

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**  
**FOR**  
**TMF TRUSTEE LIMITED**

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**TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2020**

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	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Income Statement</b>	<b>5</b>
<b>Statement of Comprehensive Income</b>	<b>6</b>
<b>Statement of Financial Position</b>	<b>7</b>
<b>Statement of Changes in Equity</b>	<b>9</b>
<b>Statement of Cash Flows</b>	<b>10</b>
<b>Notes to the Financial Statements</b>	<b>11</b>

**TMF TRUSTEE LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 December 2020**

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**DIRECTORS:**

V Cheshire  
M B Duxbury  
N Savjani  
B Fielding

**SECRETARY:**

TMF Corporate Administration Services Limited

**REGISTERED OFFICE:**

8th Floor  
20 Farringdon Street  
London  
EC4A 4AB

**REGISTERED NUMBER:**

03814168 (England and Wales)

**BANKERS:**

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

**STRATEGIC REPORT**  
**for the year ended 31 December 2020**

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The directors present their strategic report for the year ended 31 December 2020.

**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 2020 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 £147,250 (2019: £160,147). As at 31 December 2019, the company's equity was £606,801 (2019: £459,551).

**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 2020**

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**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).

**FUTURE OUTLOOK**

On 12 March 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak a pandemic. The company has successfully continued to provide its existing services with staff working from home. There have been no significant changes in demand for the company's services and, as a result, COVID-19 has not had a material effect on the company's activities to date.

In the light of the continuing COVID-19 pandemic throughout the world and its impact on global markets, the external commercial environment for the company is expected to remain competitive in 2021.

**APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:**

.....

M B Duxbury - Director

Date: 07.09.21.....

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2020**

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The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2020.

**DIVIDENDS**

The company's profit for the financial year, amounted to £147,250 (2019: £160,147). The directors do not recommend payment of a dividend. (A dividend of £8 per share was declared and paid in 2019, a total of £2,000,000).

**EVENTS SINCE THE END OF THE YEAR**

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

**DIRECTORS**

The directors 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)  
S W S Norton (resigned 31 March 2020)  
N Savjani  
A P Wallace (resigned 31 March 2020)

**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 2020 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.

**APPROVED BY THE BOARD AND SIGNED ON ITS BEHALF BY:**

  
.....  
M B Duxbury - Director

Date: 09.09.21 .....

**TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)**

**INCOME STATEMENT**  
**for the year ended 31 December 2020**

	Notes	2020 £	2019 £
<b>CONTINUING OPERATIONS</b>			
Revenue		877,242	756,080
Administrative expenses		(775,901)	(648,542)
<b>OPERATING PROFIT</b>		101,341	107,538
Finance income	4	45,909	52,609
<b>PROFIT BEFORE INCOME TAX</b>	5	147,250	160,147
Income tax	6	-	-
<b>PROFIT FOR THE YEAR</b>		147,250	160,147

The notes on pages 11 to 23 form part of these financial statements

**TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)**

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2020**

	2020	2019
	£	£
<b>PROFIT FOR THE YEAR</b>	147,250	160,147
<b>OTHER COMPREHENSIVE INCOME</b>	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		
<b>FOR THE YEAR</b>	<u>147,250</u>	<u>160,147</u>

The notes on pages 11 to 23 form part of these financial statements

**TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)****STATEMENT OF FINANCIAL POSITION****31 December 2020**

	Notes	2020 £	2019 £
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Trade and other receivables	8	15,342	16,040
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	1,341,648	1,366,022
Cash and cash equivalents	9	418,799	1,055,154
		1,760,447	2,421,176
<b>TOTAL ASSETS</b>		<b>1,775,789</b>	<b>2,437,216</b>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Ordinary shares	10	250,000	250,000
Retained earnings	11	356,801	209,551
<b>TOTAL EQUITY</b>		<b>606,801</b>	<b>459,551</b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Trade and other payables	12	5,158	2,274
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,163,830	1,975,391
<b>TOTAL LIABILITIES</b>		<b>1,168,988</b>	<b>1,977,665</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,775,789</b>	<b>2,437,216</b>

The company is entitled to exemption from audit under Section 479A of the Companies Act 2006 relating to subsidiary companies for the year ended 31 December 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes on pages 11 to 23 form part of these financial statements

**TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)**

**STATEMENT OF FINANCIAL POSITION - continued**  
**31 December 2020**

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The financial statements on pages 5 to 23 were approved by the Board of Directors and authorised for issue on 7 September 2021 and were signed on its behalf by:

M B Duxbury  
M B Duxbury - Director

The notes on pages 11 to 23 form part of these financial statements

**TMF TRUSTEE LIMITED (REGISTERED NUMBER: 03814168)**

**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2020**

	Ordinary shares £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	250,000	2,049,404	2,299,404
<b>Changes in equity</b>			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	160,147	160,147
<b>Balance at 31 December 2019</b>	<u>250,000</u>	<u>209,551</u>	<u>459,551</u>
<b>Changes in equity</b>			
Total comprehensive income	-	147,250	147,250
<b>Balance at 31 December 2020</b>	<u>250,000</u>	<u>356,801</u>	<u>606,801</u>

The notes on pages 11 to 23 form part of these financial statements

**STATEMENT OF CASH FLOWS**  
**for the year ended 31 December 2020**

		2020	2019
		£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	18	(637,422)	(466,657)
Net cash from operating activities		<u>(637,422)</u>	<u>(466,657)</u>
<b>Cash flows from investing activities</b>			
Interest received		<u>1,067</u>	<u>7,964</u>
Net cash from investing activities		<u>1,067</u>	<u>7,964</u>
<b>Decrease in cash and cash equivalents</b>		<u>(636,355)</u>	<u>(458,693)</u>
<b>Cash and cash equivalents at beginning of year</b>	19	1,055,154	1,513,847
<b>Cash and cash equivalents at end of year</b>	19	<u><u>418,799</u></u>	<u><u>1,055,154</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2020**

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**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**

To the extent relevant, all IFRS standards and interpretations including amendments that were in issue and effective from 1 January 2020, have been adopted by the company from 1 January 2020. These standards and interpretations had no material impact on the company.

Amendments to IFRS 3 Definition of a Business

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

Amendments to IAS 1 and IAS 8 Definition of Material

Conceptual Framework for Financial Reporting

Covid-19

Amendments to IFRS 16: Covid-19 Related Rent Concessions (applicable from 1 June 2020)

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 2021 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 TMF Group's consolidated 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

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Interest Rate Benchmark Reform - Phase 2

Amendments to IFRS 4 Insurance Contracts - deferral of IFRS 9.

There are no other standards or IFRIC interpretations that are not yet effective that would be expected to have a material impact on the financial statements of the company.

**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 fulfillment 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

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**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 2020**

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**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 2020**

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**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 2020 nor for the year ended 31 December 2019 as the company has no employees apart from the executive directors (2019: nil).

None of the directors received remuneration in the year in respect of their services to the company (2019: £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**

	2020	2019
	£	£
Finance income:		
Bank interest	1,067	7,964
Intercompany loan interest	44,842	44,645
	<u>45,909</u>	<u>52,609</u>

**5. PROFIT BEFORE INCOME TAX**

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

	2020	2019
	£	£
Included in administrative expenses:		
- Insurance	9,383	8,613
- Management fees	777,439	557,731
- Bad debt (credit)/charge	(54,862)	27,061
- Legal fees	57,696	22,659
- General administrative expenses	5,831	9,999
- Foreign currency (gains)/losses	(19,586)	22,479
	<u>775,901</u>	<u>648,542</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020****6. INCOME TAX****Analysis of tax expense**

No liability to UK corporation tax arose for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**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:

	2020 £	2019 £
Profit before income tax	147,250	160,147
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	27,978	30,428
Effects of:		
Group relief received for nil consideration	(27,978)	(30,428)
Tax expense	-	-

**Future tax charges**

The main rate of corporation tax has been 19% with effect from from 1 April 2017. In March 2021 it was announced that the main rate of corporation tax will increase to 25% with effect from 1 April 2023. Deferred tax balances at 31 December 2020 were measured at 19% (2019: 19%).

**7. DIVIDENDS**

	2020 £	2019 £
Ordinary shares shares of £1 each		
Final	-	2,000,000

A dividend of £8 per share was paid in the year ended 31 December 2019.

**8. TRADE AND OTHER RECEIVABLES**

	2020 £	2019 £
Current:		
Trade receivables	190,300	293,531
Loan to related parties	1,062,400	1,017,558
VAT	39,348	15,760
Prepayments and accrued income	44,846	27,969
Contract assets	4,754	11,204
	1,341,648	1,366,022
Non-current:		
Contract assets	15,342	16,040
Aggregate amounts	1,356,990	1,382,062

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020****8. 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:

	2020	2019
	£	£
Less than 3 months	177,085	234,798
Between 3 and 6 months	14,337	71,409
Between 6 months and 1 year	12,250	16,473
Over one year	(1,121)	37,963
Provision for doubtful debts	(12,251)	(67,112)
	<u>190,300</u>	<u>293,531</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, attracts an interest rate of LIBOR plus 3.3571% and is repayable on demand.

**9. CASH AND CASH EQUIVALENTS**

	2020	2019
	£	£
Bank accounts	<u>418,799</u>	<u>1,055,154</u>

**10. ORDINARY SHARES**

	2020	2019
	£	£
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.

**11. RESERVES**

	Retained earnings £
At 1 January 2020	209,551
Profit for the year	<u>147,250</u>
At 31 December 2020	<u>356,801</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020****12. TRADE AND OTHER PAYABLES**

	2020	2019
	£	£
Current:		
Trade payables	172,197	125,726
Payable to related parties	550,993	1,444,755
Accrued expenses	437,339	381,783
Contract liabilities	3,301	23,127
	<u>1,163,830</u>	<u>1,975,391</u>
Non-current:		
Contract liabilities	<u>5,158</u>	<u>2,274</u>
Aggregate amounts	<u>1,168,988</u>	<u>1,977,665</u>

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

**13. CONTRACT ASSETS AND LIABILITIES**

The contract assets relate to costs incurred to obtain and/or fulfill a contract. At 31 December 2020, the non-current contract assets amounted to £15,342 (2019: £16,040) and the current assets amounted to £4,754 (2019: £11,204). 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. Of the total contract liabilities at 31 December 2020, £3,301 will be recognised as revenue in the next reporting period (2019: £23,127). The remainder of £5,158 will be recognised in the subsequent two reporting periods (2019: £2,274).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020****14. FINANCIAL INSTRUMENTS**

	<b>Carrying amount</b>		<b>Fair value</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Financial assets</b>				
Cash and cash equivalents	418,799	1,055,154	418,799	1,055,154
Trade and other receivables excluding prepayments and accrued income	229,648	309,291	229,648	309,291
Loans and receivables	1,062,400	1,017,558	1,062,400	1,017,558
	<u>1,710,847</u>	<u>1,381,903</u>	<u>1,710,847</u>	<u>1,381,903</u>
<b>Financial liabilities</b>				
Trade and other payables	1,168,988	1,977,665	1,168,988	1,977,665
	<u>1,168,988</u>	<u>1,977,665</u>	<u>1,168,988</u>	<u>1,977,665</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 2020**

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**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**15. RELATED PARTY DISCLOSURES**

The following transactions were carried out with related parties:

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

<b>As at and year ended 31 December 2019</b>				
<b>Trading balances</b>	<b>Sales to</b>	<b>Purchases from</b>	<b>Amounts owed to</b>	<b>Amounts owed from</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Immediate parent company	-	443,052	1,425,748	-
Subsidiary companies	-	-	-	-
Associated companies	-	136,599	19,007	-
	<u>-</u>	<u>579,651</u>	<u>1,444,755</u>	<u>-</u>

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

<b>As at and year ended 31 December 2019</b>				
<b>Loan balances</b>	<b>Finance income</b>	<b>Finance expense</b>	<b>Amounts owed to</b>	<b>Amounts owed from</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Immediate parent company	-	-	-	-
Subsidiary companies	-	-	-	-
Associated companies	44,645	-	-	1,017,558
	<u>44,645</u>	<u>-</u>	<u>-</u>	<u>1,017,558</u>

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 2020 amounted to £nil (2019: £nil). There were no employee benefits for the directors during the year (2019 nil).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

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. EVENTS AFTER THE REPORTING PERIOD**

On 12 March 2020, the World Health Organisation (WHO) declared the COVID-19 outbreak a pandemic. Whilst the directors are monitoring the situation closely, they do not consider that the impact of COVID-19 after the reporting period has had a material impact on the results as reported in these financial statements. No judgements have been made in these financial statements as a result of COVID-19 as it is not possible to estimate the impact of COVID-19 on the company at this time.

**17. 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 2020. 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. 90.53% of the ordinary shares and 93.99% of the preference shares in TMF Sapphire Topco B.V. are indirectly held by CVC Capital Partners. The remaining 9.47% of the ordinary shares and 6.01% of the preference shares in TMF Sapphire Topco B.V. are indirectly held by the current and previous management and senior employees of TMF Group.

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.

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

	2020	2019
	£	£
Profit before income tax	147,250	160,147
Finance income	(45,909)	(52,609)
	<u>101,341</u>	<u>107,538</u>
Decrease/(increase) in trade and other receivables	69,914	(79,304)
Decrease in trade and other payables	(808,677)	(494,891)
	<u>(637,422)</u>	<u>(466,657)</u>
<b>Cash generated from operations</b>	<b>(637,422)</b>	<b>(466,657)</b>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

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**19. 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 2020**

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

**Year ended 31 December 2019**

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	1,055,154	1,513,847