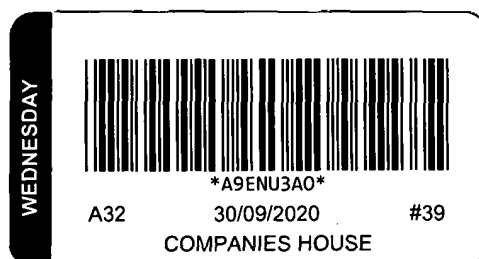


# **Continental Trustees Limited**

## **Annual report and financial statements for the year ended 31 December 2019**

**Registered number: 3031279**



# **Continental Trustees Limited**

## **Annual report and financial statements for the year ended 31 December 2019**

### **Contents**

Directors' report.....	1-2
Statement of directors' responsibilities.....	3
Independent auditor's report .....	4-6
Statement of comprehensive income.....	7
Balance sheet.....	8
Statement of changes in equity.....	9
Statement of cash flows .....	10
Notes to the financial statements .....	11-20

# Continental Trustees Limited

## Directors' report for the year ended 31 December 2019

The directors present their annual report and the audited financial statements of Continental Trustees Limited ("the Company") for the year ended 31 December 2019.

### Principal activities

The principal activities of the Company during the year were the provision of trustee, management and registration services to the timeshare industry.

### Review of the business, future developments, results and dividends

During the financial year the Company made a profit after taxation of £37,870 (2018: £10,769 profit). The directors recommend the profit for the year of £37,870 (2018: £10,769) be transferred to reserves. The directors do not propose a dividend for the year (2018: £nil).

### Key event

On 18 July 2018, 100% of the shareholding in IQ EQ Holdings (Group IOM) Limited (formerly known as First Names Holdings Limited), the previous ultimate parent, was sold to IQ EQ (FNG) Netherlands B.V. (formerly known as SGG (FNG) Netherlands B.V.). Following the acquisition, the ultimate controlling party is FCPI Astorg V, a French closed ended collective investment scheme in which no individual investor holds a controlling interest. The scheme is managed by Astorg Partners, a Societe par actions simplifiee incorporated and existing under the laws of France, having its registered office at 68 Rue du Faubourg Saint-Honore, 75008 Paris.

### Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and have adopted the going concern basis of accounting in preparing the consolidated financial statements. Further detail on this assessment can be found in note 3.

### Directors

The directors who held office during the year and to the date of this report are given below: -

E Migani  
P M Broomhead  
D T Kenny  
B Scott

### Secretary

FNTC (Secretaries) Limited

### Auditor

During 2019, the directors of the IQ EQ Group appointed Deloitte LLP, as auditor of all the IQ EQ Group and its subsidiaries.

### Statement of disclosure of information to auditors

In the case of all persons who are directors at the time the Directors' report and the financial statements are approved, under Section 418 of the Companies Act 2006 the following applies:

- (a) so far as the director is aware, there is no relevant information of which the Company's auditor is unaware; and
- (b) he/she has taken all the steps that he/she ought to have taken 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.

# **Continental Trustees Limited**

## **Directors' report for the year ended 31 December 2019 (continued)**

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

**By Order of the Board**



**Director**

28 September 2020

**B Scott**

**Registered Office**  
4<sup>th</sup> Floor  
45 Monmouth Street  
London  
WC2H 9DG

# **Continental Trustees Limited**

## **Statement of directors' responsibilities in respect of the Annual Report and the financial statements**

The directors are responsible for preparing the Annual 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, including FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**By Order of the Board**



**Director**

28 September 2020

**B Scott**

**Registered Office**

4<sup>th</sup> Floor  
45 Monmouth Street  
London  
WC2H 9DG

# **Continental Trustees Limited**

## **For the year ended 31 December 2019**

### **Independent auditor's report to the members of Continental Trustees Limited**

#### ***Report on the audit of the financial statements***

##### ***Opinion***

In our opinion the financial statements of Continental Trustees Limited (the 'company'):

- 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 year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the cash flow statement;
- the statement of accounting policies; and
- the related notes 1 to 16.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### ***Conclusions relating to going concern***

We are required by ISAs (UK) to report in respect of the following matters where:

- the directors' use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of these matters.

##### ***Other information***

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

# **Continental Trustees Limited**

## **For the year ended 31 December 2019**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

### ***Responsibilities of directors***

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### ***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report

### ***Report on other legal and regulatory requirements***

#### ***Opinions on other matters prescribed by the Companies Act 2006***

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

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

Under the Companies Act 2006 we are required to report in respect of the following matters 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 respect of these matters.

# **Continental Trustees Limited**

## **For the year ended 31 December 2019**

### ***Use of our report***

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



**Matthew Bainbridge FCA (Senior statutory auditor)**

For and on behalf of Deloitte LLP

Statutory Auditor

Isle of Man

**28 September 2020**



# Continental Trustees Limited

## For the year ended 31 December 2019

### Statement of comprehensive income

	Note	2019 £	2018 £
Revenue		368,451	380,685
Cost of sales	5	(14,605)	(18,028)
<b>Gross profit</b>		<b>353,846</b>	<b>362,657</b>
Administrative expenditure		(319,229)	(345,708)
<b>Profit on ordinary activities before taxation</b>	5	<b>34,617</b>	<b>16,949</b>
Tax on profit on ordinary activities	7	3,253	(6,180)
<b>Total comprehensive income for the year</b>		<b>37,870</b>	<b>10,769</b>

All activities and therefore results relate to continuing operations.

The notes on pages 11 to 20 form part of these financial statements.

# Continental Trustees Limited

## As at 31 December 2019

### Balance sheet

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	8	-	-
		-	-
<b>Current assets</b>			
Debtors	See note 9	114,358	92,314
Cash at bank and in hand		61,032	97,930
		<b>175,390</b>	<b>190,244</b>
<b>Creditors: amounts falling due within one year</b>	See note 10	-	(52,724)
<b>Net assets</b>		<b>175,390</b>	<b>137,520</b>
<b>Capital and reserves</b>			
Called up share capital	12	50,000	50,000
Retained earnings		125,390	87,520
<b>Total equity</b>		<b>175,390</b>	<b>137,520</b>

The notes on pages 11 to 20 form part of these financial statements.

The financial statements on pages 7 to 20 were approved and authorised for issue by the Board on 28 September 2020 and signed for on its behalf by:



**Director**  
**B Scott**

# Continental Trustees Limited

## For the year ended 31 December 2019

### Statement of changes in equity

	Called up share capital £	Retained earnings £	Total £
Balance at 1 January 2018	50,000	76,751	126,751
Profit for the year	-	10,769	10,769
Total comprehensive income for the year	-	10,769	10,769
Balance as at 31 December 2018	50,000	87,520	137,520
<b>Balance at 1 January 2019</b>	<b>50,000</b>	<b>87,520</b>	<b>137,520</b>
Profit for the year	-	37,870	37,870
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>37,870</b>	<b>37,870</b>
<b>Balance as at 31 December 2019</b>	<b>50,000</b>	<b>125,390</b>	<b>175,390</b>

The notes on pages 11 to 20 form part of these financial statements.

**Continental Trustees Limited**  
**For the year ended 31 December 2019**

**Statement of cash flows**

	Note	2019 £	2018 £
<b>Net cash flow from operating activities</b>	13	<b>(34,914)</b>	53,149
Taxation paid		1	-
<b>Net cash generated from operating activities</b>		<b>(34,913)</b>	53,149
<b>Cash flow from investing activities</b>			
Interest received		-	-
<b>Net cash generated from investing activities</b>		-	-
<b>Net increase in cash and cash equivalents</b>		<b>(34,913)</b>	53,149
Cash and cash equivalents at the beginning of the year		97,930	44,231
Exchange (loss)/gain on cash and cash equivalents		(1,985)	550
<b>Cash and cash equivalents at the end of the year</b>		<b>61,032</b>	97,930

The notes on pages 11 to 20 form part of these financial statements.

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 1 General information

Continental Trustees Limited ('the Company') provides trustee, management and registration services to the timeshare industry.

The Company is a private company limited by shares and is incorporated in the United Kingdom. The registered address is detailed on page 2.

### 2 Statement of compliance

The individual financial statements of Continental Trustees Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

### 3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### (a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities measured at fair value.

The preparation of financial statements 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 higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The Company has early adopted the amendments of FRS 102 as a result of the triennial review, which are effective from 1 January 2019.

#### (b) Going Concern

The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, and have adopted the going concern basis of accounting in preparing the financial statements.

The Company is part of the IQ-EQ Group ("Group") and overall debt funding is managed at a Group level. The finance structure has been designed to accommodate this growth by capitalising the interest on the convertible preferred equity certificates ("CPEC's"). There are significant non-recurring costs which mainly relate to the acquisition, integration and project development costs, all of which are focused on the growth of the Group and can be put on hold to preserve Group cash.

In light of the Covid-19 pandemic the Directors have considered the impact on trading and operations across the Group. This has included heightened assessment of the going concern assumption. The Directors have implemented the following:

- Additional Covid-19 specific governance
- Rapidly implemented a remote working approach for all staff to maintain business activity
- Enhanced cost and cash management to manage outgoings to maintain margin to budget levels to counter impact on group revenues
- Enhanced modelling of cash flows and sensitivity analysis surrounding potential outcomes
- Enhanced reporting on key areas such as chargeability, billing and cash generation
- Developed a number of initiatives that could be implemented in the event of a downturn in revenue

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 3 Summary of significant accounting policies (continued)

#### (b) Going Concern (continued)

The Group continues to produce management reporting in line with normal timetables. Trading for the first quarter of 2020 is exceeding budget at an EBITDA level despite a level of disruption during March as the Group transitioned to be fully remote working.

Financial projections have been prepared of the operating performance and cash generation of the Group in light of potential scenarios driven by the Covid-19 pandemic. These projections are based on assumptions including the future operating performance of the Group and have been further enhanced through scenario analysis showing the various cost control measures that are being, and potentially could be, implemented. These scenarios demonstrate that the Group has the ability to continue to trade with a reasonable level of cash headroom.

Having considered a reasonable range of variation in these assumptions and their effect on the Company's trading, the Directors believe that the Company will continue in operational existence for the foreseeable future.

#### (c) Consolidation

The Company is a wholly owned subsidiary of First National Trustee Company (UK) Limited. Following the group restructure, the company is included within the consolidated financial statements of Saphilux S.à.r.l. Previously it was included within the consolidated financial statements of First Names Holdings Limited. Therefore, the Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are the Company's separate financial statements.

#### (d) Foreign currency

##### (i) Functional and presentational currency

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

##### (ii) Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement within 'Administrative expenditure'.

#### (e) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable in respect of services rendered from the provision of administration, corporate management, trustee services together with ancillary services, net of any discounts and rebates allowed by the Company and value added taxes. Revenue is recognised on an accruals basis, with deferral of any cash received in advance. Deferred income is released to the income statement over the period to which it relates.

##### (i) Interest income

Interest income is recognised on an accruals basis.

##### (ii) Management recharge income/ expense

Management recharges are calculated based on the services provided and costs incurred to/from other group entities during the year.

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 3 Summary of significant accounting policies (continued)

**(f) Administrative expenses**

Expenses are accounted for on an accruals basis and included within 'Administrative expenditure'.

**(g) Cost of sales**

Cost of sales represents disbursements and other expenses incurred directly on behalf of clients in connection with the provision of administration of the underlying structures.

**(h) Taxation**

Taxation expense for the period comprises of current tax recognised in the reporting period. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current taxation assets and liabilities are not discounted.

**(i) Current tax**

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted by the period end.

**(i) Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset may be impaired. If there is such an indication the recoverable amount of the asset is compared to the carrying amount of the asset.

**(j) Impairment of non-financial assets (continued)**

The recoverable amount of the asset is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in the income statement

If an impairment loss is subsequently reversed, the carrying amount of the asset is increased to the revised estimate of its recoverable amount but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the income statement.

**(k) Provisions**

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

**(l) Financial instruments**

The Company applies Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other receivables, and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 3 Summary of significant accounting policies (continued)

#### (l) Financial instruments (continued)

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the income statement.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the income statement.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

#### (ii) Financial liabilities

Basic financial liabilities, including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments (net of directly attributable issue costs) discounted at the market rate of interest. Issue costs are recognised in the income statement over the term of the debt on an effective interest-rate basis.

Debt instruments are subsequently carried at amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

#### (iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented on the financial statements when there is a legally enforceable right to set off the recognition amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### (m) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

#### (n) Distributions to equity holders

Dividends and other distributions to the Company's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the statement of changes in equity.

#### (o) Related party transactions

The Company discloses transactions with related parties which are not wholly owned within the same Group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Company financial statements.



# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 4 Critical accounting judgements and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) **Key accounting estimates and assumptions**

The Company makes estimates and assumptions concerning the future. 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.

(i) **Provisions**

Provisions are made up of debtors, which are not deemed to be recoverable. Judgement is used by management to assess the recoverability.

### 5 Profit on ordinary activities before taxation

	2019	2018
	£	£
<hr/>		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Audit fee	3,114	3,600

The audit fee attributed to the Company is included within the annual management charge from another group entity.

### 6 Employees and directors

**Employees**

The Company had no employees during the current or prior year.

**Key management compensation**

Key management personnel are deemed to be the directors of the Company. The compensation paid or payable by the Company or other affiliated companies to key management is shown below:

	2019	2018
	£	£
Salaries and other short term benefits	527,002	653,235

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 7 Tax on profit on ordinary activities

#### (a) Analysis of the tax charge for the year

	2019 £	2018 £
UK corporation (refund)/tax on profits for the year (Note 7(b))	3,253	6,180

#### (b) Factors affecting the tax charge for the year

The tax assessed for the year is lower than (2018: equal to) the standard effective rate of corporation tax in the United Kingdom for the year ended 31 December 2019 of 19% (2018: 19%).

The differences are explained below: -

	2019 £	2018 £
Profit on ordinary activities before taxation	34,617	16,949
Profit on ordinary activities multiplied by the standard rate in the UK @ 19% (2018: 19%)	6,577	3,220
Effects of:		
Group relief	(6,577)	-
Group relief adjustment to tax charge in respect of prior years	3,253	2,960
Current tax (credit)/charge for the year (Note 7(a))	3,253	6,180

#### (c) Factors that may affect future tax charges

The rate of UK Corporation Tax was reduced at the Summer Budget 2015, where the government announced legislation setting the Corporation Tax main rate (for all profits except ring fence profits) at 19% for the years starting 1 April 2017, 2018 and 2019 and at 18% for the year starting 1 April 2020. At the Budget 2016, the government announced a further reduction to the Corporation Tax main rate (for all profits except ring fence profits) for the year starting 1 April 2020, setting the rate at 17%.

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 8 Fixed asset investments

	2019 £	2018 £
Cost as at 1 January	405	405
Provision for impairment	(405)	(405)
<b>Fixed asset investments as at 31 December</b>	<b>-</b>	<b>-</b>

Details of the subsidiary companies at 31 December 2019 which are all wholly owned are as follows:

Name	Description of amount of shares held	% held	Principal activity
Continental Administration Company S.L. (Incorporated in Spain)	100 €30.06 ordinary	100%	Non-trading
Continental Trustees (Cyprus) Limited (Incorporated in Cyprus)	1,000 €1.71 ordinary	100%	Non-trading

The investments have been impaired due to the subsidiaries being dormant and having nil net assets.

### 9 Debtors

	2019 £	2018 £
Trade debtors	58,444	91,516
Amounts owed by group undertakings	54,622	-
Accrued income	1,292	798
	<b>114,358</b>	<b>92,314</b>

Trade debtors are stated after provisions for impairment of £34,527 (2018: £25,604).

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and a repayable on demand.

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 10 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	-	47,607
Corporation tax payable	-	3,252
Other creditors	-	1,865
	-	52,724

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

### 11 Financial instruments

The Company has the following financial instruments:

	2019 £	2018 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	58,444	91,516
Amounts owed by group undertakings	54,622	-
Other debtors	1,292	798
Cash and cash equivalents	61,032	97,930
	175,390	190,244
Financial liabilities measured at amortised cost		
Amounts owed to group undertakings	-	(47,607)
Corporation tax payable	-	(3,252)
Other creditors	-	(1,865)
	-	(52,724)

### 12 Called up share capital

	2019 £	2018 £
Authorised, allotted and fully paid: 50,000 ordinary shares of £1	50,000	50,000

# Continental Trustees Limited

## Notes to the financial statements for the year ended 31 December 2019 (continued)

### 13 Notes to the statement of cash flows

a) Reconciliation of operating profit to net cash from operating activities

	2019 £	2018 £
<b>Profit for the financial year</b>	<b>37,870</b>	<b>10,769</b>
Adjustments for:		
Tax on profit on ordinary activities	(3,253)	6,180
<b>Operating profit</b>	<b>34,617</b>	<b>16,949</b>
Working capital movements:		
(Increase)/decrease in debtors	(22,044)	(9,294)
Increase/(decrease) in creditors	(49,472)	46,044
Foreign exchange gains	1,985	(550)
<b>Cash flow from operating activities</b>	<b>(34,914)</b>	<b>53,149</b>

b) Reconciliation of net cash flow to movement in net funds

	2019 £	2018 £
(Decrease)/increase in cash in the year	(34,914)	53,149
Translation difference	(1,985)	550
Net funds at 1 January	97,930	44,231
<b>Net funds at 31 December</b>	<b>61,031</b>	<b>97,930</b>

c) Analysis of change in net funds

	At 1 January 2019	Cash flows 2019	Exchange movements	At 31 December 2019
Cash at bank and in hand	97,930	(34,914)	(1,985)	61,031

# **Continental Trustees Limited**

## **Notes to the financial statements for the year ended 31 December 2019 (continued)**

### **14 Related party transactions**

Transactions with other wholly owned subsidiaries within the group are not disclosed as the Company has taken advantage of the exemption in section 33.1A of FRS 102.

### **15 Controlling parties**

The Company's immediate parent undertaking is First National Trustee Company (UK) Limited, a company incorporated in the United Kingdom.

On 18 July 2018, 100% of the shareholding in IQ EQ Holdings (Group IOM) Limited (formerly known as First Names Holdings Limited), the previous ultimate parent, was sold to IQ EQ (FNG) Netherlands B.V. (formerly known as SGG (FNG) Netherlands B.V.). Following the acquisition, the ultimate controlling party is FCPI Astorg V, a French closed ended collective investment scheme in which no individual investor holds a controlling interest. The scheme is managed by Astorg Partners, a Societe par actions simplifiee incorporated and existing under the laws of France, having its registered office at 68 Rue du Faubourg Saint-Honore, 75008 Paris.

### **16 Events after the end of the reporting period**

During 2020 the Covid-19 pandemic has caused significant economic uncertainty. The Directors consider that the economic impact of measures put in place to manage this crisis is a non-adjusting post balance sheet event as the conditions arose after the reporting period. The Group has continued to provide its services whilst having moved over 90% of its staff to a "working from home" scenario. The Directors have considered the impact to trading over the forthcoming twelve months and further consideration is detailed in note 3 Going Concern.