

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021
FOR
TMF TRUSTEE LIMITED

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TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

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for the year ended 31 December 2021

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TMF TRUSTEE LIMITED

COMPANY INFORMATION
for the year ended 31 December 2021

DIRECTORS:

V Cheshire
M B Duxbury
B Fielding
N Savjani

SECRETARY:

TMF Corporate Administration Services Limited

REGISTERED OFFICE:

8th Floor
20 Farringdon Street
London
EC4A 4AB

REGISTERED NUMBER:

03814168 (England and Wales)

INDEPENDENT AUDITORS:

FKCA Limited
Statutory Auditor
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire
LU2 8DL

BANKERS:

HSBC Bank Plc.
60 Queen Victoria Street
London
EC4N 4TR

STRATEGIC REPORT
for the year ended 31 December 2021

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

PRINCIPAL ACTIVITY

The principal activity of the company during the year was to provide trustee services as well as offering management and administrative services to special purpose vehicles using its structured finance services team in securitisations and other structured finance transactions.

REVIEW OF BUSINESS

The external commercial environment for the company in 2021 was competitive. However activity was not adversely affected by either Brexit or by the Covid-19 pandemic. Accordingly, the directors are pleased with the company's overall performance for the year.

The company's profit for the financial year amounted to £35,117 (2020: £147,250). As at 31 December 2021, the company's equity was £641,918 (2020: £606,801).

PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal financial assets are cash and receivables. The key risks to which the company is exposed are operational risk, price risk, credit risk and liquidity risk.

Operational risk

Operational, reputational and legal risks are actively monitored by the managing director and the other directors and measures are taken to control or mitigate risks.

Price risk

The company is subject to price pressures from clients and there is a risk that failure to respond could lead to the loss of significant revenue from specific clients. The company manages this risk by benchmarking the pricing of its services against its competitors and assessing the outcome of competitive tenders in which it participates.

Credit risk

The company's credit risk is mainly attributable to its receivables including trade and other receivables; this is the risk that a client or another debtor will fail to pay amounts when they fall due. The exposure to credit risk is spread over a number of clients.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors, who have established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

STRATEGIC REPORT

for the year ended 31 December 2021

FINANCIAL RISK MANAGEMENT

Fair value

As it is considered that none of the company's assets and liabilities are likely to fluctuate in their value from their carrying amount all items are fair valued at their carrying amount.

Market risk

The company's activities do not expose it to the financial risks of changes in foreign currency exchange rates and interest rates as it invoices its clients in sterling.

Capital risk management

The company manages its capital to ensure that it is able to continue as a going concern.

The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

The company is not subject to any externally imposed capital requirements.

The directors review the capital structure of the company on an annual basis. As part of this review they consider the cost of capital and the risks associated with each class of capital.


KEY PERFORMANCE INDICATORS (KPI)

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

OVERSEAS BRANCHES

The company does not have any overseas branches in the European Union (EU).

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



.....
M B Duxbury - Director

Date: 5 October 2022

REPORT OF THE DIRECTORS
for the year ended 31 December 2021

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

DIVIDENDS

The company's profit for the financial year, amounted to £35,117 (2020: £147,250). The directors do not recommend payment of a dividend. (2020: no dividend was paid).

DIRECTORS

The directors who served during the year, and up to the date of signing the financial statements, were as follows:

K Butler (resigned 27 January 2021)
V Cheshire
M B Duxbury
B Fielding (appointed 27 January 2021)
H A J Giles (resigned 8 January 2021)
N Savjani

DIRECTORS' QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year ended 31 December 2021 and remains in force as at the date of approving the Report of the Directors.

DISCLOSURE IN THE STRATEGIC REPORT

The company has prepared a Strategic Report which contains a review of its business, its likely future developments, its position at the end of the financial year, the principal risk and uncertainties facing the business and the company's financial risk management.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

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 Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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.

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.

TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

REPORT OF THE DIRECTORS
for the year ended 31 December 2021

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS

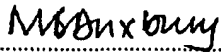
In the case of each director in office at the date the Report of the Directors is approved:

- 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.

INDEPENDENT AUDITORS

Foxley Kingham (FKCA Ltd) have been appointed as independent auditors on 23 March 2022.

APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:



M B Duxbury - Director

Date: 5 October 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

Opinion

We have audited the financial statements of TMF Trustee Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Profit or Loss, the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

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 loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the UK; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Other matter

The financial statements of the company for the year ended 31 December 2020 are unaudited.

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 directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

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 Report of the Directors.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

We have nothing to report in respect of the following matters where 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 take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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 a Report of the Auditors 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.

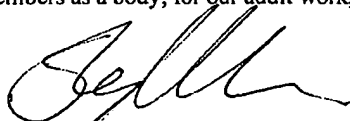
The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management, those charged with governance around actual and potential litigation and claims.
Enquiry of entity staff and the board of directors to identify any instances of non-compliances with laws and regulations.
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, evaluating the business rational of significant transactions outside the normal course of business.

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 Report of the Auditors.

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 a Report of the Auditors 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.



Stephen Mason BSc FCA (Senior Statutory Auditor)
for and on behalf of FKCA Limited
Statutory Auditor
260 - 270 Butterfield
Great Marlings
Luton
Bedfordshire

06/10/2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

LU2 8DL

Date: 06/10/2022

TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

INCOME STATEMENT
for the year ended 31 December 2021

	Notes	2021 £	2020 £
CONTINUING OPERATIONS			
Revenue		827,265	877,242
Administrative expenses		(829,564)	(775,901)
OPERATING (LOSS)/PROFIT		(2,299)	101,341
Finance income	4	37,416	45,909
PROFIT BEFORE INCOME TAX	5	35,117	147,250
Income tax	6	-	-
PROFIT FOR THE YEAR		35,117	147,250

The notes on pages 14 to 25 form part of these financial statements

TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2021


	2021	2020
	£	£
PROFIT FOR THE YEAR	35,117	147,250
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>35,117</u>	<u>147,250</u>

The notes on pages 14 to 25 form part of these financial statements

TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)**STATEMENT OF FINANCIAL POSITION****31 December 2021**

	Notes	2021 £	2020 £
ASSETS			
NON-CURRENT ASSETS			
Trade and other receivables	7	15,087	15,342
CURRENT ASSETS			
Trade and other receivables	7	1,229,824	1,341,648
Cash and cash equivalents	8	425,976	418,799
		1,655,800	1,760,447
TOTAL ASSETS		1,670,887	1,775,789
EQUITY			
SHAREHOLDERS' EQUITY			
Ordinary shares	9	250,000	250,000
Retained earnings	10	391,918	356,801
TOTAL EQUITY		641,918	606,801
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	11	-	5,158
CURRENT LIABILITIES			
Trade and other payables	11	1,028,969	1,163,830
TOTAL LIABILITIES		1,028,969	1,168,988
TOTAL EQUITY AND LIABILITIES		1,670,887	1,775,789

The financial statements on pages 9 to 26 were approved by the Board of Directors and authorised for issue on 5 October 2022 and were signed on its behalf by:



M B Duxbury - Director

The notes on pages 14 to 25 form part of these financial statements

TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2021

	Ordinary shares £	Retained earnings £	Total equity £
Balance at 1 January 2020	250,000	209,551	459,551
Changes in equity			
Total comprehensive income	-	147,250	147,250
Balance at 31 December 2020	250,000	356,801	606,801
Changes in equity			
Total comprehensive income	-	35,117	35,117
Balance at 31 December 2021	250,000	391,918	641,918

The notes on pages 14 to 25 form part of these financial statements

TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)

STATEMENT OF CASH FLOWS
for the year ended 31 December 2021

		2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	17	(30,239)	(637,422)
Net cash from operating activities		(30,239)	(637,422)
Cash flows from investing activities			
Interest received		37,416	1,067
Net cash from investing activities		37,416	1,067
Increase/(decrease) in cash and cash equivalents		7,177	(636,355)
Cash and cash equivalents at beginning of year	18	418,799	1,055,154
Cash and cash equivalents at end of year	18	425,976	418,799

The notes on pages 14 to 25 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2021

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with EU Endorsed International Financial Reporting Standards (IFRS) and IFRS IC interpretations and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention and on a going concern basis.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in this note.

These financial statements are prepared in sterling. The company's accounting policies have been consistently applied in the preparation of these financial statements.

Changes in accounting policies

New and revised IFRS standards in issue but not yet effective

A number of new standards are effective for annual periods beginning after 1 January 2022 and earlier application is permitted, however, the company has not early adopted the new or amended standards in preparing these consolidated financial statements.

The following amended standards and interpretations, which have been endorsed are not expected to have a significant impact on the company's statements:

- Amendments to IFRS 3 Business Combinations
- Amendments to IAS 16 Property, Plant and Equipment
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets

New standards and interpretations issued and effective from 1 January 2021

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2021, have been adopted by the company from 1 January 2021. These standards and interpretations had no material impact for the company.

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 5 and IFRS 16 Interest rate Benchmark Reform - Phase 2
- Amendments to IFRS 4 Insurance contracts - deferral of IFRS 9
- Amendments to IFRS 16 Leases: Covid-19 - Related Rent Concessions beyond 30 June 2021

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is measured based on the consideration to which the company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer. Revenue is stated net of discounts, returns, value added tax and after eliminating sales within the company. The company bases its estimates on historical results, taking into consideration the type of client, transaction and the specifics of each arrangement.

The company's sole source of revenue is from the rendering of services. Revenue related to rendering of services is recognized over time by reference to the stage of completion of the transaction at the end of the reporting period.

The company provides services to clients on a time and cost basis or based on a fixed price contract or a combination of both.

Revenue from time and cost contracts is recognized at the contractual rates as time is spent and/or direct expenses are incurred.

Revenue from fixed price contracts is generally recognized in the period in which the services are provided. This revenue is based on the services provided to the end of the reporting period as a proportion of the total services to be provided. This proportion is determined as a proportion of actual hours to the end of the reporting period to the total expected hours on the contract.

Revenue related to services performed to fulfil a contract is recognized over time. The transaction price allocated to these services is recognized as deferred income at the time of the initial sales transaction and is released on a straight-line basis over the period of services. Related costs to fulfil a contract are recognized as a contract asset in case they meet the criteria to be capitalized as fulfilment costs in accordance with IFRS 15. These costs are amortised on a straight-line basis over the period of services (in general 3 years).

If circumstances arise that may change the original estimates of revenues, costs or extent of progress toward completion, estimates are revised. These revisions may result in increases or decreases in estimated revenues or costs and are reflected in income in the period in which the circumstances that give rise to the revision become known.

To the extent that any fees paid exceed the value of work performed, they are included in trade and other payables as deferred income.

Interest income is recognised on an accruals basis.

Cash and cash equivalents

Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Interest expense recognition

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

Financial instruments

Financial assets and liabilities are recognised on the company's statement of financial position when the company has become party to the contractual provisions of the instrument.

IFRS 9 requires financial assets to be classified into two measurement categories; 1. those measured as at fair value and; 2. those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments, and the contractual cash flow characteristics of the instrument.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual agreements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses (ECLs) on investments in debt instruments that are measured at amortized costs or at fair value through other comprehensive income, trade receivables, unbilled services and contract assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The company always recognises lifetime ECLs for trade receivables, unbilled services, contract assets and lease receivables. The ECLs on these assets are estimated using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the company recognises lifetime ECLs when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instruments has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-months ECL.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Income tax

Income tax expense represents the sum of the tax currently payable and deferred income tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that 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 tax

Deferred tax is provided in full, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and the carrying amounts in the financial statements.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than as a business combination) or other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

Deferred tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax is determined using the tax rates that are expected to apply in the year when the asset is realised or the liability is settled.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are offset when they relate to income tax levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Foreign currency exchange

Transactions in currencies other than the functional currency of the company are recorded at the rates of exchange prevailing on the dates of the transactions. At each Statement of Financial Position date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the Statement of Financial Position date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

Gains and losses arising on retranslation are included in net profit or loss for the year, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

Trade and other receivables

Trade receivables and other receivables are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. The carrying amount of the assets is reduced through the use of an allowance account, and the amount of the loss is recognized in the income statement. When a receivable is uncollectable, it is written off against the allowance account for trade receivables and other receivables. Subsequent recoveries of amounts previously written off are credited in the income statement.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short term deposits. Short term deposits are defined as deposits with an initial maturity of three months or less.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Trade and other payables

Trade and other payables are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Called up share capital

Ordinary shares are recognised as equity.

Critical accounting estimates and judgements

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Work in progress

The company reviews its work in progress position on a monthly basis to assess the recoverability. Amounts deemed to be no longer recoverable are written off at the end of each month.

3. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 31 December 2021 nor for the year ended 31 December 2020 as the company has no employees apart from the executive directors (2020: nil).

None of the directors received remuneration in the year in respect of their services to the company (2020: £nil) as their services to this company are merely incidental to their employment in other group companies.

The company is charged for the services of staff employed by TMF Global Services (UK) Limited who carry out work on behalf of the company, by way of a management fee calculated on a time spent basis (see note 5).

4. NET FINANCE INCOME

	2021	2020
	£	£
Finance income:		
Bank interest	-	1,067
Intercompany loan interest	37,416	44,842
	<u>37,416</u>	<u>45,909</u>

5. PROFIT BEFORE INCOME TAX

The profit before income tax is stated after charging/(crediting):

	2021	2020
	£	£
Included in administrative expenses:		
- Insurance	11,176	9,383
- Management fees	782,151	777,439
- Bad debt charge/(credit)	24,770	(54,862)
- Legal fees	3,015	57,696
- General administrative expenses	10,619	5,831
- Foreign currency (gains)/losses	(2,167)	(19,586)
	<u>829,564</u>	<u>775,901</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021**6. INCOME TAX****Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2021 nor for the year ended 31 December 2020.

Factors affecting the tax expense

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

	2021 £	2020 £
Profit before income tax	35,117	147,250
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	6,672	27,978
Effects of:		
Group relief surrendered/(received) for nil consideration	437	(19,458)
Income not taxable for tax purposes	(7,109)	(8,520)
Tax expense	-	-

Future tax charges

The main rate of corporation tax has been 19% with effect from from 1 April 2017 and there are no outstanding proposals to change this rate. Deferred tax balances at 31 December 2021 were measured at 19% (2020: 19%).

7. TRADE AND OTHER RECEIVABLES

	2021 £	2020 £
Current:		
Trade receivables	84,188	190,300
Loan to related parties	1,099,816	1,062,400
VAT	1,522	39,348
Prepayments and accrued income	44,298	44,846
Contract assets	-	4,754
	1,229,824	1,341,648
Non-current:		
Contract assets	15,087	15,342
Aggregate amounts	1,244,911	1,356,990

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

7. TRADE AND OTHER RECEIVABLES - continued

All amounts included within current trade receivables fall due for payment within one year.

Trade and other receivables are recognised at amortised costs which approximate their fair value. The age analysis of trade receivables is as follows:

	2021	2020
	£	£
Less than 3 months	86,428	177,085
Between 3 and 6 months	25,184	14,337
Between 6 months and 1 year	(2,654)	12,250
Over one year	12,250	(1,121)
Provision for doubtful debts	(37,020)	(12,251)
	<u>84,188</u>	<u>190,300</u>

Receivable balances are monitored on an ongoing basis with the aim of minimising the company's exposure to bad debts. The impairment of trade receivables is based on expected credit losses using a provision matrix based on the company's historical credit loss experience, adjusted for factors that are specific to the debtors. It was assessed that a portion of the impaired trade receivables are expected to be recovered. Trade receivables which are neither past due nor impaired are expected to be received in full. The maximum exposure of credit risk at the reporting date is the carrying value of the receivable and the company has no significant concentrations of credit risk.

The loan to a related party is a £1.5m credit facility which is unsecured and is repayable on demand. The interest rate was calculated at 1 year GBP LIBOR plus 3.3571% per year until LIBOR was abolished on 31 December 2021; thereafter it has been calculated at 1 year GBP SONIA plus 3.3571% per year.

8. CASH AND CASH EQUIVALENTS

	2021	2020
	£	£
Bank accounts	<u>425,976</u>	<u>418,799</u>

9. ORDINARY SHARES

	2021	2020
	£	£
Allotted, issued and fully paid: 250,000 (2019: 250,000) share of £1	<u>250,000</u>	<u>250,000</u>

The company has one class of ordinary shares which carry no right to fixed income.

10. RESERVES

	Retained earnings £
At 1 January 2021	356,801
Profit for the year	<u>35,117</u>
At 31 December 2021	<u>391,918</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

11. TRADE AND OTHER PAYABLES

	2021	2020
	£	£
Current:		
Trade payables	206,091	172,197
Payable to related parties	404,825	550,993
Accrued expenses	418,053	437,339
Contract liabilities	-	3,301
	<u>1,028,969</u>	<u>1,163,830</u>
Non-current:		
Contract liabilities	-	5,158
	<u>-</u>	<u>5,158</u>
Aggregate amounts	<u>1,028,969</u>	<u>1,168,988</u>

The carrying value is deemed to reflect the fair value for all trade and other payables.

12. CONTRACT ASSETS AND LIABILITIES

The contract assets relate to costs incurred to obtain and/or fulfill a contract. At 31 December 2021, the non-current contract assets amounted to £15,087 (2020: £15,342) and the current assets amounted to £nil (2020: £4,754). There was no impairment loss in relation to the costs capitalised.

The contract liabilities relate to services performed to fulfil a contract which are recognised as revenue over time. Contract liabilities at 31 December 2021 were £nil. Liabilities as at 31 December 2020 were £8,459 and were recognised in the subsequent period.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

13. FINANCIAL INSTRUMENTS

	Carrying amount		Fair value	
	2021	2020	2021	2020
	£	£	£	£
Financial assets				
Cash and cash equivalents	425,976	418,799	425,976	418,799
Trade and other receivables excluding prepayments and accrued income	85,710	229,648	85,710	229,648
Loans and receivables	1,099,816	1,062,400	1,099,816	1,062,400
	<u>1,591,502</u>	<u>1,710,847</u>	<u>1,591,502</u>	<u>1,710,847</u>
Financial liabilities				
Trade and other payables	1,028,969	1,168,988	1,028,969	1,168,988
	<u>1,028,969</u>	<u>1,168,988</u>	<u>1,028,969</u>	<u>1,168,988</u>

Principal risks and uncertainties

The company's principal financial assets are cash and receivables. The key risks to which the company is exposed are operational risk, price risk, credit risk and liquidity risk.

Operational risk

Operational, reputational and legal risks are actively monitored by the managing director and the other directors and measures are taken to control or mitigate risks.

Price risk

The company is subject to price pressures from clients and there is a risk that failure to respond could lead to the loss of significant revenue from specific clients. The company manages this risk by benchmarking the pricing of its services against its competitors and assessing the outcome of competitive tenders in which it participates.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

Credit risk

The company's credit risk is mainly attributable to its receivables including trade and other receivables; this is the risk that a client or another debtor will fail to pay amounts when they fall due. The exposure to credit risk is spread over a number of clients.

Liquidity risk

Ultimate responsibility for liquidity risk management rests with the directors, who have established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The company manages liquidity risk by maintaining forecast and actual cash flows and by matching the maturity profiles of financial assets and liabilities.

Fair value

As it is considered that none of the company's assets and liabilities are likely to fluctuate in their value from their carrying amount all items are fair valued at their carrying amount.

Market risk

The company's activities do not expose it to the financial risks of changes in foreign currency exchange rates and interest rates as it invoices its clients in sterling.

Capital risk management

The company manages its capital to ensure that it is able to continue as a going concern.

The capital structure of the company consists of cash and cash equivalents and equity attributable to equity holders of the parent comprising issued capital, reserves and accumulated losses as disclosed in the statement of changes in equity.

The company is not subject to any externally imposed capital requirements.

The directors review the capital structure of the company on an annual basis. As part of this review they consider the cost of capital and the risks associated with each class of capital.

14. CONTINGENT LIABILITIES

A charge was created on 18 August 2018 in favour of HSBC Corporate Trustee Company (UK) Limited as security agent for a number of group companies, comprising a fixed charge over its bank accounts and investments and a floating charge covering all other property and undertakings of the company. This charge is in connection with intra-group lending agreements and external borrowings of group companies.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

15. RELATED PARTY DISCLOSURES

The following transactions were carried out with related parties:

Trading balances	Sales to £	As at and year ended 31 December 2021		
		Purchases from £	Amounts owed to £	Amounts owed from £
Immediate parent company	--	766,819	370,395	-
Subsidiary companies	-	-	-	-
Associated companies	-	-	34,430	-
	--	-	404,825	-

Trading balances	Sales to £	As at and year ended 31 December 2020		
		Purchases from £	Amounts owed to £	Amounts owed from £
Immediate parent company	9,174	616,349	550,993	-
Subsidiary companies	-	-	-	-
Associated companies	-	96,056	-	-
	9,174	712,405	550,993	-

Loan balances	Finance income £	As at and year ended 31 December 2021		
		Finance expense £	Amounts owed to £	Amounts owed from £
Immediate parent company	-	-	-	-
Subsidiary companies	-	-	-	-
Associated companies	37,416	-	-	1,099,816
	37,416	-	-	1,099,816

Loan balances	Finance income £	As at and year ended 31 December 2020		
		Finance expense £	Amounts owed to £	Amounts owed from £
Immediate parent company	-	-	-	-
Subsidiary companies	-	-	-	-
Associated companies	44,842	-	-	1,062,400
	44,842	-	-	1,062,400

The particulars of the loan agreement are set out in note 8.

Key management personnel compensation

Key management personnel are considered to be the directors of the company.

Loans to directors for the year ended 31 December 2021 amounted to £nil (2020: £nil). There were no employee benefits for the directors during the year (2020: £nil).

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 December 2021

All transactions were carried out at arm's length on normal commercial terms. There were no other material related party transactions during the year.

16. ULTIMATE CONTROLLING PARTY

The immediate parent company is TMF Global Services (UK) Limited, a company incorporated in England and Wales.

TMF Sapphire Midco B.V. is the parent company of the largest group of undertakings to consolidate financial statements at 31 December 2021. The consolidated financial statements of TMF Sapphire Midco B.V. are available at the Dutch Chamber of Commerce (reference: 69779805) or at TMF Sapphire Midco B.V., Luna Arena, Herikerbergweg 238, 1101 CM Amsterdam, The Netherlands.

TMF Sapphire Midco B.V. is 100% owned by TMF Sapphire Holdco B.V. which is 100% owned by TMF Sapphire Topco B.V. The majority of the shares in TMF Sapphire Topco B.V. are indirectly held by CVC Fund VII and the remainder of the shares are held by current and previous management and senior employees of the TMF group of companies.

TMF Sapphire Topco B.V. is a private company with limited liability organized under the laws of the Netherlands, residing at Schiphol Boulevard 369 Toren F 7th Floor, 1118BJ Schiphol, The Netherlands, and is the ultimate parent undertaking and controlling party.

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

	2021	2020
	£	£
Profit before income tax	35,117	147,250
Finance income	(37,416)	(45,909)
	(2,299)	101,341
Decrease in trade and other receivables	112,079	69,914
Decrease in trade and other payables	(140,019)	(808,677)
Cash generated from operations	(30,239)	(637,422)

18. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2021

	31/12/21	1/1/21
	£	£
Cash and cash equivalents	425,976	418,799

Year ended 31 December 2020

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	418,799	1,055,154