

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

N. Proudfoot
N. Dent

AUDITORS

Deloitte Accountants B.V.
Gustav Mahlerlaan 2970
1081 LA Amsterdam
The Netherlands

BANKERS

Société Générale
One Bank Street
Canary Wharf
London
E14 4SG

REGISTERED OFFICE &
PRINCIPAL PLACE OF BUSINESS

One Bank Street
Canary Wharf
London
E14 4SG

REGISTERED NUMBER

34352724 (Registered in the Netherlands)
BR010595 (Registered as overseas establishment in England and Wales)

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 2021.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

Hordle Finance B.V. (the "Company") is a limited company incorporated and domiciled in the Netherlands and established as a branch in the UK.

The Company is a subsidiary of SG Leasing (March) Limited. SG Leasing (March) Limited prepares financial statements in accordance with IFRS as adopted by the European Union and applicable law.

The principal activity of the Company is to provide loan financing facilities. The provision of these financing activities is denominated in sterling (GBP), as a result the functional currency of the accounts is GBP.

The Company has no employees as it outsources all advisory and administrative support. The Directors receive no remuneration from the Company. The Board of Directors meets periodically in order to review investment opportunities and, if appropriate, to declare interim dividends.

RESULTS AND DIVIDEND

During the financial year ended 31 December 2021, the Company made a profit after taxation of £61,479,993 (2020: £61,792,506). The total Shareholders' Equity amounted to £2,426,373,194 (2020: £2,425,862,956).

Dividends paid during the year were £60,969,755 (2020: £61,723,276) all of which was paid to related parties (Refer to Note 10).

DISCLOSURE OF INFORMATION PROVIDED TO AUDITOR

Insofar as the directors are aware, they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

REAPPOINTMENT OF AUDITOR

Deloitte Accountants B.V. was reappointed and has expressed its willingness to continue in office. Pursuant to the Company's policy of auditor rotation, Deloitte Accountants B.V. will remain the Company's auditor until such time as the next auditor rotation period is fixed by the Company's members.

RISK MANAGEMENT

An important part of our governance structure is our risk management process, constantly evaluating the potential risks that underlie our business and how to mitigate these risks.

The Company has a strong operational and compliance risk management and operates these functions in close cooperation with the Société Générale Group. The Company operates with a low risk profile, particularly paying attention to:

Operational risk: it is essential for us to have an adequate administrative organisation and system of internal controls in place. We have a permanent control mechanism in place to test the adequacy of our internal controls and security. Risk evaluations of operational activities are performed on a rotational basis and as a result operational processes are regularly reviewed and if needed revised. Finally, we have a robust incident management system in place to continuously identify areas for improvement.

REPORT OF THE DIRECTORS (Continued)

RISK MANAGEMENT (Continued)

Financial risk: the Company is exposed to financial risk through its financial assets and liabilities. The key financial risk is that the proceeds from financial assets are not sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are interest rate risk, currency risk and credit risk. Due to the nature of the Company's business and the assets and liabilities contained within the Company's statement of financial position the only financial risks the directors consider relevant to the Company are credit, liquidity and cash flow risk. The risks relating to liquidity and cash flow are mitigated by the routine monitoring of key management information. Credit risk is monitored by the risk department of Société Générale London Branch. It regularly monitors the creditworthiness of clients and will advise the relevant officer in charge of the exposure if there is any deterioration in the credit status.

Legal and compliance risk: the regulatory environment in which we operate is continuously changing with existing legislation being regularly updated or new laws being implemented. Greater emphasis is being placed by regulators on integrity risks, particularly in respect of customer due diligence and transparency. Our legal and compliance teams are responsible for reviewing all changes in the legal and compliance environment and assisting with the implementation of these changes within our products, policies and processes.

Financial reporting and disclosure risk: governance surrounding financial reporting and disclosure risk promotes the importance of accurate, timely and complete financial reporting. The finance and control department is responsible for financial reporting, both internally (including management information) and externally (including statutory reporting). Policies, procedures and controls are in place to prevent and detect errors in the financial information and to reduce subjectively in terms of measurement and reporting.

Concentration risk: the Company is a subsidiary of SG Leasing (March) Limited, whose ultimate holding company is Société Générale, a French banking institution headquartered in Paris, France, and is therefore integrated in the Société Générale Group (the Group).

The Company's deposits are with SG London Branch, which is a branch of Société Générale, and SG Leasing (March) Limited, whose ultimate holding company is Société Générale. Any adverse changes affecting the economy are likely to have an adverse impact on the Société Générale's financial situation and consequently, on the Company's financial condition, results of operations and cash flows.

All loans and deposits registered in the Company's name are back to back within the Group and therefore, there is no effect in the statement of comprehensive income at the Group level. Taking into account this consideration and assuming that the credit spread of the Group and the Company is the same (same interest rate, maturity and other features), the estimation of the counterparty credit risk associated to the loans and deposits would be the same in assets and liabilities.

Negative economic conditions are mitigated by Société Générale's geographical and business diversification ("universal banking model") and demonstrated capacity to generated earnings.

Additionally, there has not been any default position to date. All of the Company's deposits due from the Branch with a maturity in 2021 and previous years until the date of this report, have been recovered.

Reference is made to Note 13 of the financial statements for further analysis and details of the Company's business risks.

REPORT OF THE DIRECTORS (Continued)

OUTLOOK 2022

The Company is fully funded through its issued equity and is not expected to need any further funding.

There are no new share issues planned for the foreseeable future. The directors are of the opinion that the present level of activities will be maintained during the next financial year until the scheduled maturity of certain asset and liabilities.

The Company does not intend to initiate any activities relating to research and development in the next year.

CORONAVIRUS PANDEMIC

Following the continued outbreak of coronavirus, volatility in financial markets has increased significantly. However, as the Company currently has no external clients and only long-term fixed rate deposits with its holding company, SG Leasing (March) Limited, maturing in December 2024, the directors do not anticipate any reduction in its net income or asset impairments in the foreseeable future.

RUSSIA-UKRAINE CONFLICT

Following Russia's invasion of Ukraine, a significant number of sanctions were implemented in UK and other countries leading to a freeze of assets for targeted companies and individuals. Furthermore, volatility in global financial markets has soared to unprecedented levels especially in the energy, metal, and agricultural commodities. As of the date of approval of these accounts, the Company has no exposure to Russia and Russian clients, and no material losses arising from exposures to other organisations affected by these events. The circumstances surrounding these events are evolving and the full extent of how these conditions will impact the Company are not yet known. However, the directors do not anticipate any reduction in its net income or asset impairments in the foreseeable future.

GOING CONCERN

After reviewing the Company's performance and taking into account the Company's financial position, the directors are satisfied that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the financial statements.

DIVERSITY

The size and composition of the Board of Directors and the combined experience and expertise reflect the best fit for the profile and strategy of the Company. Currently, all of the directors are male. The Company is aware that the gender diversity is below the goals as set out in article 2:276 section 2 of the Dutch Civil Code and it will pay close attention to gender diversity in the process of appointment of new directors in the future.

DIRECTORS

The directors who served during the year were:

N. Proudfoot
N. Dent

The Company has no personnel other than the directors. The directors receive no remuneration from the Company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS EU") and with Part 9 of Book 2 of the Dutch Civil Code.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and Part 9 of Book 2 of the Dutch Civil Code. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable IFRSs 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 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.

The directors attest that the current disclosures regarding IFRS 9 do not, in all aspects, meet the requirements as set forth in the IFRS 9 guidelines. They confirm that a full qualitative and quantitative assessment of the IFRS 9 impact has been made, as a result of which no material impact on the financial statements of the Company has been identified. All receivables are from group related parties (credit rating BBB), they are all designated as stage 1 high performing assets hence low materiality level for the provision. The low materiality assessment is mainly driven by an Expected Credit Loss been calculated using a 12 month measurement method as opposed to lifetime calculation. Accordingly, the IFRS 9 disclosure in the financial statements is an abbreviation of the required disclosures, and a fair representation of what management believes to be of relevance for the users of the financial statements 2021.

Signed on behalf of the Board of Directors on 25 May 2022, London:

.....
N. Proudfoot
Director

.....
N. Dent
Director

HORDLE FINANCE B.V.
YEAR ENDED 31 DECEMBER 2021

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
Interest income and similar income	3	73,882,000	74,084,416
Net interest income		73,882,000	74,084,416
Other net operating expenses	4	(16,941)	(14,861)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,865,059	74,069,555
Taxation	5	(12,385,066)	(12,277,049)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		61,479,993	61,792,506
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		61,479,993	61,792,506

HORDLE FINANCE B.V.
YEAR ENDED 31 DECEMBER 2021

STATEMENT OF FINANCIAL POSITION

As at 31 December 2021
(after appropriation of result)

	<u>Notes</u>	<u>2021</u> £	<u>2020</u> £
ASSETS			
NON-CURRENT ASSETS			
Other receivables	6	2,423,158,698	2,423,158,698
CURRENT ASSETS			
Other receivables	6	3,239,678	3,239,678
Cash and cash equivalents		-	2,999
TOTAL ASSETS		<u>2,426,398,376</u>	<u>2,426,401,375</u>
LIABILITIES			
CURRENT LIABILITIES			
Corporation tax		25,182	536,171
Other payables	7	-	2,248
TOTAL LIABILITIES		<u>25,182</u>	<u>538,419</u>
NET ASSETS		<u>2,426,373,194</u>	<u>2,425,862,956</u>
EQUITY			
Share capital	8	168,056	179,806
Share premium	8	2,422,980,000	2,422,980,000
Currency translation reserve	8	10,642	(1,108)
Retained earnings		3,214,496	2,704,258
TOTAL EQUITY AND RESERVES		<u>2,426,373,194</u>	<u>2,425,862,956</u>

Approved by the Board of Directors and authorised for issue on 25 May 2022, London.

.....
N. Dent
Director

.....
N. Proudfoot
Director

The notes on pages 12 to 24 form an integral part of the financial statements.

The company registration number is 34352724.

HORDLE FINANCE B.V.
YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	<u>Share Capital</u>	<u>Share Premium</u>	<u>Currency Translation Reserve</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
	£	£	£	£	£
Balance at 1 January 2020	170,160	2,422,980,000	8,538	2,635,028	2,425,793,726
Profit for the year	-	-	-	61,792,506	61,792,506
Currency translation ordinary shares	8,875	-	(8,875)	-	-
Currency translation preference shares	771	-	(771)	-	-
Dividend payments	-	-	-	(61,723,276)	(61,723,276)
Balance at 31 December 2020	179,806	2,422,980,000	(1,108)	2,704,258	2,425,862,956
Profit for the year	-	-	-	61,479,993	61,479,993
Currency translation ordinary shares	(10,810)	-	10,810	-	-
Currency translation preference shares	(940)	-	940	-	-
Dividend payments	-	-	-	(60,969,755)	(60,969,755)
Balance at 31 December 2021	168,056	2,422,980,000	10,642	3,214,496	2,426,373,194

HORDLE FINANCE B.V.
YEAR ENDED 31 DECEMBER 2021

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Cash Flows from operating activities		
Profit after taxation	61,479,993	61,792,506
Interest income	(73,882,000)	(74,084,416)
Taxation expense recognised	12,385,066	12,277,049
(Decrease) / increase in payables	(2,248)	2,248
	<hr/>	<hr/>
Cash used in operations	(19,189)	(12,613)
Interest received	73,882,000	74,084,408
Income taxes paid	(12,896,055)	(12,345,520)
	<hr/>	<hr/>
Net cash from operating activities	<u>60,966,756</u>	<u>61,726,275</u>
	<hr/>	<hr/>
Cash flows used in financing activities		
Dividends paid	(60,969,755)	(61,723,276)
	<hr/>	<hr/>
Cash used in financing activities	<u>(60,969,755)</u>	<u>(61,723,276)</u>
	<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents	(2,999)	2,999
Cash and cash equivalents as at beginning of the year	2,999	-
	<hr/>	<hr/>
Cash and cash equivalents as at end of the year	<u>-</u>	<u>2,999</u>
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

Hordle Finance B.V. (the "Company") is a limited company incorporated and domiciled in the Netherlands (Registration number: 34352724). The Company's principal place of business is the United Kingdom and its registered branch office is: One Bank Street, Canary Wharf, London, E14 4SG.

The Company was incorporated in the Netherlands on 06 August 2009 and was established as a branch in the United Kingdom on 20 August 2009.

The principal activity of the Company is to provide loan financing facilities. The Company is a wholly owned subsidiary of SG Leasing (March) Limited.

The financial statements contain information about the Company as an individual company and do not contain consolidated financial information as the parent of the group.

In the current and preceding periods, the Company did not have any investments in subsidiaries and therefore the Company is not required to prepare consolidated financial statements at that date. The Company is a subsidiary of Société Générale Group and its results are consolidated in the financial statements of its parent.

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year is set out below.

2. ACCOUNTING POLICIES

a) Basis of preparation

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

The financial statements have been prepared under the historical cost convention.

The financial statements are stated in GBP, as the Company's principal activities are undertaken in this currency. GBP is the functional currency and the reporting currency.

The directors confirm that they are satisfied that the Company has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing the accounts.

In accordance with the amendment of IAS 1 *Presentation of Financial Statements*, the Company reports on its capital management objectives, policies and procedures in each annual financial report. These disclosures can be found in Note 14.

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not been applied in these financial statements were in issue but not yet effective:

- Annual Improvements to IFRS Standards 2018 – 2020: Property, Plant and Equipment - Proceeds before Intended Use is effective for annual periods beginning on or after 1 January 2022
- Amendments to IFRS 3: Annual Improvements to IFRS Standards 2018 – 2020 is effective for annual periods beginning on or after 1 January 2022
- Amendments to IAS 37: Reference to the Conceptual Framework is effective for annual periods beginning on or after 1 January 2022
- IFRS 17: Onerous Contracts – Cost of Fulfilling a Contract is effective for annual periods beginning on or after 1 January 2022

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (Continued)

a) Basis of preparation (continued)

- Amendments to IFRS 17: Insurance contracts is effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1: IFRS 17 is effective for annual periods beginning on or after 1 January 2023
- Amendments to IAS 1: Classification of Liabilities as Current of Non-current is effective for annual periods beginning on or after 1 January 2023
- Amendments to IFRS 10 and IAS 28: Classification of Liabilities as Current of Non-current is effective for annual periods beginning on or after 1 January 2023
- Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective date not yet set by the Board)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Company in future periods.

Amendments to IFRS that are mandatorily effective for the current year

- Amendments to IFRS 16: Covid-19 Related Rent Concessions is effective for annual periods beginning on or after 1 June 2020. This will have no impact on the Company due to no rental agreements in place.
- Amendments to IFRS 9, IAS 39 and IFRS 7 Interest rate benchmark reform is effective for annual periods beginning on or after 1 January 2021. This will have no impact on the Company as it has no IBOR linked assets or liabilities.

The Company has applied IFRS 9 in accordance with the transition provisions set out in IFRS 9.

As there has been no significant increases in credit risk since initial recognition, based on the fact that all the exposures are intragroup, the Company has used the 12-month ECL calculation.

Since the impact is immaterial, no adjustments and disclosures have been made in respect of IFRS 9 impairment.

Classification and measurement of financial liabilities.

The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities as these are all still measured at amortised cost.

b) Estimates

The preparation of financial statements in conformity with IFRS requires management to make difficult, complex or subjective judgements and estimates, at times, regarding matters that are inherently uncertain. These judgements and estimates affect reported amounts and disclosures.

Actual results could differ from those judgements and estimates. The most significant area requiring management to make judgements and estimates that have a material impact on reported amounts and disclosures is the fair value of financial instruments.

c) Impairment

An impairment loss is recognised immediately in profit and loss when there is objective evidence that the financial asset is impaired and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at the initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (Continued)

c) Impairment (continued)

Impairment losses are reversed immediately in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the asset at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

d) Revenue recognition

Revenue consists principally of interest income and is recognised in the income statement on an accruals basis in accordance with the effective interest rate method. Revenue is reported at the fair value of the consideration received or receivable.

e) Foreign exchange

Transactions in currencies other than the entity's functional currency (sterling) are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Translation differences are dealt with in the income statement.

f) Interest and similar income

Interest income or expense is recognised on all interest-bearing financial assets classified as other loans and advances, and on financial liabilities, using the effective interest method.

The effective interest rate is the rate that exactly discounts the expected future cash payments or receipts through the expected life of the financial instrument, or when appropriate, a shorter period, to the net carrying amount of the instrument. The application of the method has the effect of recognising income (and expense) receivable (or payable) on the instrument evenly in proportion to the amount outstanding over the period to maturity or repayment.

g) Taxation

The Company is incorporated in the Netherlands ("NL") and based on the effective place of management is domiciled in the United Kingdom ("UK"). For taxation purposes the position is that the Company is a resident of the United Kingdom under UK – NL treaty.

Taxable profit differs from net profit as it includes items which are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred income tax is provided in full on temporary timing differences that arise from differences between the tax base of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax is determined using tax rates and legislation enacted or substantially enacted by the balance sheet date and is expected to be realised or the deferred tax liability is settled.

No deferred income tax was recognised during the year (2020: € Nil).

h) Financial instruments

Financial assets and financial liabilities are recognised on the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Cash and cash equivalents

Cash and cash equivalents are short-term, highly-liquid investments with a maturity of three months or less from the date of acquisition. For the purpose of the cash flow statement, cash and cash equivalents are as defined above, net of outstanding bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (Continued)

h) Financial instruments (continued)

Other receivables

Other receivables are initially recognised at fair value and subsequently valued at amortised cost, using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit and loss when there is objective evidence that the asset is impaired. Other receivables are categorised as loans and receivables.

Other payables

Other payables are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Other payables are categorised as liabilities measured at amortised cost.

i) Segmental analysis

The Company currently identifies only one operating segment being investment activities, therefore no segmental analysis has been provided.

j) Significant accounting judgements, estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Taxes

The Company's income tax charge and balance sheet provisions (if any) are judgmental in nature. Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The ultimate tax treatment can only be determined by final resolution with the local tax authorities.

The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority while also taking into consideration, where appropriate, expert external advice. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the Company's domicile. The final resolution may result in different amounts of cash flows to those initially provided and any necessary adjustments are taken into consideration in the period in which they are identified.

3. INTEREST INCOME AND SIMILAR INCOME

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Income from loan financing activities	73,882,000	74,084,416
	<u>73,882,000</u>	<u>74,084,416</u>

NOTES TO THE FINANCIAL STATEMENTS

4. OTHER NET OPERATING EXPENSES

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Other administration expenses	(17,190)	(17,248)
Other income	227	2,387
Foreign currency gains	22	-
	<u>(16,941)</u>	<u>(14,861)</u>

Auditor's remuneration:

	<u>Dutch audit</u> <u>firm 2: 382a</u> <u>2021</u> <u>£</u>	<u>Other network</u> <u>firms</u> <u>2021</u> <u>£</u>	<u>Total network</u> <u>firms</u> <u>2021</u> <u>£</u>
Audit of the financial statements	18,654	-	18,654
Total	<u>18,654</u>	<u>-</u>	<u>18,654</u>

Audit fees payable for the audit of the Company's annual financial statements amounted to £18,654 (2020: £19,496) and no other assurance and non-assurance services were provided by Deloitte Accountants B.V. These fees are paid by the ultimate parent company, Société Générale.

5. TAXATION

Income taxes relating to continuing operations.

Income tax recognised in profit

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
<i>Current Tax</i>		
In respect of current year	(12,318,668)	(12,237,435)
In respect of prior years	(66,398)	(39,614)
Total income tax expense recognised in the current year relating to continuing operations	<u>(12,385,066)</u>	<u>(12,277,049)</u>

NOTES TO THE FINANCIAL STATEMENTS

5. TAXATION (Continued)

The income tax expense for the year can be reconciled to the accounting profit as follows:

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Profit before tax from continuing operations	73,865,059	74,069,555
Income expense calculated at 19.00% (2020: 19.00%)	(14,034,361)	(14,073,215)
Effect of transfer pricing	1,715,693	1,835,780
	(12,318,668)	(12,237,435)
Adjustments recognised in the current year in relation to the current tax of prior years	(66,398)	(39,614)
Tax charge using effective rate	(12,385,066)	(12,277,049)

6. OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Interest receivable from related parties (Refer to Note 10)	3,239,678	3,239,678
	3,239,678	3,239,678
Amounts falling due after one year:		
Amounts receivable from related party (Refer to Note 10)	2,423,158,698	2,423,158,698
	2,423,158,698	2,423,158,698

The approximate fair value of the long-term fixed rate deposits, having a book value of £2,423,158,698 is £2,644,424,567. The fair value hierarchy of these deposits is classified as Level 2 in accordance with IFRS 13.

The following conditions are applicable:

£ 2,422,980,000, interest rate 3.0491%, maturity date 16/12/2024.

£ 178,698,000, interest rate 1.6320%, maturity date 12/08/2024.

7. OTHER PAYABLES

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Amounts falling due within one year:		
Other payables	-	2,248

NOTES TO THE FINANCIAL STATEMENTS

8. SHARE CAPITAL AND RESERVES

	<u>2021</u> £	<u>2020</u> £
<u>Share Capital</u>		
Allotted, called-up and fully paid		
92,000 ordinary shares issued at a par value of € 2	154,612	165,422
8,000 preference shares issued at a par value of € 2	13,444	14,384
	<hr/>	<hr/>
Total Issued Share Capital	168,056	179,806
	<hr/>	<hr/>

In the period ended 31 December 2009, 92,000 ordinary shares of €2 each with an aggregate nominal value of €184,000 were allotted for a consideration of €184,000 (£164,340).

The ordinary and preference share capital have been converted to GBP at the year-end rate of €1 : 0.84028 (2020: 0.89903).

	<u>2021</u> £	<u>2020</u> £
<u>Share premium</u>		
Share premium	2,422,980,000	2,422,980,000
	<hr/>	<hr/>

In the period ended 31 December 2009, 8,000 preference shares of €2 each with an aggregate nominal value of €16,000 were allotted at a premium of £302,872.50 per share to give a total consideration of £2,422,980,000.

	<u>2021</u> £	<u>2020</u> £
<u>Currency translation reserve</u>		
At beginning of year	(1,108)	8,538
Currency translation ordinary shares	10,810	(8,875)
Currency translation preference shares	940	(771)
	<hr/>	<hr/>
At end of year	10,642	(1,108)
	<hr/>	<hr/>

The exchange results are directly accounted for through equity.

9. DIVIDENDS

	<u>2021</u> £	<u>2020</u> £
Declared and paid during the year:		
Dividends on ordinary shares:		
Interim dividend for 2021: £662.71 per share (2020: £670.91 per share)	60,969,755	61,723,276
	<hr/>	<hr/>

The dividends were paid on 16/12/2021.

NOTES TO THE FINANCIAL STATEMENTS

10. RELATED PARTY TRANSACTIONS

During the year, the Company entered into the following transactions with related parties within the group.

	<u>Amounts owed by related parties</u>		<u>Other receivables</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
SG London Branch (including cash balances)	-	2,999	179,841	179,841
SG Leasing (March) Limited	-	-	2,426,218,535	2,426,218,535
	-	2,999	2,426,398,376	2,426,398,376

	<u>Revenue</u>		<u>Dividends paid</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
SG London Branch	2,916	2,924	-	-
SG Leasing (March) Limited	73,879,084	74,081,492	(60,969,755)	(61,723,276)
	73,882,000	74,084,416	(60,969,755)	(61,723,276)

The following companies are related to the Company:

- Société Générale Investments (U.K.) Limited, domiciled in London in the United Kingdom.
- Société Générale London is a branch of Société Générale, which is incorporated in France.
- SG Leasing (March) Limited, domiciled in London in the United Kingdom.

The £2,422,980,000 loan was granted to Société Générale Investments (UK) Limited on 17/12/2014. The loan was novated to SG Leasing (March) Limited on 23/12/2015. The following conditions are applicable: £2,422,980,000, interest rate 3.04910%, maturity date 16/12/2024.

Remuneration of key management personnel

The remuneration of the directors has been set out in Note 11.

Directors' transactions

There were no loans, quasi-loans or any other transactions carried out with the directors during the year other than what has already been disclosed in the directors' report (2020: £ Nil).

11. EMPLOYEES COST AND DIRECTORS' EMOLUMENTS

The directors received no emoluments for services to the Company or Société Générale Investments (U.K.) Limited during the year (2020: £ Nil).

None of the directors had any material interest in any contract in relation to the business of the Company.

The Company did not have any employees for 2021 and 2020. All personnel that performs services is employed and remunerated by Société Générale London Branch.

NOTES TO THE FINANCIAL STATEMENTS

12. HOLDING AND CONTROLLING COMPANY

The Company is a subsidiary of SG Leasing (March) Limited, which is incorporated in the United Kingdom and registered in England and Wales.

The Company's ultimate holding company, controlling party and parent of the smallest and largest group for which group accounts are prepared is Société Générale, which is incorporated in France. Copies of the group accounts of Société Générale are available from the registered office at 29, Boulevard Haussmann, 75009 Paris, France.

13. FINANCIAL RISKS

The management of risks in relation to financial instruments is an integral part of Société Générale's (the Group) corporate culture. The risks encountered by the Company are managed on its behalf by Société Générale. The main risks incurred in the Company's activities are as follows:

i) Credit Risk

The Company's principal financial assets exposed to credit risk are other receivables. The Company is exposed to credit risk to the extent that its counterparts may experience financial difficulty and would be unable to meet their obligations. To mitigate exposure to credit risk the Group has a risk approval process that is based on six principles:

- all transactions giving rise to a counterparty risk must be authorised in advance;
- investment risk for available for sale securities is mitigated by the routine monitoring of key management information and investment KPIs;
- all requests for authorisations relating to a specific client or client group are handled by a central operating division called the Risk Division. This division is designated, on a case by case basis, to ensure a consistent approach to risk management and the permanent control of Société Générale's potential exposure;
- systematic recourse to internal risk ratings. These ratings are provided by the operating divisions that are able to enter into financial exposure with a client and are validated by the Risk Division; they are included in all loan applications and are considered as part of the decision process regarding the issue of a loan;
- responsibility for analysing and approving risk is delegated to specific credit risk units, and
- risk assessment departments are fully independent at each decision-making level.

The Risk Division aims to increase Société Générale's expertise by centralising the analysis of the quality of Société Générale's counterparties and the approval of exposure limits allocated to all locations and business lines.

The maximum credit risk that the Company is exposed to, without taking into account any collateral held or other credit enhancements, is the gross carrying amount of receivables granted. The gross carrying amounts are declared in the statement of financial position and the notes to the accounts.

The Company is not aware of any material items that would affect the credit quality of its financial assets. The Company has no financial assets whose carrying value would be impaired or considered to be past due but for renegotiation of their terms.

ii) Market Risk: Interest Rate Risk and Sensitivity Analysis

As the principal business of the Company is financing activities it has a potential market risk exposure to movements in interest rates. Société Générale's policy is to concentrate interest rate risks within the capital market activities. These are monitored and controlled by the Group using 'Value at Risk' assessment models.

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL RISKS (Continued)

ii) Market Risk: Interest Rate Risk and Sensitivity Analysis (continued)

Therefore, the Company is constrained from entering into transactions where there is a significant interest rate exposure. If a fixed rate loan is entered into by the Company it must be financed on an equal fixed rate basis with one of the dedicated market teams. As this effectively hedges any interest rate risk exposure there is no sensitivity to interest rate movements in the Company's accounts.

The interest on the other receivables is subject to an interest rate risk as these are long-term loans which are not linked to a variable market rate.

Where the fixing date is greater than one year, in the absence of an actively traded market, the fair value is calculated by discounting future cash flow to present values based on a market rate yield curve.

iii) Currency Risk

The Company has limited exposure to foreign currency risk as all exposures entered into, other than British pound, have been hedged with Société Générale. The extent of the Company's exposures is that its ordinary and preference share capital is denoted in EUR.

iv) Fair Values

The information set out below provides information about how the Group determines fair values of various financial assets and financial liabilities.

The hierarchy establishes three categories for valuing financial instruments, giving the highest priority to unadjusted active markets for identical assets or liabilities and the lowest priority to unobservable inputs. If the inputs used to measure an asset or a liability fall to different levels within the hierarchy, the classification of the entire asset or liability will be based on the lowest level input that is significant to the overall fair value measurement of the asset or liability.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices, credit spreads or interest rates and yield curves observable at commonly quoted intervals); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Unobservable inputs are used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. The Company develops unobservable inputs using the best information available in the circumstances, which would include the Company's own data, taking into account all information about market participant assumptions that is reasonably available.

Where the interest rate fixing date of loans and receivables is less than one year the loans and receivables are considered to approximate their carrying value due to the short-term nature of these instruments.

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL RISKS (Continued)

iv) Fair Values (continued)

Where the fixing date is greater than one year, in the absence of an actively traded market, the fair value is calculated by discounting future cash flow to present values based on a market rate yield curve. The fair value hierarchy of these deposits are classified as Level 2.

v) Liquidity Risk

The principles and standards applicable to the management of liquidity risk are defined at Group level. The Company is responsible for managing its own liquidity and for respecting any liquidity constraints locally or those provided by the Asset Liability Management Department, a dedicated division that manages liquidity in the Group overall.

The Company's financial liabilities are primarily corporation tax and other payables.

(a) Maturity analysis of financial liabilities

	<u>Less than 1 year</u>	
	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Financial liabilities:		
Other payables	-	2,248
Corporation tax	25,182	536,171
	<u>25,182</u>	<u>538,419</u>

The above is the undiscounted cash flow expected to be made.

(b) Financial assets and liabilities held at amortised cost

	<u>2021</u>	<u>2020</u>
	<u>£</u>	<u>£</u>
Financial assets	<u>2,426,398,376</u>	<u>2,426,401,375</u>
Financial liabilities	<u>-</u>	<u>-</u>

Société Générale's treasury teams ultimately manage the liquidity exposure of the Group. The objective is to finance the Group's activities at the best possible rates under normal conditions and ensure it can meet its obligations in the event of a crisis.

vi) Concentration Risk

The Company is a subsidiary of SG Leasing (March) Limited, whose ultimate holding company is Société Générale, a French banking institution headquartered in Paris, France, and is therefore integrated in the Société Générale Group (the Group).

The Company's deposits are with SG London Branch, which is a branch of Société Générale, and SG Leasing (March) Limited, whose ultimate holding company is Société Générale. Any adverse changes affecting the French economy are likely to have an adverse impact on the Société Générale's financial situation and consequently, on the Company's financial condition, results of operations and cash flows.

NOTES TO THE FINANCIAL STATEMENTS

13. FINANCIAL RISKS (Continued)

vi) Concentration Risk (continued)

All loans and deposits registered in the Company's name are back to back within the Group and therefore, there is no effect in the statement of comprehensive income at the Group level. Taking into account this consideration and assuming that the credit spread of the Group and the Company is the same (same interest rate, maturity and other features), the estimation of the counterparty credit risk associated to the loans and deposits would be the same in assets and liabilities.

Negative economic conditions are mitigated by Société Générale's geographical and business diversification ("universal banking model") and demonstrated capacity to generated earnings.

Additionally, there has not been any default position to date. All of the Company's deposits due from the Branch with a maturity in 2020 and previous years until the date of this report, have been recovered.

14. CAPITAL MANAGEMENT POLICIES AND PROCEDURES

The Company's capital management objectives are:

- to ensure the Company's ability to continue as a going concern; and
- to provide an adequate return to shareholders

by pricing products and services commensurately with the level of risk.

The Company monitors capital on the basis of the carrying amount of equity as presented on the face of the balance sheet.

The Company sets the amount of capital in proportion to its overall financing structure, i.e. equity and financial liabilities. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Company capital structure can be seen on page 10.

Capital and overall financing for the reporting periods under review is summarised as follows:

	<u>2021</u> £	<u>2020</u> £
Total Equity	2,426,373,194	2,425,862,956
Capital, share premium and share reserves	2,423,148,056	2,423,159,806
Total Equity plus borrowings	2,426,373,194	2,425,862,956
Overall financing	2,426,373,194	2,425,862,956
Capital-to overall financing ratio	0.99 - 1	0.99 - 1

NOTES TO THE FINANCIAL STATEMENTS

15. PROPOSED PROFIT APPROPRIATION

The profit for the year amounted to £61,479,993 (2020: £61,792,506).

The dividends paid during the year on preference shares amounted to £60,969,755 representing the entire profits accrued from 16 December 2020 to 16 December 2021 (2020: £61,723,276 representing the entire profits accrued from 16 December 2019 up to 16 December 2020).

The Board of Directors proposes that the result for the financial year 2021 should be transferred to the retained earnings. The distribution of the result will be determined by a meeting of the management board of the Company. The financial statements reflect this proposal.

16. SUBSEQUENT EVENTS

RUSSIA-UKRAINE CONFLICT

Following Russia's invasion of Ukraine, a significant number of sanctions were implemented in UK and other countries leading to a freeze of assets for targeted companies and individuals. Furthermore, volatility in global financial markets has soared to unprecedented levels especially in the energy, metal, and agricultural commodities. As of the date of approval of these accounts, the Company has no exposure to Russia and Russian clients, and no material losses arising from exposures to other organisations affected by these events. The circumstances surrounding these events are evolving and the full extent of how these conditions will impact the Company are not yet known. However, the directors do not anticipate any reduction in its net income or asset impairments in the foreseeable future.

17. ANTICIPATED DEVELOPMENTS

There are currently no plans to liquidate the Company and its future will be evaluated during the course of the current financial year. As a result, preparation of the accounts on a going concern basis is, in the opinion of the Directors, appropriate.

These Financial Statements were approved and authorised for issue.

Signed on behalf of the Board of Directors on 25 May 2022, London:

.....
N. Dent
Director

.....
N. Proudfoot
Director

OTHER INFORMATION

PROVISIONS IN THE COMPANY'S ARTICLES OF ASSOCIATION FOR APPROPRIATION OF PROFITS

Article 19 of the Company's Articles of Association states that a profit shall be at the disposal of the General Meeting.

If a loss has been sustained in any period, which is not recovered from a reserve or in any other way, no distributions of profit shall be made in subsequent periods as long as such loss has not been recovered.

INDEPENDENT AUDITOR'S REPORT

The independent auditor's report is included on the next page.