

FIL Villa Mumm Limited

Registered number: 03855677

Report and financial statements

for the eighteen month period ended 31 December 2020

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FIL VILLA MUMM LIMITED

DIRECTORS' REPORT FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020

The Directors submit their report and audited financial statements of FIL Villa Mumm Limited ("the Company"), registered number 03855677, for the period ended 31 December 2020.

Principal activities

The Company's principal activity is the ownership of Villa Mumm, a freehold property located in Germany which is occupied by German subsidiary undertakings of the Company's parent entity, FIL Limited ("the Parent").

Business review

Having regard to the Company's expected future cashflows, these financial statements have been prepared on the going concern basis.

The results for the Company are set out on page 7. The Company's loss after tax for the financial period is €1,032,000 (30 June 2019: loss of €1,913,000). No interim dividend was paid in the period (30 June 2019: €Nil). No final dividend is proposed (30 June 2019: €Nil).

The company's statement of financial position is set out on page 8 and shows net assets at 31 December 2020 of €56,000 (30 June 2019: €1,088,000).

Key performance indicators ("KPIs")

The main KPI's that are monitored include loss for the financial period and changes in the valuation of investment property. The total loss for the financial period to 31 December 2020 was €1,032,000 which included a loss on the revaluation of the investment property of €1,874,000.

Development of the business

The Company's activities are expected to continue during the coming year.

Financial risk management

The principal risks and uncertainties facing the Company are credit risk, liquidity risk and valuation risk.

The Company is committed to a business strategy which supports the proactive identification and assessment of risk, and uses risk information to enhance informed decision making and develop appropriate mitigation strategies. The Directors monitor risks associated with the Company and work closely with the risk management department of the Parent Company to identify potential risks and deal with them.

As a 100% subsidiary of FIL Limited, the Company is part of the FIL Group (the "Group") and has access to various oversight functions which provide a global and independent perspective to assist senior management with establishing policies and procedures for effective control and risk management. These functions include a central risk management department, a global compliance Group, a global internal audit Group and an investigation and intelligence unit.

Credit risk

The Group makes use of credit rating services from the major credit rating agencies, has access to the research of brokerage firms and independent research companies and has implemented policies that require credit checks where appropriate on potential counterparties.

Financial instruments exposure may only be to counterparties under guidelines approved by the FIL Limited ("FIL") Head of Treasury or FIL Group Chief Financial Officer. Surplus cash is carefully considered for placement with liquidity funds (all AAAM and/or Aaa-mf) to improve credit risk exposure and reduce direct exposure to banks. Cash balances are held only with banks and liquidity funds with whom the FIL Group has strong, well-established relationships. Counterparty limits are used to manage the counterparty exposure. Internal ratings are maintained by the Fidelity Counterparty Research & Analytics Group.

FIL VILLA MUMM LIMITED

DIRECTORS' REPORT (continued) FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020

Liquidity risk

The Group has implemented a Liquidity risk policy. This policy requires the Group to maintain a framework for the management of liquidity risk that will assure that the Group will have sufficient surplus liquid resources to meet operational, legal and regulatory requirements.

Authority is delegated by the Company and other Group boards to the Head of Treasury to carry out the day-to-day management and reporting of the Group liquidity ensuring that it at all times complies with Group requirements, regulatory requirements as advised by Finance and FIL Group policy.

Valuation risk

The property within the company is held by the Group for its own use. Inline with FRS102, the investment property held by the company is held at fair value as at the reporting date and is valued internally.

Policy and practice on payment of creditors

It is the Group's policy in respect of all suppliers to agree payment terms in advance of the supply and to adhere to these payment terms.

Qualifying third party pension scheme indemnity provision

During the period and on the date of approval of these financial statements the Directors of the Group have the benefit of indemnities in relation to the Company or an associated Company which are qualifying third party indemnity provisions and qualifying pension scheme indemnity provisions, as defined by Sections 234 and 235 of the Companies Act 2006. In addition, during the period the Company has maintained insurance for Directors.

Directors

The Directors of the Company who were in office during the period and up to the date of signing the financial statements are listed below:

M Heath

R Musgrove

C Pirnie (resigned 31 December 2019)

Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

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

In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising 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.

FIL VILLA MUMM LIMITED

DIRECTORS' REPORT (continued) FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020

Statement of directors' responsibilities (continued)

The directors are responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

Change of accounting period

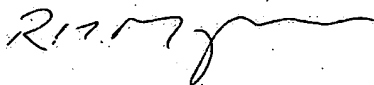
The board approved a change to the accounting reference date of the company from 30 June to 31 December. These financial statements therefore reflect an eighteen month accounting period from 1 July 2019 to 31 December 2020. The comparative amounts presented in the Statement of comprehensive income, Statement of financial position, Statement of changes in equity, Statement of cashflows and the related notes are for the twelve months from 1 July 2018 to 30 June 2019.

Statement of disclosure of information to Auditors

So far as the Directors are aware there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Company's Auditors are unaware, and they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's Auditors are aware of that information.

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

The financial statements were approved by the Board on 14 September 2021 and were signed by Robert Musgrove on the Boards behalf.



**Robert Musgrove
Director**

FIL VILLA MUMM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIL VILLA MUMM LIMITED

Independent auditors' report to the members of FIL Villa Mumm Limited

Report on the audit of the financial statements

Opinion

In our opinion, FIL Villa Mumm Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss and cash flows for the *eighteen* month period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and financial statements (the "Annual Report"), which comprise: *the statement of financial position as at 31 December 2020; statement of comprehensive income, the statement of cash flows, and statement of changes in equity for the period then ended*; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

FIL VILLA MUMM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIL VILLA MUMM LIMITED (continued)

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the period ended 31 December 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

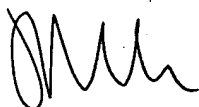
FIL VILLA MUMM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FIL VILLA MUMM LIMITED

(continued)

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Jennifer March (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
15 September 2021

FIL VILLA MUMM LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020

		18 months ended 31 December 2020	12 months ended 30 June 2019
	Note	€'000	€'000
Turnover		2,399	1,598
Gross profit		2,399	1,598
Change in fair value of investment properties	6	(1,874)	(2,206)
Administrative expenses		(1,112)	(632)
Operating loss		(587)	(1,240)
Interest payable and similar expenses	2	(225)	(535)
Loss before taxation	4	(812)	(1,775)
Tax on loss	5	(220)	(138)
Loss for the financial period/ year	15	(1,032)	(1,913)

All amounts reported in the Statement of Comprehensive Income for the periods ended 31 December 2020 and 30 June 2019 relate to continuing operations.

FIL VILLA MUMM LIMITED

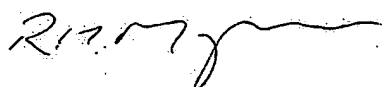
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	31 December 2020 €'000	30 June 2019 (as restated) €'000
Fixed assets			
Investment property	6	22,156	23,955
		<u>22,156</u>	<u>23,955</u>
Current assets			
Debtors	7	197	132
Investments	8	796	680
Cash at bank and in hand		237	83
		<u>1,230</u>	<u>895</u>
Creditors: amounts falling due within one year	9	(22,637)	(23,200)
Net current liabilities		<u>(21,407)</u>	<u>(22,305)</u>
Total assets less current liabilities		<u>749</u>	<u>1,650</u>
Provisions for liabilities	10	(693)	(562)
Net assets		<u>56</u>	<u>1,088</u>
Capital and reserves			
Called up share capital	14	2	2
Profit and loss account	15	54	1,086
Total shareholders' funds	16	<u>56</u>	<u>1,088</u>

In the current period financial statements, the prior year balances on the Statement of financial position have been restated, see note 1.17.

There is no impact in the Statement of Comprehensive Income, the Statement of Changes in Equity or the Statement of Cash flows for the year ended 30 June 2019.

The financial statements on pages 7 to 19 were approved by the Board of Directors on 14 September 2021 and signed on its behalf by:



Robert Musgrove
Director
FIL Villa Mumm Limited
Registered number: 03855677

FIL VILLA MUMM LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020

	Called up share capital €'000	Profit and loss account €'000	Total Shareholders' funds €'000
At 1 July 2018	2	2,999	3,001
Loss for the financial year	-	(1,913)	(1,913)
At 30 June 2019	2	1,086	1,088
Loss for the financial period	-	(1,032)	(1,032)
At 31 December 2020	2	54	56

FIL VILLA MUMM LIMITED

STATEMENT OF CASH FLOWS FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020

		18 months ended 31 December 2020	12 months ended 30 June 2019
	Note	€'000	€'000
Net cash inflow from operating activities	11	1,253	830
Taxation paid		<u>(155)</u>	<u>(85)</u>
Net cash generated from operating activities		<u>1,098</u>	<u>745</u>
Cash outflow from investing activities			
Additions to investment property		<u>(75)</u>	<u>(248)</u>
Net cash used in investing activities		<u>(75)</u>	<u>(248)</u>
Cash outflow from financing activities			
Interest paid		<u>(753)</u>	<u>(534)</u>
Net cash used in financing activities		<u>(753)</u>	<u>(534)</u>
Net increase/ (decrease) in cash and cash equivalents	12	<u>270</u>	<u>(37)</u>
		18 months ended 31 December 2020	12 months ended 30 June 2019
		€'000	€'000
Net increase/ (decrease) in cash and cash equivalents		270	(37)
Cash and cash equivalents at 1 July 2019		<u>763</u>	<u>800</u>
Cash and cash equivalents at 31 December 2020	13	<u>1,033</u>	<u>763</u>

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020

1 Principal accounting policies

1.1 General information

FIL Villa Mumm Limited is a private company limited by shares and incorporated in England and Wales. The registered office is 4 Cannon Street, London, EC4M 5AB.

1.2 Statement of compliance

The financial statements of FIL Villa Mumm Limited have been prepared in accordance 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.

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

1.3 Basis of preparation

These financial statements are prepared on the going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the period, are set out below.

1.4 Change of accounting period

The company changed its accounting reference date from 30 June to 31 December with these financial statements being the first presented to the new period end date. The financial statements are presented for the 18 months ended 31 December 2020 with comparatives for the 12 months ended 30 June 2019. The comparative amounts presented in these financial statements (including the related notes) are not entirely comparable.

1.5 Turnover

Turnover, which arises wholly in Germany and excludes value added tax, represents rent chargeable to FIL Limited Group Undertakings. Rent is charged on the Company's freehold property and is accounted for on the accruals basis and recognised as earned. Turnover received in advance for services to be provided in the future is deferred and recognised over the service period.

1.6 Investment property

As at 31 December 2020 and 30 June 2019, the investment property was valued internally by FIL Limited. For both years, the calculation was performed by the Real Estate Director using the direct capitalisation method for valuation, based upon a 10 year projected horizon with a discount rate of 5% (30 June 2019: 5%).

1.7 Investments

Current asset investments include investments in mutual and collective funds and money market deposits. Current asset investments are stated at the lower of cost or net realisable value.

1.8 Cash at bank

Cash in the balance sheet comprise cash at bank and in hand and deposits that are repayable on demand.

1.9 Foreign currencies

Monetary assets and liabilities of the company expressed in foreign currencies are translated into euro at rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currency are translated into euro at the rate of exchange ruling on the date of the transaction. Translation differences are included in loss before taxation.

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

1 Principal accounting policies (continued)

1.10 Debtors

Short-term debtors, with no stated interest rate and receivable within one year, are measured at transaction price less any impairment. Any losses arising from impairment are recognised in the profit and loss account. All debt instruments which are basic financial instruments are measured at amortised cost using the effective interest method, less any impairment.

1.11 Creditors

Short-term creditors, with no stated interest rate and payable within one year, are measured at transaction price. Other financial liabilities are measured at amortised cost.

1.12 Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, 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.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

1.13 Functional and presentational currency

The functional currency of the company is determined to be the Euro, this is the same as the presentational currency.

1.14 Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable, and therefore recognised, only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

1.15 Pension scheme arrangements

Another FIL Limited group company, FIL Investment Management Limited ("FIML"), operates a self-administered defined contribution scheme in which eligible employees of FIML and Directors of the Company participate.

Within the defined contribution scheme, there is a small sub-set of employees (current and deferred members) who are covered by a final salary guarantee on their pension. This ensures that for the Members covered, the pension paid will be no less than a pre-defined percentage of the Members' final salary. For these Members, the defined contribution plan acts as a defined benefit scheme. This is a closed pool of employees and there is no option for any additional members to be added to this part of the scheme.

Members who retire after 1 July 2003 have the option to buy an annuity within the scheme. FIML takes the risk that the amount set aside will not meet the pension payments of the retiree.

A full description of the plan is included in the FIML financial statements.

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

1 Principal accounting policies (continued)

1.16 Judgements in applying accounting policies and key sources of estimation uncertainty

The valuation of the investment property is subject to a degree of estimation uncertainty due to the nature of the investment and that fluctuations will be expected year-on-year. Further details are given in note 6.

1.17 Prior year restatement

In the current year financial statements, the prior year balances have been restated in order to correct the intercompany loan. In the 2019 financial statements, the intercompany loan was shown as falling due after more than one year, despite it falling due for repayment within one year of the Statement of Financial Position date. As such, the net current assets were overstated by the amount of the loan, as shown in the below table.

Statement of Financial Position

	2019		
	As previously stated €'000	Adjustment €'000	Restated €'000
Creditors: Amounts falling due within one year	1,269	21,931	23,200
Creditors: Amounts falling due after more than one year	21,931	(21,931)	-
Net current liabilities	374	21,931	22,305

2 Interest payable and similar expenses

	18 months ended 31 December 2020 €'000	12 months ended 30 June 2019 €'000
Interest payable on amounts owed to Group Undertakings	221	532
Other interest paid	4	3
	<u>225</u>	<u>535</u>

3 Directors' emoluments

	18 months ended 31 December 2020 €'000	12 months ended 30 June 2019 €'000
<u>All Directors</u>		
Aggregate emoluments	18	18
Company pension contributions to defined contribution schemes	1	2
Compensation for loss of office	9	-
	<u>28</u>	<u>20</u>

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

During the financial period, retirement benefits were accruing to 2 Directors (30 June 2019: 2) under a defined contribution scheme.

Director's emoluments are borne by a fellow Group undertaking, FIML.

As at 31 December 2020 there were no outstanding or prepaid contributions to the pension scheme (30 June 2019: €Nil) in relation to Directors.

4 Loss before taxation

The Company does not have any employees (30 June 2019: none).

Another Group undertaking employs all staff and assumes the associated staff costs.

Services provided by the Company's Auditors:

- Fees for tax consultancy are €99,000 (30 June 2019: €105,000).
- Fees for the audit of the Company are €27,000 (30 June 2019: €22,000).

5 Tax on loss

a) The charge for tax on the loss is made up as follows:

	18 months ended 31 December 2020	12 months ended 30 June 2019
	€'000	€'000
Current taxation		
UK corporation tax on loss for the period/ year	121	66
Adjustments in respect of prior period/ year	1	9
Total current taxation	122	75
Deferred taxation		
Origination and reversal of timing differences	98	63
Total taxation on loss on ordinary activities	220	138

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

5 Tax on loss (continued)

- b) The total taxation assessed for the financial period is higher (30 June 2019: higher) than the standard rate of corporation taxation in the UK. The differences are explained below:

	18 months ended 31 December 2020	12 months ended 30 June 2019
	€'000	€'000
Loss before taxation	(812)	(1,775)
Loss on ordinary activities before taxation multiplied by the standard rate of UK corporation tax at 19% (30 June 2019: 19%)	(154)	(337)
Effects of:		
Prior year deferred tax movement	-	(8)
Compensating adjustments	-	55
Expenses not deductible for tax purposes	356	419
Rate change to opening deferred tax	17	-
Adjustment in respect of prior periods/ years	1	9
Total tax charge	220	138

The current UK Corporation Tax rate is 19% (30 June 2019: 19%).

- c) The movement on the deferred tax liability is as follows:

	18 months ended 31 December 2020	12 months ended 30 June 2019
	€'000	€'000
At 1 July 2019	(640)	(577)
Deferred tax charged in the statement of comprehensive income	(98)	(63)
At 31 December 2020	(738)	(640)

- d) The deferred tax liability consists of:

	18 months ended 31 December 2020	12 months ended 30 June 2019
	€'000	€'000
Amounts falling due within one year (note 9)	(45)	(78)
Provision for liabilities (note 10)	(693)	(562)
Capital allowances in excess of depreciation	(738)	(640)

Based on the current valuation at 31 December 2020, a disposal would result in a tax loss of €36,900,000 (30 June 2019: €37,485,000). A tax asset has not been recognised in respect of this revaluation.

The deferred tax balances have been calculated using the future tax rate in force at the balance sheet date, being 19% (2019: 18.5%).

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

During 2020, the reduction in the UK corporation tax rate that was due to take effect from 1 April 2020 was cancelled and as a result the rate has remained at 19%. This revised rate has been used in the calculation of the Company's deferred tax assets and liabilities as at 31 December 2020.

In the budget of 3 March 2021 the UK Government announced that the UK corporation tax rate will increase to 25% from 1 April 2023. As of 31 December 2020, this measure had not been substantively enacted and therefore no impact is reflected in the calculation on the Company's deferred tax assets and liabilities as at 31 December 2020. This measure would increase the Company's deferred tax provision position by €230,000.

6 Investment property

	Investment Property €'000
At 1 July 2019	23,955
Additions	75
Loss on revaluation	(1,874)
At 31 December 2020	22,156
Net book value at 31 December 2020	22,156
Net book value at 30 June 2019	23,955

The historical cost of the investment property is €95,312,000 (30 June 2019: €95,237,000).

The investment property has been valued internally by FIL Limited as at 31 December 2020. The valuation is based upon a 10 year projected horizon with a discount rate of 5% (30 June 2019: 5%).

7 Debtors

	31 December 2020 €'000	30 June 2019 €'000
Rent earned but not received	-	132
Invoice payments in advance	197	-
	197	132

8 Investments

	31 December 2020 €'000	30 June 2019 €'000
Mutual and collective fund investments	796	680

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

9 Creditors: amounts falling due within one year

	31 December 2020	30 June 2019 (as restated)
	€'000	€'000
Amounts owed to Group Undertakings	21,400	22,014
VAT payable	27	43
Deferred tax	45	78
Accruals and deferred income	1,165	1,065
	<u>22,637</u>	<u>23,200</u>

Amount owed to Group Undertakings comprise a loan of €21,400,000 (30 June 2019: €21,400,000), accrued interest on the loan of €nil (30 June 2019: €532,000) and an intercompany payable of €nil (30 June 2019: €82,000).

With effect from 1 December 2014 a loan agreement was entered into with a Group Undertaking which accrued interest at 2.40% payable annually on each 15 June falling between 1 December 2014 and 1 December 2019.

On maturity of the loan on 1 December 2019, the loan of €21,400,000 was repaid to FIL Investment Management Limited and a new, non interest bearing loan, for the same amount was entered into with FIL Limited. The loan is repayable on demand.

On 19 March 2021, part of the loan was repaid to FIL Limited amounting to €16,768,500 resulting in a remaining loan of €4,631,500. On the same date, a new loan agreement was entered into for €16,768,500 with a fellow Group Undertaking, FIL Holdings (Luxembourg) S.A. The loan is for a term of 5 years repayable on 19 March 2026, at an annual interest rate of 2.86%.

10 Provisions for liabilities

	31 December 2020	30 June 2019
	€'000	€'000
Opening position	562	495
Movement during the period/ year	131	67
Closing position	<u>693</u>	<u>562</u>

Provisions for liabilities relate to deferred tax.

11 Net cash generated from operating activities

	18 months ended 31 December 2020	12 months ended 30 June 2019
	€'000	€'000
Gross profit	2,399	1,598
Administration expenses	(1,112)	(632)
(Increase)/ decrease in debtors	(62)	36
Decrease in creditors	(70)	(172)
Increase in deferred tax	98	-
Net cash generated from operating activities	<u>1,253</u>	<u>830</u>

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

12 Reconciliation of net cash flow to movement in net cash

	18 months ended 31 December 2020	12 months ended 30 June 2019
	€'000	€'000
Increase/ (decrease) in cash and cash equivalents in the period/ year	270	(37)
Net cash and cash equivalents at 1 July 2019	763	800
Net cash and cash equivalents 31 December 2020	1,033	763

13 Analysis of net cash

	As at 1 July 2019	Cash flow	As at 31 December 2020
	€'000	€'000	€'000
Cash at bank and in hand	83	154	237
Investments	680	116	796
	763	270	1,033

14 Called up share capital

	31 December 2020	30 June 2019
	€'000	€'000
Authorised 1,000,000 (30 June 2019: 1,000,000) Ordinary €1.50 shares	1,500	1,500
Allotted and fully paid 1,000 (30 June 2019: 1,000) Ordinary €1.50 shares	2	2

15 Profit and loss account

	31 December 2020	30 June 2019
	€'000	€'000
At 1 July 2019	1,086	2,999
Loss for the financial period/ year	(1,032)	(1,913)
At 31 December 2020	54	1,086

FIL VILLA MUMM LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE EIGHTEEN MONTH PERIOD ENDED 31 DECEMBER 2020 (continued)

16 Reconciliation of movements in shareholders' funds

	31 December 2020	30 June 2019
	€'000	€'000
Loss for the financial period/ year	(1,032)	(1,913)
Opening shareholders' funds	1,088	3,001
Closing shareholders' funds	56	1,088

17 Ultimate Parent Undertaking and Controlling Party

The immediate and ultimate Parent Undertaking and Controlling Company as at the balance sheet date was FIL Limited ("FIL"), a Bermuda company which owns 100% of FIL Villa Mumm Limited's issued share capital. FIL is the Parent Undertaking of the largest and smallest Group of undertakings to consolidate these financial statements.

18 Related party transactions

During the period the Company charged rents and service charges to:

- (i) FIL Investment Services GmbH - office rents of €1,899,000 (30 June 2019: €1,264,000), parking fees of €119,000 (30 June 2019: €79,000) and service charges for July 2019 to December 2020 of €3,001,000 (30 June 2019: €1,844,000).
- (ii) FIL Fondsbank GmbH - office rents of €82,000 (30 June 2019: €56,000), parking fees of €130,000 (30 June 2019: €86,000) and service charges for July 2019 to December 2020 of €89,000 (30 June 2019: €60,000).
- (iii) FIL Financial Services GmbH - office rents of €93,000 (30 June 2019: €63,000), parking fees of €26,000 (30 June 2019: €17,000) and service charges for July 2019 to December 2020 of €110,000 (30 June 2019: €75,000).
- (iv) FIL Investments International - office rents of €nil (30 June 2019: €14,000), parking fees of €nil (30 June 2019: €4,000) and service charges for July 2019 to December 2020 of €nil (30 June 2019: €23,000).
- (v) FIL (Luxembourg) SA - office rents of €28,000 (30 June 2019: €4,000), parking fees of €9,000 (30 June 2019: €1,000) and service charges for July 2019 to December 2020 of €34,000 (30 June 2019: €3,000).

As at 31 December 2020, €nil was due to (30 June 2019: €83,000) FIML for inter group charges.

The Company had a loan from FIML. During the period the Company paid interest to FIML totalling €753,000 (30 June 2019: €532,000). Interest of €221,000 (30 June 2019: €532,000) accrued on the loan during the period. The amount due to FIML as at 31 December 2020, including accrued interest, was €nil (30 June 2019: €21,931,000).

On 1 December 2019, a new, non interest bearing loan was entered into with FIL Limited. The amount due to FIL Limited as at 31 December 2020 was €21,400,000 (30 June 2019: €nil).