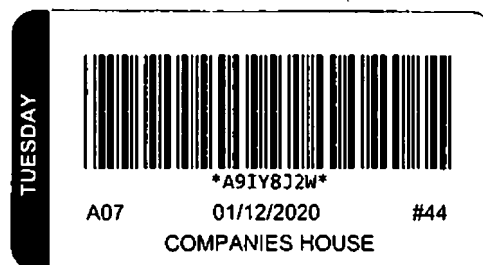


Company Registration No. 00239726 (England and Wales)

**APEX CORPORATE TRUSTEES (UK) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**



# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	S P Martin H A Montagu (resigned 28 <sup>th</sup> February 2020) C A Benford
<b>Company number</b>	00239726
<b>Registered office</b>	6 <sup>th</sup> floor, 125 Wood Street London EC2V 7AN
<b>Auditor</b>	KPMG LLP 15 Canada Square London E14 5GL
<b>Banker</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

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# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **STRATEGIC REPORT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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The directors present the strategic report and financial statements for the six-month period ended 31 December 2019. The Company changed its name from Link Corporate Trustees (UK) Limited to Apex Corporate Trustees (UK) Limited on 1<sup>st</sup> July 2019.

### **Review of the business**

Apex Corporate Trustees (UK) Limited (The "Company") is a wholly owned subsidiary (indirectly held) of Apex Group Limited and operates within the Group's Corporate Solutions division.

The principal activity of the Company continued to be that of corporate trustees and the provision of trust and corporate administration services. There have not been any significant changes in the Company's principal activities in the six-month period under review. The directors are not aware, at the date of this report, of any likely major changes in the Company's activities in the next year.

As shown in the Company's Statement of Comprehensive Income on page 12 the Company's revenue is presented on a 6-month basis compared to the comparator which covers a 12-month period. Accordingly, revenues are lower decreasing from £9,552,617 to £4,562,344. Operating profit has decreased from £792,142 to £469,029 over the same period.

The Statement of Financial position shows net assets have increased from £10,817,362 to £11,192,247. Details of amounts owed by/to its Parent Company and fellow subsidiary undertakings are shown in notes 11, 12 and 13 to the financial statements.

### **KPIs**

Key performance indicators used by Apex Corporate Trustees (UK) are profits, operating margins and capital expenditure.

### **Risk Management**

Risk appetite is articulated and managed with the Apex Group Limited and the Company through its business plan, its policies including the risk management framework, and its culture. Risk management is implemented via corporate governance processes, risk management and reporting processes (including risk registers and key risk indicators), project management standards and the roles of the compliance, legal, and group risk and business assurance functions. The business risk profile is considered in aggregate at the local risk committee level, as well as at entity, divisional and group levels.

Systems and procedures are in place to identify, assess and mitigate major business risks that could impact the Company. Monitoring exposure to risk and uncertainty is an integral part of the Company's structured management processes. The principal risks that the Company faces are operational risk, contract pricing, competition, regulatory and legislative impacts, recruitment and retention of staff, maintenance of reputation, and counterparty risk.

To assist the board, which retains ultimate responsibility for risk, to have effective oversight, risk is owned, managed and reported by business managers with the support of the risk management team. Risks are then reported and monitored through the Company's risk management process. Risk reporting is via a risk register and key risk indicators which are presented to the respective business unit and corporate risk and compliance committees for review and challenge. The register and key risk indicators highlight all risks that the business believe are relevant and material. Risks are identified and monitored through on-going self-assessment, assessment of external events and past events and losses. The potential financial impact of each risk is quantified. Mitigating factors and controls are also assessed in order to calculate the residual risk. Risks are rated based on the estimated potential residual risk impact on the net profit. Where the residual risk is greater than the business's risk appetite, actions must be undertaken by management to reduce the risk to an acceptable level.

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **STRATEGIC REPORT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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#### **Coronavirus (COVID-19) resilience plan and monitoring.**

At the time of finalising the financial statements an assessment of the risk to the business from the spread of Coronavirus (COVID-19) was undertaken. On March 11, 2020, the World Health Organization declared the novel strain of coronavirus a global pandemic and recommended containment and mitigation measures worldwide. The nature and duration of the mitigating measures may adversely affect the operations of the Company to the extent that they harm the UK economy, asset values and capital markets, which may adversely affect our revenues and cash flows. We cannot reasonably estimate the length or severity of this pandemic, but it may have an impact on our financial performance in the fiscal year 2020 and beyond. Risk mitigation steps are outlined below.

#### **Apex Group Support**

As Coronavirus continues to spread globally, Apex Group Ltd. and its subsidiaries ("Apex" or "the Group") is closely monitoring developments as a priority and has robust safeguarding procedures in place. The Global Risk Committee, Human Resources department and Group Governance functions are closely monitoring the situation and collaborating to deliver robust oversight.

#### **Divisional oversight**

On a regular basis, the BCP Gold Committee made up of all divisional MDs, Corporate Solutions CEO and COO, Heads of IT, Risk, Finance and other key representation, meets to discuss current arrangements across jurisdictions with a particular focus on fast deployment of resources to support any emerging trends. Local Senior Management Teams do the same on a regular basis.

#### **Infrastructure resilience**

The Company benefits from robust Information Technology and business resilience capability, enabling all staff to work remotely to support client service delivery, and facilitate business operations in line with UK and international medical advice such as working from home, self-isolation and social distancing. The Group IT team conduct regular tests for the IT disaster recovery plan, including testing for instances where circumstances require remote connection to our core applications. The Group applies the highest standards of information security and operates strict controls around access, including a two-factor authentication for accessing information outside of the Group network.

Due to its global nature, the Group has specific response plans that have been successfully tested across its operations, and are being applied to the Company, to reduce any service impact throughout this time. In addition, there is a coordinated approach to work closely with key business partners and vendors to ensure they also have adequate measures in place for providing an uninterrupted service. Extensive work has also been undertaken to ensure that our physical office workplaces are COVID-19 secure and comply with Government guidelines and requirements.

#### **Analysis framework**

The above is supported by detailed operational resilience analysis across all entities, with the Company having addressed all material risks as far as possible, and introduced measures to reduce any residual risk to barest minimum possible.



On behalf of the board  
C A Benford  
Director

27 November 2020

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **DIRECTORS REPORT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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The directors present their annual report and financial statements of Apex Corporate Trustees (UK) Limited, (formerly Link Corporate Trustees (UK) Limited), for the six-month period ended 31 December 2019. On 1 July 2019, the accounting period of the Company was shortened from 30 June 2020 to 31 December 2019 in order to align the accounting period with that of the Company's new ultimate parent undertaking, Apex Group Limited.

#### **Results and dividends**

The results for the period are set out on page 12.

No interim dividend was declared for the six-month period ended 31 December 2019 (an interim dividend of £4,271,705 was declared on 28 January 2019 for the year ended 30 June 2019). No final dividend was declared for either the six-month period ended 31 December 2019, or the year ended 30 June 2019.

#### **Going concern**

As noted in note 1.2 to the financial statements, the going concern assessment has been undertaken considering the potential impact of COVID 19 on the Company's results and operations. Key to this assessment is the successful implementation of BCP. A sensitivity analysis on revenue has been assessed and a cash flow analysis prepared. The Company could continue to operate for at least 12 months from the date of signing of these financial statements, if revenue were reduced by 20% and assuming a full costs basis continued, the operating cash flow remains positive over this period.

After making enquires, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **Directors**

The following directors have held office since 1 July 2019:

S P Martin

H A Montagu (resigned 28<sup>th</sup> February 2020)

C A Benford

#### **Disabled persons**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the Company continues and that the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible be identical to that of other employees.

#### **Employee involvement**

The Company participates in the group's policies and practices to keep employees informed on matters relevant to them as employees through regular meetings, newsletters, email notices and intranet communications. These communication initiatives enable employees to share information within and between business units and employees are encouraged, through an open-door policy, to discuss with management matters of interest to the employee and subjects affecting day to day operations of the Company.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the Company's auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he/she might reasonably be expected to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **DIRECTORS REPORT FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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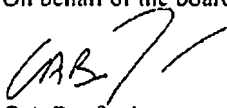
#### **Qualifying 3rd party indemnity provisions**

The Company has granted an indemnity to the directors of the Company 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 remains in force as at the date of approving the directors' report.

#### **Auditor**

KPMG LLP, for the period ending on 31 December 2019 and handing over to Deloitte LLP.

On behalf of the board



C A Benford

Director

27 November 2020

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **STATEMENT OF DIRECTOR'S RESPONSIBILITIES FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

---

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare 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 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 judgements and estimates that are reasonable, relevant and reliable;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX CORPORATE TRUSTEES (UK) LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

---

#### **Opinion**

We have audited the financial statements of Apex Corporate Trustees (UK) Limited ("the company") for the six-month period ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash flow and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the period then ended;
- have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### **Going concern**

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

#### **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial period is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX CORPORATE TRUSTEES (UK) LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

---

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006, we are required 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.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their statement set out on page 8, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF APEX CORPORATE TRUSTEES (UK) LIMITED FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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#### **The purpose of our audit work and to whom we owe our responsibilities**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

*Alison Allen*

Alison Allen (Senior Statutory Auditor)  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

27 November 2020

# APEX CORPORATE TRUSTEES (UK) LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

	Note	Six-month period ended 31 Dec 2019	Year ended 30 June 2019
Revenue	<u>3</u>	£4,562,344	£9,552,617
Cost of sales	<u>4</u>	(£2,672,550)	(£5,049,377)
Gross profit		£1,889,794	£4,503,240
Administrative expenses	<u>5</u>	(£1,344,634)	(£3,724,824)
Other operating income		£0	£13,726
Operating income	<u>6</u>	£545,160	£792,142
Interest Expense	<u>7</u>	(£76,131)	£0
Operating Profit	6	£469,029	£792,142
Taxation credit / (expense)	<u>8</u>	(£94,144)	£39,126
Total comprehensive income for the financial period		£374,885	£831,268

The notes on page 16-40 form an integral part of these financial statements.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

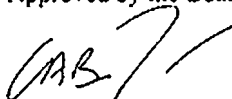
# APEX CORPORATE TRUSTEES (UK) LIMITED

## STATEMENT OF FINANCIAL POSITION FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

	Note	£	£
<b>Non-current assets</b>			
Property, plant and equipment	<u>9</u>	£234,953	£288,080
Deferred tax asset	<u>10</u>	£21,928	£21,928
Investments in subsidiaries	<u>11</u>	£31	£31
Other receivables	<u>12</u>	£10,214,409	£10,090,041
Non-current assets - leases	<u>9</u>	£1,935,119	
		<u>£12,406,440</u>	<u>£10,400,080</u>
<b>Current assets</b>			
Trade receivables	<u>12</u>	£1,093,904	£1,156,308
Other receivables	<u>12</u>	£3,896,200	£3,159,506
Cash and cash equivalents	<u>16</u>	£180,666	£685,896
		<u>£5,170,770</u>	<u>£5,001,710</u>
<b>Current liabilities</b>			
Trade and other payables	<u>13</u>	(£4,289,351)	(£4,453,034)
Lease liability	<u>18</u>	(£312,678)	£0
		<u>(£4,602,029)</u>	<u>(£4,453,034)</u>
<b>Net current assets</b>		<u>£568,741</u>	<u>£548,676</u>
<b>Total assets less current liabilities</b>		<u>£12,975,182</u>	<u>£10,948,757</u>
<b>Non-current liabilities</b>			
Provisions	<u>15</u>	(£131,394)	(£131,394)
Lease liability	<u>18</u>	(£1,651,540)	
<b>Net assets</b>		<u>£11,192,247</u>	<u>£10,817,362</u>
<b>Equity</b>			
Share capital	<u>17</u>	(£8,975,001)	£8,975,001
Share premium account		(£999,999)	£999,999
Retained earnings		(£1,217,247)	£842,362
<b>Total equity</b>		<u>(£11,192,247)</u>	<u>£10,817,362</u>

The notes on page 16-40 form and integral part of these financial statements.

Approved by the Board and authorised for issue on 27 November 2020.

  
C A Benford  
Director

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **STATEMENT OF CHANGES IN EQUITY FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

	Share capital	Share premium account	Retained earnings	Total equity
	£	£	£	£
At 1 July 2018	<u>8,975,001</u>	<u>999,999</u>	<u>4,282,799</u>	<u>14,257,799</u>
Profit for the year	<u>-</u>	<u>-</u>	<u>831,268</u>	<u>831,268</u>
Total comprehensive income for the year	-	-	831,268	831,268
Dividends paid	-	-	(4,271,705)	(4,271,705)
At 30 June 2019	<u>8,975,001</u>	<u>999,999</u>	<u>842,362</u>	<u>10,817,362</u>
Profit for the period	<u>-</u>	<u>-</u>	<u>374,885</u>	<u>374,885</u>
Total comprehensive income for the period	-	-	374,885	374,885
At 31 December 2019	<u>8,975,001</u>	<u>999,999</u>	<u>1,217,247</u>	<u>11,192,247</u>

The notes on page 16-40 form and integral part of these financial statements.

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **STATEMENT OF CHANGES IN CASHFLOWS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

	<b>Six-month period ended 31 December 2019</b>	<b>Year ended 30 June 2019</b>
	<b>£</b>	<b>£</b>
<b>Operating activities</b>		
Operating profit for the period	469,029	792,142
Adjusted for non-cash flow items:		
Depreciation	223,873	50,655
Movement in provisions	-	662,949
<b>Operating cash flows before movement in working capital</b>	<b>692,901</b>	<b>1,505,746</b>
Decrease / (increase) in receivables	(899,533)	2,506,438
(Decrease) / increase in payables	(163,681)	(2,818,937)
Income taxes paid	(134,917)	(531,439)
Repayment of provisions	-	(106,700)
<b>Net cash from operating activities</b>	<b>(505,230)</b>	<b>555,108</b>
<b>Investing activities</b>		
Purchases of property, plant and equipment	-	(135,362)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(135,362)</b>
<b>Financing activities</b>		
Payment of dividends	-	-
<b>Net cash from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(505,230)</b>	<b>419,746</b>
Cash and cash equivalents at the beginning of the period	685,896	266,150
<b>Cash and cash equivalents at end of period</b>	<b>180,666</b>	<b>685,896</b>

The notes on page 16-40 form and integral part of these financial statements.

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

#### **1.1 Accounting convention**

The financial statements are prepared under the historical cost basis except where stated otherwise and in accordance with applicable accounting standards. Apex Corporate Trustees (UK) Limited (the "Company"), (formerly Link Corporate Trustees (UK) Limited), is a company incorporated in England and Wales, in the UK and its registered office address is 6<sup>th</sup> floor 125 Wood Street, London, EC2V 7AN.

#### **1.2 Going concern**

The company has sufficient financial resources together with long standing client and supplier relationships. Therefore, the directors believe that the company is well placed to manage its business risks successfully. After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

An assessment on the potential impact of COVID-19 has been undertaken and BCP successfully implemented. A sensitivity analysis on revenue has been assessed and a cash flow analysis prepared. The Company could continue to operate for at least 12 months from the date of signing of these financial statements. If revenue were reduced by 20% and assuming a full costs basis continued, the operating cash flow remains positive over this period.

The directors have also reviewed the impact of the pandemic on the Company's key service providers including its ultimate parent, Apex Group Limited, who provide the Company with financial support and operational services. The lockdown introduced in March 2020 presented many challenges to businesses who were largely forced to transition from office to remote working to maintain service delivery. While there have been some changes to operational procedures, there has been no deterioration in either financial support of service levels since March and the directors remain satisfied that the arrangements introduced in response to the pandemic are sustainable and not detrimental to the going concern status of the Company

#### **1.3 Compliance with accounting standards**

These financial statements were prepared in accordance with International Financial Reporting Standards as adopted by the European Union, ("Adopted IFRS"), IFRIC interpretations and those parts of the Companies Act 2006, applicable to Companies reporting under IFRS.



# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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### **I Accounting policies (continued)**

#### **Standards issued and introduced in the period**

##### **IFRS 16 – Leases**

In the current period, the Company has applied the following standard that is effective for accounting periods beginning on or after 1 January 2019, for the first time.

##### **IFRS 16**

IFRS 16 (as issued by the IASB in January 2016), is a new accounting standard effective for accounting periods that begin on or after 1 January 2019. IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. The impact of the adoption of IFRS 16 on the Company's financial statements is described below.

The date of initial application of IFRS 16 for the Company is 1 July 2019.

The Company has applied IFRS 16 using the modified retrospective approach, without restatement of the comparative information.

##### **Impact of the new definition of a lease**

The Company has made use of the practical expedient available on transition to IFRS 16 not to reassess whether a contract is or contains a lease. Accordingly, the definition of a lease in accordance with IAS 17 and IFRIC 4 will continue to be applied to those contracts entered or modified before 1 July 2019.

The change in definition of a lease mainly relates to the concept of control. IFRS 16 determines whether a contract contains a lease on the basis of whether the customer has the right to control the use of an identified asset for a period of time in exchange for consideration. This is in contrast to the focus on 'risks and rewards' in IAS 17 and IFRIC 4.

The Company applies the definition of a lease and related guidance set out in IFRS 16 to all contracts entered into or changed on or after 1 July 2019. In preparation for the first-time application of IFRS 16, the Group has carried out an implementation project. The project has shown that the new definition in IFRS 16 will not significantly change the scope of contracts that meet the definition of a lease for the Company.

##### **Impact on Lessee Accounting**

##### *Former operating leases*

IFRS 16 changes how the Company accounts for leases previously classified as operating leases under IAS 17, which were off balance sheet.

Applying IFRS 16, for all leases, the Company:

Recognises right-of-use assets and lease liabilities in the statement of financial position, initially measured at the present value of the future lease payments over the lease term. The Company uses the incremental borrowing rate instead of the rate implicit in the lease as the lessor was unwilling to disclose the initial direct cost of its asset. The incremental borrowing rate is the rate of interest that the Company would have to pay to borrow the funds to obtain an asset of similar value, over a similar term, and in a similar economic environment. The lease term is the non-cancellable period for which the Company has contracted to lease the asset together with any further terms for which the Company has the option to continue to lease the asset, with or without further payment, when at the inception of the lease it is reasonably certain that the Company will exercise the option;

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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### **1. Accounting policies (continued)**

Recognises depreciation of right-of-use assets and interest on lease liabilities in profit or loss;

Separates the total amount of cash paid into a principal portion (presented within financing activities) and interest (presented within operating activities) in the statement of cash flows.

Recognises lease incentives (e.g. rent-free period) as part of the measurement of the right-of-use assets and lease liabilities whereas under IAS 17 they resulted in the recognition of a lease incentive, amortised as a reduction of rental expenses generally on a straight-line basis.

Tests right-of-use assets for impairment in accordance with IAS 36. For short-term leases (lease term of 12 months or less) and leases of low-value assets (such as tablet and personal computers, small items of office furniture and telephones), the Company has opted to recognise a lease expense on a straight-line basis as permitted by IFRS 16. There are no such leases within the Company as any such assets have been bought outright.

#### **Former finance leases**

The Company does not have any contracts formerly classified as finance leases, hence in this regard, there is no effect on the Company's financial statements.

#### **Financial impact of the initial application of IFRS 16**

For tax purposes the Company receives tax deductions in respect of the right-of-use assets and the lease liabilities in a manner consistent with the accounting treatment.

The application of IFRS 16 to leases previously classified as operating leases under IAS 17 resulted in the recognition of right-of-use assets of £2,105,865 and lease liabilities of £2,105,865 at 1st July 2019.

The application of IFRS 16 has an impact on the statement of cash flows of the Company.

Under IFRS 16, lessees must present:

- Short-term lease payments, payments for leases of low-value assets and variable lease payments not included in the measurement of the lease liability as part of operating activities;
- Cash paid for the interest portion of a lease liability as either operating activities or financing activities, as permitted by IAS 7 (the Company has opted to include interest paid as part of operating activities); and
- Cash payments for the principal portion for a lease liability, as part of financing activities.

Under IAS 17, all lease payments on operating leases were presented as part of cash flows from operating activities. The variable element of leases impacting the group are immaterial and therefore the amount is not presented.

The adoption of IFRS 16 did not have an impact on net cash flows.

#### **Other new and revised standards**

In the current period, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (the Board) that are effective for an accounting period that begins on or after 1 January 2019. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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#### **1. Accounting policies (continued)**

##### **1.4 Revenue recognition**

Revenue represents amounts receivable for goods and services net of VAT and trade discounts and comprises fee and commission income.

Revenue is recognised when, or as, a performance obligation is satisfied by transferring control of a good or service to a customer. A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognised by measuring the Company's progress in satisfying the performance obligation in a manner that reflects the transfer of goods and services to the customer. Revenue from a performance obligation satisfied at a point in time is recognised at the point in time the customer obtains control of the promised good or service.

##### **1.5 Property, plant and equipment and depreciation**

Property, plant and equipment is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	3 years
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##### **1.6 Leasing**

Rentals payable under operating leases are charged against income on a straight-line basis over the lease term.

##### **1.7 Investments**

Investments in subsidiary undertakings are stated at cost less impairment.

##### **1.8 Impairment**

At each reporting date, the Company assesses whether there is any indication that an asset, other than deferred tax assets, may be impaired. Where an indicator of impairment exists, the Company makes an estimate of the recoverable amount. An impairment loss is recognised in the Statement of Comprehensive Income whenever the carrying amount of the asset or cash generating unit exceeds its recoverable amount.

The recoverable amount of an asset is the greater of its net selling price and value in use in assessing the value in use, the estimated discounted future cash flows based on management's expectations are used where conditions giving rise to impairment subsequently reverse, the effect of the impairment charge is also reversed as a credit to the Statement of Comprehensive Income, net of any amortisation that would have been charged since the impairment.

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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### **1. Accounting policies (continued)**

#### **1.9 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

#### **1.10 Taxation**

Tax on the profit or loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided, using the liability method, on all temporary differences at the Statement of Financial Position date between the tax bases and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences:

- except where the deferred tax liability arises from the initial recognition of goodwill.
- except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- in respect of taxable temporary differences associated with investments in subsidiaries, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry-forward of unused tax assets and unused tax losses can be utilised, except where the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each Statement of Financial Position 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 deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the Statement of Financial Position date.

#### **1.11 Financial Instruments**

##### **Non-derivative financial assets - classification and measurement**

The Company initially recognizes trade and other receivables and payables on the date of transaction. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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### **1 Accounting policies (continued)**

#### **Trade receivables**

Trade and other receivables are recognized initially at fair value. Subsequent to initial recognition, they are measured at amortised cost less any impairment losses.

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Company holds the trade receivables with the objective to collect the contractual cash flows and therefore measures them subsequently at amortised cost. Details about the Company's impairment policies are provided below.

#### **Trade and other payables**

Trade and other payables are recognized initially at fair value. Subsequent to initial recognition, they are measured at amortised cost, less any impairment losses.

#### **Classification and measurement**

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

The Company measures its financial assets and liabilities at amortised cost.

#### **Non-derivative financial instruments**

Non derivative financial instruments comprise trade and other receivables and trade and other payables. Financial assets measured at amortised cost if meeting both of the following conditions and are not designated as at FVTPL.

- The assets held with a business model whose objective is to collect the contractual cash flows, and
- The contractual term give rise to cash flows that are solely payments of principal and interest

#### **Derecognition of financial assets and financial liabilities**

##### ***Financial assets***

The Company derecognises a financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- the rights to receive cash flows from the asset have expired; or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement where either:
  - the Company has transferred substantially all the risks and rewards of the asset; or
  - the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

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### 1 Accounting policies (continued)

#### *Financial liabilities*

The Company derecognises a financial liability (or, where applicable a part of a financial liability or part of a group of similar financial liabilities) when the obligation under the liability is discharged, cancelled or expires.

Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the Statement of comprehensive income.

#### **Impairment of financial assets (including trade and other receivables)**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognised earlier than under IAS 39. Exposures that are in default are regarded as credit impaired (Stage 3) and are also measured on a lifetime ECL basis.

#### **Measurement of ECL**

ECLs are a probability-weighted estimate of credit losses and are measured as follows:

- Financial assets that are not credit-impaired at the reporting date: the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive);
- Financial assets that are credit-impaired at the reporting date – the difference between the gross carrying amount and the present value of estimated future cash flows; and
- Financial guarantee contracts – the expected payments to reimburse the holder less any amounts that the Company expects to recover.

For assets in the scope of the IFRS 9 impairment model, impairment losses are generally expected to increase and become more volatile. The Company maintains an allowance for doubtful accounts for the estimated non-collection of accounts receivable. Uncollectable items are evaluated individually for each of the receivables to determine specific expected credit loss amount. Additionally, the Company provides a fixed percentage (1.183%) of total debt outstanding based on historical actual balances written off by Apex Group.

The Company maintains an allowance for doubtful accounts for the estimated non-collection of accounts receivable.

### 1.12 Provisions

A provision is recognised when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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#### **1 Accounting policies (continued)**

##### **1.13 Pensions**

The Company operates defined contribution pension schemes and contributions are charged to the income statement account in the period in which they are due. These pension schemes are funded, and the payment of contributions are made to separately administered trust funds. The assets of the pension schemes are held separately from the Company.

The Company remits monthly pension contributions to Capita Business Services Limited, an outsourced service provider to Apex Group Limited, which pays the liability on behalf of the Company. Any unpaid pension contributions at the period end have been accrued in the accounts of the Company.

##### **1.14 Foreign exchange**

The functional and presentational currency of the Company is pounds sterling. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to income statement.

##### **1.15 Related Party Transactions**

A related party is a person or entity that is related to the entity that is preparing its financial statements (in this Standard referred to as the 'reporting entity').

A person or a close member of that person's family is related to a reporting entity if that person:

- (i) has control or joint control of the reporting entity
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

An entity is related to a reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

## APEX CORPORATE TRUSTEES (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

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#### 2. Critical accounting estimates and judgements

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors considered to be relevant. Actual results may differ from these estimates.

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

##### IFRS 9 - Recoverability of receivables

The Company recognises a loss allowance, for expected credit losses on its financial assets. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the financial asset. When the expected credit loss for trade receivables is determined, the Company makes use of the simplified approach, whereby the loss recognised is equal to the lifetime expected credit losses. Lifetime expected credit losses represent the expected losses that may result from possible default events, and the probability of such an event occurring, over the lifetime of the financial asset. The expected lifetime credit losses of the trade receivables are estimated using historical losses. The historical losses are then adjusted for forward-looking factors that are specific to debtors. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets except for trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

##### IFRS 16 – Discount rate

The Company has used a build-up approach to determine appropriate Incremental Borrowing Rates ('IBR') based on the risk-free rate plus a credit spread to reflect lender's risk and return expectations. Adjustments are made to the credit spread to account for differences in the asset quality, lease term and economic environment to reflect differences in debt market rates.

#### 3. Revenue

The Company generates revenue from the provision of corporate services to customers within the United Kingdom.

	Six-month period ended 31 Dec 2019 £	Year ended 30 June 2019 £
Revenue from contracts with customers recognised at a point in time	3,650,342	6,835,980
Revenue recognized over time	912,002	2,716,637
Total Revenue	<u>4,562,344</u>	<u>9,552,617</u>



# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 4. Cost of Sales

	Six-month period ended 31 Dec 19	Year ended 30 June 19
	£	£
Employee related expenses	2,672,550	5,049,377
	<u>2,672,550</u>	<u>5,049,377</u>

### 5. Administrative expenses

	Six-month period ended 31 Dec 2019	Year ended 30 June 2019
	£	£
Employee related expenses	436,625	402,076
IT Expenses	558,575	663,667
Rent	0	704,562
Office expenses	187,705	921,623
Insurance	3,639	239,189
Travel	77,663	133,810
Depreciation and Amortisation	81,694	50,655
Legal & Professional fees	79,923	452,096
Bad and doubtful debts	(81,190)	157,146
	<u>1,344,634</u>	<u>3,724,824</u>

### 6. Operating Profit

	6-month period ended 31-Dec-19	Year ended 30-Jun-19
	£	£
Profit for the period is stated after charging / (crediting):		
Net foreign exchange losses / (gains)	22,289	(13,724)
Depreciation of property, plant and equipment	53,127	50,655
Operating lease rentals – plant and machinery	-	2,044
	<u>-</u>	<u>2,044</u>

The auditor's remuneration in relation to the audit of the accounts for the six month period ended 31 December 2019 is £38,500.

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 7. Interest expense

IFRS 16 was implemented on 1 July, 2019 and as a result the following interest expense was recognised due to the rise of a lease liability relating to rent.

	6-month period ended 31 Dec 2019 £	Year ended 30 June 2019 £
Interest arising due to IFRS16 implementation	<u>76,131</u>	<u>-</u>

### 8. Taxation

	6-month period ended 31 Dec 2019 £	Year ended 30-Jun-19 £
<b>Corporation tax</b>		
Current period / year charge	94,144	141,039
Adjustments in respect of prior periods	-	(190,272)
	<u>94,144</u>	<u>(49,233)</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	0	10,107
	<u>0</u>	<u>10,107</u>
<b>Total tax (credit) / charge</b>	<u>94,144</u>	<u>(39,126)</u>

The (credit) / charge for the period / year can be reconciled to the profit per the income statement as follows:

	6-month period ended 31 Dec 2019 £	Year ended 30 June 2019 £
Profit before taxation on continued operations	469,029	792,142
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2018: 19%)	89,115	150,507
<b>Taxation impact of factors affecting tax charge:</b>		
Expenses not deductible in determining taxable profit	893	1,828
Effect of change in UK corporation tax rate	0	(1,189)
Adjustments in respect of current tax of prior years	<u>4,136</u>	<u>(190,272)</u>
<b>Total adjustments</b>	<u>5,029</u>	<u>(189,633)</u>
<b>Tax (credit) / charge for the period / year</b>	<u>94,144</u>	<u>(39,126)</u>

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

### **9. Property, plant and equipment**

	Computer equipment	Right of use asset	Total
	£	£	£
<b>Cost</b>			
At 1 July 2018	248,721	-	248,721
Additions	135,362	-	135,362
Disposals	(644)	-	(644)
At 30 June 2019	383,439	0	383,439
Additions		2,105,865	2,105,865
At 31 December 2019	383,439	2,105,865	2,489,304
<b>Depreciation</b>			
At 1 July 2018	45,348	-	45,348
Charge for year	50,655	-	50,655
Disposals	(644)	-	(644)
At 30 June 2019	95,359	-	95,359
Charge for the period	53,127	170,746	223,873
At 31 December 2019	148,486	170,746	319,232
<b>Net book value</b>			
At 31 December 2019	234,953	1,935,119	2,170,072
At 30 June 2019	288,080	-	288,080

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

### **10. Deferred taxation**

	<b>Six-month period ended 31-Dec-19 £</b>	<b>Year ended 30-Jun-19 £</b>
Balance at 1 July 2019 / 1 July 2018	21,928	32,035
Income statement (charge)	0	(10,107)
Balance at 31 Dec 2019 / 30 June 2019	<u>21,928</u>	<u>21,928</u>
Accelerated capital allowances	21,928	21,928
Balance at 31 Dec 2019 / 30 June 2019	<u>21,928</u>	<u>21,928</u>

### **11. Investment in subsidiaries**

	<b>Shares in subsidiary undertakings £</b>
<b>Cost</b>	
At 1 July 2019	31
Additions	-
At 31 Dec 2019	<u>31</u>
<b>Net book value</b>	
At 31 Dec 2019	<u>31</u>
At 30 June 2019	<u>31</u>

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

### **11. Investment in subsidiaries (Continued)**

#### **Holding of ordinary share capital**

Details of the Company's subsidiaries at 31 December 2019 are as follows:

<b>Company</b>	<b>Country of registration Class or incorporation</b>	<b>Ordinary shares held (%)</b>	<b>Nature of business</b>
Pacific Quay Nominees No. 1 Ltd	England	100	Trustee & Administrative Services
Apex Trust Corporate Ltd	England	100	Trustee & Administrative Services
Apex Consortium Nominees No. 1 Ltd	England	100	Trustee & Administrative Services
Royal Exchange Trust Company Ltd	England	100	Trustee & Administrative Services
Pacific Quay Trustees No. 1 Ltd	England	100	Trustee & Administrative Services
Apex KWS Ltd	England	100	Trustee & Administrative Services
Apex Consortium Nominees No. 3 Ltd	England	100	Trustee & Administrative Services
Royal Exchange Trustee Nominees Ltd	England	100	Trustee & Administrative Services
White City Property Trustees Ltd	England	100	Trustee & Administrative Services
Apex Trust Secretaries Ltd	England	100	Trustee & Administrative Services
Apex Corporate Services (UK) Ltd	England	100	Trustee & Administrative Services
Apex Pension Trustee Company (1997) Ltd	England	100	Trustee & Administrative Services
White City Property Nominee Ltd	England	100	Trustee & Administrative Services
Apex Pension Trustees Ltd	England	100	Trustee & Administrative Services
Apex Trust Nominees No. 2 Ltd	England	100	Trustee & Administrative Services
Apex Consortium Nominees No.2 Ltd	England	100	Trustee & Administrative Services
Apex ASOP Ltd	England	100	Trustee & Administrative Services
Apex ATL Pension Trustees Ltd	England	100	Trustee & Administrative Services
Apex Pension Secretariat Ltd	England	100	Trustee & Administrative Services
Apex Trust Nominees No.1 Ltd	England	100	Trustee & Administrative Services
Apex (LLRP) Trustee Limited	England	100	Trustee & Administrative Services

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 12. Trade and other receivables

	31 Dec 2019	30 June 2019
	£	£
<b>Non-current</b>		
Amount due from parent and fellow subsidiary undertakings	9,783,426	9,783,426
Other receivables	430,983	306,615
	<u>10,214,409</u>	<u>10,090,041</u>
<b>Current</b>		
Amount due from parent and fellow subsidiary undertakings	2,736,672	2,233,720
Trade receivables	1,093,904	1,156,308
Prepayments and accrued income	934,993	776,854
Other receivables	224,535	148,931
	<u>4,990,104</u>	<u>4,315,813</u>
<b>TOTAL</b>	<u>15,204,514</u>	<u>14,405,854</u>

The amounts owed by parent and fellow subsidiary undertakings arise from trade and are repayable on demand.

### 13. Trade and other payables

	31-Dec 2019	30-Jun 2019
	£	£
Trade payables	(33,740)	107,727
Amount due to parent and fellow subsidiary undertakings	713,409	1,444,109
Corporation tax	(39,296)	1,476
Other taxes and social security	238,437	12,357
Other payables	533,884	280,741
Accruals and deferred income	2,876,657	2,606,624
	<u>4,289,351</u>	<u>4,453,034</u>

Amounts due to group undertakings are unsecured, non-interest bearing, have no fixed date of repayment and are repayable on demand.

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 14. Pensions and other post-retirement benefit commitments

The Company offers defined contribution pension schemes. Contributions in respect of defined contribution schemes payable by the Company during the six-month period ended 31-Dec-19 amounted to £110,014 (Year ended 30 June 2019: £206,704).

### 15. Provisions

	Dilapidations provision £	Provision for claims £	Total £
Balance as at 1 July 2019	99,925	31,469	131,394
Repayment of provision	0	0	0
Recognition of provision	0	0	0
Balance at 31 Dec 2019	<u>99,925</u>	<u>31,469</u>	<u>131,394</u>

### 16. Notes to the statement of cash flows

	31 Dec 2019 £	30 June 2019 £
Cash and bank balances	<u>180,666</u>	<u>685,896</u>

Cash and cash equivalents comprise cash and short-term bank deposits with an original maturity of three months or less, net of outstanding bank overdrafts. The carrying amount of these assets is approximately equal to their fair value. Cash and cash equivalents at the end of the reporting period as shown in the statement of cash flows can be reconciled to the related items in the statement of financial position as shown below.

#### Analysis of changes in net debt

	01-Jul-19 £	Cash Flow £	Other non-cash movements £	31-Dec-19 £
Cash and bank balances	685,896	(505,230)	-	180,666
Borrowings	-	-	-	-
Net debt	<u>685,896</u>	<u>(505,230)</u>	<u>-</u>	<u>180,666</u>

	01-Jul-18 £	Cash Flow £	Other non-cash movements £	30-Jun-19 £
Cash and bank balances	266,150	419,746	-	685,896
Borrowings	-	-	-	-
Net debt	<u>266,150</u>	<u>419,746</u>	<u>-</u>	<u>685,896</u>

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 16. Notes to the statement of cash flows

Balances as at 31 December 2019 and 30 June 2019 comprise:

	31-Dec-19 £	30-Jun-19 £
Cash and bank balances	180,666	685,896
Net cash	<u>180,666</u>	<u>685,896</u>

### 17. Share capital

	31 December 2019 £	30 June 2019 £
Ordinary share capital Issued and fully paid 8,975,001 Ordinary shares of £1 each	<u>8,975,001</u>	<u>8,975,001</u>

#### Share capital

The nominal proceeds on issue of the Company's equity share capital, comprising £1 ordinary shares.

### 18. IFRS 16 Leases

	6 month period ended 31-Dec-19 £	Year ended 30-Jun-19 £
Amounts falling due within one year:	312,678	-
Amounts falling due in more than one year	1,651,540	-
	<u>1,964,218</u>	<u>-</u>
<b>Analysis of lease liabilities</b>	<b>31-Dec-19 £</b>	<b>30 June-19 £</b>
Amount due for settlement:		
Between one and five years	896,536	-
After five years	<u>755,004</u>	<u>-</u>
	1,651,540	-
On demand or within one year	312,678	-
	<u>1,964,218</u>	<u>-</u>



## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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#### **19. Financial Risk Management**

The Company's financial instruments comprise of cash and cash equivalents, trade and other receivables and trade and other payables.

##### **Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk arises principally from the Company's trade and other receivables and its cash balances. The Company gives careful consideration to which organisations it uses for its banking services in order to minimise credit risk.

There are no significant concentrations of credit risk, through exposure to individual customers. An analysis of the credit quality of trade receivables that were past due but not impaired is shown below.

##### **Currency risk**

As at 31 December 2019 the Company had limited currency exposures. All material financial assets and liabilities are denominated in pound sterling. It is and has been throughout the period, the Company's policy that no trading in financial instruments shall be undertaken.

##### **Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity risk is to ensure that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or damage to the Company's reputation.

The Directors manage liquidity risk by regularly reviewing cash requirements by reference to short term cash flow forecasts and medium-term working capital projections prepared by management. The Company maintains good relationships with its banks, which have high credit ratings.

##### **Interest rate risk**

The Company's trade and other receivables and trade payables are carried at amortised cost and are not subject to repricing.

The Company does not have any interest-bearing financial liabilities, therefore does not suffer from any interest rate risk.

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 19. Financial Risk Management (Continued)

#### Categories of financial instrument

The Company's financial instruments in each applicable category are shown below

	6-month period ended 31 Dec 2019 £	Year ended 30 June 2019 £
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	180,666	685,896
Trade receivables	1,093,904	1,156,308
Other receivables	12,520,098	12,166,077
	<u>13,794,668</u>	<u>14,008,281</u>
 <b>Financial liabilities measured at amortised cost</b>		
Trade and other payables	<u>(679,670)</u>	<u>(1,884,933)</u>
Net position	<u>13,114,998</u>	<u>12,123,348</u>

The Company classifies its financial assets at amortised cost on the basis that the asset is held within a business model whose objective is to collect the contractual cash flows and the contractual terms give rise to cash flows that are solely payments of principal and interest.

	31-Dec-19 £	30-Jun-19 £
Trade receivables	1,093,904	1,358,212
Allowance for doubtful debts	<u>(200,382)</u>	<u>(201,904)</u>
	<u>893,522</u>	<u>1,156,308</u>

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 19. Financial Risk Management (Continued)

The movement in the loss allowance during the period is shown in the table below.

	31-Dec-19 £	30-Jun-19 £
Opening loss allowance	201,904	44,758
Increase / (decrease) in the loss allowance during the period	(1,522)	157,146
	<u>200,382</u>	<u>201,904</u>

An ageing analysis of the trade receivables position as at each period end is shown in the table below.

31-Dec-19	Current £	31 – 60 days £	61 – 90 days £	91 – 120 days £	121 – 180 days £	More than 180 days £
Gross carrying amount	625,554	283,021	187,960	59,841	(30,504)	344,386
Expected loss rate	-	-	-	-	-	58%
Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>200,382</u>
30-Jun-19	Current £	31 – 60 days £	61 – 90 days £	91 – 120 days £	121 – 180 days £	More than 180 days £
Gross carrying amount	580,985	220,267	346,199	13,229	183,347	201,904
Expected loss rate	-	-	-	-	-	100%
Loss allowance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,904</u>

Trade receivables are amounts due from customers for services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classed as current. The Company holds the trade receivables with the objective of collecting the contractual cash flows and so it measures them at amortised cost using the effective interest method.

#### Capital risk management

The Company manages its capital to ensure that will be able to continue as a going concern while seeking to maximise the return to shareholders through the optimisation of the debt and equity balance.

The Company's objectives when managing capital are to.

- Safeguard their ability to continue as a going concern, so that they can continue to provide returns to shareholders and benefits to other stakeholders; and
- Maintain an optimal capital structure to reduce the cost of capital.

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 19. Financial Risk Management (Continued)

The debt / equity ratio is provided in the table below,

	31-Dec-19 £	30-Jun-19 £
Net debt	5,968,531	3,898,532
Equity	11,192,247	10,817,362
	<u>                    </u>	<u>                    </u>
Net debt / equity ratio	<u>0.53</u>	<u>0.36</u>

### 20. Directors' remuneration

The Directors are the key management personnel of the Company. None of the Directors were paid remuneration directly by the Company, all being remunerated by a fellow group undertaking. During the period the amount of Director's remuneration that can be allocated to the Company to cover time spent by the Directors on the affairs of the Company is as follows

	6-month period ended 31 Dec 2019 £	Year ended 30 June 2019 £
Remuneration for qualifying services – short term benefits	115,172	201,575
Post-employment benefits	<u>12,324</u>	<u>24,323</u>
	<u>127,496</u>	<u>225,898</u>

The number of directors for whom retirement benefits are accrued under defined contribution schemes amounted to 3 (June 2019: 3).

### 21. Employees

	6-month period ended 31 Dec 2019	Year ended 30-Jun-19
Operations	42	39
Sales	5	5
Admin	<u>20</u>	<u>20</u>
	<u>67</u>	<u>64</u>

Their aggregate remuneration comprised:

# **APEX CORPORATE TRUSTEES (UK) LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

### **21. Employees (Continued)**

	<b>6-month period ended 31 Dec 2019 £</b>	<b>Year ended 30-Jun-19 £</b>
Employee related expenses	436,625	402,076
Wages and salaries	2,118,057	4,287,335
Social security costs	256,546	467,138
Pension costs	110,014	206,704
Other allowances	117,808	205,784
Temp staff	70,125	281,047
	<b>3,109,175</b>	<b>5,850,084</b>

### **22. Related party transactions**

During the period, the Company entered into a number of transactions with fellow group undertakings. The outstanding balances as at each period end and the total of transactions undertaken during the period are shown in the table below,

<b>6-month period ended 31-Dec-2019</b>	<b>Receivables</b>	<b>Payables</b>
Apex Asset Services (Jersey) Limited		713,410
Throgmorton UK Limited	985,293	
Apex IFS Limited	578,271	
Apex Corporate Services B.V.	156,699	
Apex Corporate Services S.A.	239,571	
Apex Hungary Corporate Services LLC	67,643	
Apex Corporate Services (Schweiz) GmbH	99,559	
Apex Consolidation Entity Limited (Shareholder)	10,193,515	
Apex TSI Limited	22,418	
Apex Corporate Services Group B.V.	177,129	
	<b>12,520,098</b>	<b>713,410</b>

# APEX CORPORATE TRUSTEES (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019

### 22. Related party transactions (Continued)

Central Management Recharges	6-month period ended 31-Dec- 2019	Year ended 30 June 2019
Throgmorton UK Ltd	298,201	424,761
Company Matters	-	251,824
Apex Hungary Vallati Szolgaltatasok kft	85,957	152,685
Apex IFS Ltd	147,560	235,586
Apex Corporate Services (Schweiz) Gmbh	85,229	176,383
Apex Asset Services (Jersey) Limited	372,546	537,541
Apex Corporate Services B.V.	133,821	234,498
Apex Corporate Services S.A.	258,663	383,580
	<u>1,381,977</u>	<u>2,396,858</u>
Year ended 30 June 2019	Sales £	Purchases £
Link Alternative Fund Administrators Limited	-	6,523
Link ASI Limited	-	88,541
Link Asset Services (Holdings) Limited	22,426	138,653
Link Asset Services (Jersey) Limited	745,539	2,042,079
Link Asset Services (UK) Limited	57,234	-
Link Asset Services BV	-	-
Link Corporate Services (Schweiz) GmbH	243,454	15,201
Link Corporate Services B.V.	196,375	159,369
Link Corporate Services Group B.V.	346,207	84,383
Link Corporate Services S.A.	497,065	234
Link Fund Administrators Limited	-	8,795
Link Fund Solutions Limited	-	-
Link Hungary Corporate Services LLC	243,739	83,820
Link IFS Limited	327,347	-
Link Market Services Limited	713,230	2,075,694
Link Mortgage Services Limited	-	14,925
Link Trustees (Jersey) Limited	-	4,667
Link TSI Limited	58,321	35,415
Throgmorton UK Limited	748,526	134,372
Link Asset Services	150,876	333,465
<b>TOTAL</b>	<u>4,350,338</u>	<u>5,226,136</u>

## **APEX CORPORATE TRUSTEES (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE SIX-MONTH PERIOD ENDED 31 DECEMBER 2019**

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#### **23. Ultimate controlling party**

The Company's immediate parent undertaking is Apex Consolidation Entity Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking is Apex Group Limited, a Company incorporated in Bermuda.

#### **24. Subsequent Events**

On March 11, 2020 the World Health Organization declared the novel strain of coronavirus a global pandemic and recommended containment and mitigation measures worldwide. The nature and duration of the mitigating measures may adversely affect the operations of the Company to the extent that they harm the UK economy, asset values and capital markets, which may adversely affect our revenues and cash flows. We cannot reasonably estimate the length or severity of this pandemic, but it may have an impact on our financial performance in the fiscal year 2020.