
Fidante Partners Holdings Europe Limited

COMPANY REGISTRATION NUMBER 06172534

**Directors' Report and Financial Statements
for the year ended 30 June 2021**



FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

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FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Corporate Information

Directors

S J Green (resigned 5 February 2021)
R D B Banh
D A Cubbin (appointed 4 February 2021)

Registered office

Bridge House
Level 3, 181 Queen Victoria St,
London
EC4V 4EG

Company Registration Number

06172534

Auditors

Ernst and Young LLP
25 Churchill Place
Canary Wharf
London
E14 5EY

Company Secretary

R D B Banh

Bankers

National Westminster Bank plc
Brunswick Gate
23 Brunswick Place
Southampton
SO15 2AW

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Directors' Report

The Directors present their report and the financial statements of Fidante Partners Holdings Europe Limited (the "Company") for the year ended 30 June 2021.

Principal activities business review and future developments

The principal activity of the Company during the year was that of holding investments. The Company performed an impairment analysis during the year which resulted in an impairment of the investment in Fidante Partners Holdings (Guernsey) Limited. However, the Directors intend to maintain their current investment strategy next year, focusing on improving the performance of its investments.

Results and dividends

The loss for the year amounted to £10,151,404 (2020: £4,783,562). The Directors have not recommended a dividend (2020: nil).

Principal risks and uncertainties

The management of the business and the execution of the Company's strategy is subject to one main risk being the ability to attract a return on the investment. The Directors are satisfied that there are procedures and policies in place to mitigate this risk and are confident that the existing business model will withstand any unforeseen uncertainties.

Directors

The Directors who served the Company during the year and the date of this report were as follows:

S J Green (resigned 5 February 2021)

R D B Banh

D A Cubbin (appointed 4 February 2021)

Going concern

The Company has net assets of £16,417,565 (2020: £26,568,969) and creditors falling due within one year of £3,072,115 (2020: £2,384,977). The Directors are satisfied that the current assets of £1,771,557 (2020: £1,438,561) is sufficient to support the creditors if required given that the majority of the Company's creditors are 100% owned affiliates within the Challenger Group. Furthermore, the Company receives a letter of support from the ultimate parent to this effect

The Directors consider that the Company will be a going concern for the foreseeable future and consider that this basis is still appropriate when preparing these financial statements. The ultimate parent injected an additional £1m of capital into the Fidante Partners Holdings (Guernsey) Ltd in November 2021 to support the ongoing operation of the business and its underlying subsidiaries.

Disclosure of information to the auditor

So far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware. The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

Ernst & Young LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Preparation in accordance with the small companies' regime

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities. The Company has taken advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Signed by order of the Directors



R D B Banh
Director

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Directors' Report and the financial statements of the Company 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 the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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.

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Independent Auditors Report to the Members of Fidante Partners Holdings Europe Limited

Opinion

We have audited the financial statements of Fidante Partners Holdings Europe Limited (the 'Company') for the year ended 30 June 2021 which comprise statement the Income Statement and Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes¹ to 11, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

- Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months from when the financial statements are authorised for issue
- Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. 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.

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Independent Auditors Report to the Members of Fidante Partners Holdings Europe Limited (Continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Independent Auditors Report to the Members of Fidante Partners Holdings Europe Limited (Continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the requirements of the Companies Act 2006 and the relevant direct and indirect tax compliance regulation in the United Kingdom.

We understood how the Company is complying with those frameworks by making enquiries of management and by seeking representation from those charged with governance. We corroborated our understanding through our review of documented policies and procedures.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where they considered there was susceptibility to fraud. We considered the controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud, including in a remote-working environment; and how management monitors these controls.

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Independent Auditors Report to the Members of Fidante Partners Holdings Europe Limited (Continued)

Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved journal entry testing, with a focus on manual journals and journals indicating large or unusual transactions based on our understanding of the business and enquiries of management.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

A handwritten signature in black ink that reads "Ernst & Young LLP." The signature is written in a cursive, flowing style.

Mike Gaylor (Senior Statutory Auditor)
For and on behalf of Ernst & Young LLP, Statutory Auditor
London

31 March 2022

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Income Statement

For the year ended 30 June 2021

	Note	2021 £	2020 £
Administrative income/(expenses)		4,531	-
Impairment of investments		(10,157,214)	(4,768,838)
Operating loss		(10,152,683)	(4,768,838)
Interest income (expense)	3	3,041	(18,178)
Loss on ordinary activities before taxation		(10,149,642)	(4,787,016)
Tax (charge)/credit on ordinary activities	4	(1,762)	3,454
Loss for the financial year		(10,151,404)	(4,783,562)

The result for the year arises from the Company's continuing operations.

Statement of Comprehensive Income

For the year ended 30 June 2021

	2021 £	2020 £
Attributable result for the year	(10,151,404)	(4,783,562)
Other comprehensive income	-	-
Total comprehensive loss for the year	(10,151,404)	(4,783,562)

There are no components of other comprehensive income recognised as part of the total comprehensive income outside the income stated above.

The accounting policies and the notes on pages 11 to 14 form an integral part of these Financial Statements.

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Statement of Financial Position As at 30 June 2021

	Note	2021 £	2020 £
Non-current assets			
Investments	5	17,718,123	27,875,336
		17,718,123	27,875,336
Current assets			
Debtors	6	1,740,995	1,435,768
Cash at bank		30,562	2,793
		1,771,557	1,438,561
Creditors: amounts falling due within one year	7	(3,072,115)	(2,384,977)
Net current assets/ (liabilities)		(1,300,558)	(946,416)
Total assets less current liabilities		16,417,565	26,928,920
Creditors: amounts falling due after more than one year	8	-	(359,951)
Net assets		16,417,565	26,568,969
Capital and reserves			
Called-up equity share capital	9	32,719,954	32,719,954
Profit and loss account		(16,302,389)	(6,150,985)
Shareholders funds		16,417,565	26,568,969

The accounting policies and the notes on pages 11 to 14 form an integral part of these Financial Statements.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – small entities.

These financial statements were approved by the Directors and authorised for issue on 31 March 2022. They are signed on their behalf by:



R D B Banh
Director

Company registration number: 06172534

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Statement of Changes In Equity For the year ended 30 June 2021

	Note	Share capital £	Profit and loss account £	Total share- holder's funds £
At 30 June 2019		32,719,954	(1,367,423)	31,352,531
Total comprehensive loss for the year		-	(4,783,562)	(4,783,562)
New shares issued		-	-	-
At 30 June 2020	9	32,719,954	(6,150,985)	26,568,969
Total comprehensive loss for the year		-	(10,151,404)	(10,151,404)
New shares issued		-	-	-
At 30 June 2021	9	32,719,954	(16,302,389)	16,417,565

The accounting policies and the notes on pages 11 to 14 form an integral part of these Financial Statements.

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Notes to the Financial Statements

Year ended 30 June 2021

1. Accounting policies

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding year.

Accounting convention

Fidante Partners Holdings Europe Limited is a limited liability company incorporated in England. The Registered Office is Bridge House, Level 3, 181 Queen Victoria Street, London, EC4V 4EG. The Company's financial statements have been prepared in compliance with FRS 102 as it applies to the financial statements for the year ended 30 June 2021.

The Company's financial statements are presented in British pound sterling (GBP) which is its functional and presentation currency. All amounts in the financial statements have been rounded to the nearest pound sterling, except when otherwise indicated.

Significant accounting judgements, estimates and assumptions

In the application of the accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amounts 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 that are 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.

The Company carries its investment in subsidiaries at cost less impairment. The Company used a valuation technique based on a discounted cash flow model. The valuation is most sensitive to the discount rate used as well as the expected future cash flows and the growth rate used for extrapolation purposes.

Basis of accounting

The financial statements of the Company have been prepared under the historical cost convention with the exception of the contingent consideration in relation to the acquisition of Fidante Partners Holdings (Guernsey) Limited which has been included at cost less impairment. The financial statements of the Company have been prepared in accordance with FRS 102 Section 1A 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The financial statements have been prepared on the basis that the Company fulfils the requirements to be considered a small entity.

Going concern

The Company holds an investment in Fidante Partners Holdings Guernsey Ltd. The Board has assessed the Company's financial position as at 30 June 2021 and the factors that may impact its performance in the forthcoming year and are of the opinion that it is appropriate to prepare these financial statements on a going concern basis.

The Covid-19 pandemic, and associated market volatility, has not had a material adverse impact on the Company directly, however overall Group did experience market losses but maintains target regulatory capital.

Given the above considerations, it is reasonable to conclude that the Company will continue to be cashflow positive, and have positive net assets for the going concern review period, being 12 months from the date of these financial statements. As such, the Company should be considered a going concern.

Tax

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantially enacted at the balance sheet date.

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Notes to the Financial Statements

Year ended 30 June 2021

1. Accounting policies (continued)

Tax (continued)

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 have occurred at that date that will result in an obligation to pay more, or a right to pay less in the future.

Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in the tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance

Turnover

Turnover is recognised when it is probable that an economic benefit will flow to the entity and the revenue and costs can be reliably measured.

2. Operating loss

Operating loss is stated after:

Auditor's remuneration

2021	2020
£	£
-	-

Both the current and prior year fees for the audit of the Company were borne by the main UK operating entity Fidante Partners Europe Limited.

3. Interest expense and similar charges

Interest income (expense)

2021	2020
£	£
3,041	(18,178)

Interest was charged during the current and prior year in respect of transfer pricing arrangements.

4. Taxation on ordinary activities

Current tax

Corporation tax (charge)/credit
Total tax (charge)/credit for the period

2021	2020
£	£
(1,762)	3,454
(1,762)	3,454

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Notes to the Financial Statements Year ended 30 June 2021

5. Investments

	2021 £	2020 £
Cost		
At the start of the year	27,875,336	32,668,000
Additions	341,383	319,003
Impairment	(10,157,214)	(4,768,838)
Contingent consideration	(341,383)	(342,829)
At the end of the year	17,718,122	27,875,336

The investment in subsidiary undertakings represents the Company's investment in 100% of the members' capital of Fidante Partners Holdings (Guernsey) Limited, 100% of Fidante Partners FME Holdings Limited and 100% of Fidante Partners Wyetree Limited.

The Company carries its investment in subsidiaries at cost less impairment. The Company used a valuation technique based on a discounted cash flow model. The valuation is most sensitive to the discount rate used as well as the expected future cash flows and the growth rate used for extrapolation purposes. This resulted in an impairment of £10,157,214 in the year (2020:£4,768,838).

6. Debtors

	2021 £	2020 £
Amounts owed by group undertakings	1,740,995	1,432,314
Other debtors	-	3,454
	1,740,995	1,435,768

Amounts owed by group undertakings are repayable on demand and non-interest bearing.

7. Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	2,701,483	2,042,148
Contingent consideration	341,383	342,829
Other creditors	29,249	-
	3,072,115	2,384,977

Intercompany creditors are non interest bearing and repayable on demand.

During the year ended 30 June 2016 the Company acquired 100% of the member's capital of Fidante Partners Holdings (Guernsey) Limited. Part of the acquisition cost included the above contingent consideration.

The contingent consideration comprised of two elements, a fixed deferred payment and an element based on annuity revenue. The above amount is comprised of the annuity revenue and is payable 14 days after the completion of the financial audit of Fidante Partners Europe Limited for the period ending 30 June 2021. The final payment was in relation to the year ended 30 June 2021. The physical settlement of this liability occurred in November 2021.

FIDANTE PARTNERS HOLDINGS EUROPE LIMITED

Notes to the Financial Statements

Year ended 30 June 2021

8. Creditors: amounts falling due after more than one year

Contingent consideration

2021	2020
£	£
-	359,951
-	359,951

Intercompany creditors are non interest bearing.

During the year ended 30 June 2016 the Company acquired 100% of the member capital of Fidante Partners Holdings (Guernsey) Limited. Part of the acquisition cost included the above contingent consideration.

The contingent consideration comprised of two elements, a fixed deferred payment and an element based on annuity revenue. The above amount is comprised of the annuity revenue and is payable 14 days after the completion of the financial audit of Fidante Partners Europe Limited for the period ending 30 June 2021.

9. Share capital

Allotted, called up and fully paid:

	2021		2020	
	No	£	No	£
Ordinary shares of £1 each	32,719,954	32,719,954	32,719,954	32,719,954

During the year the Company issued no (2020: £nil) share capital to its parent Fidante Partners Holdings Pty Limited.

10. Ultimate and immediate parent company

The immediate parent company is Fidante Partners Holdings Pty Limited, a company incorporated in Australia. The ultimate parent company is Challenger Limited, also incorporated in Australia.

The financial statements of Challenger Limited are publicly available from Challenger Limited, Level 2, 5 Martin Place, Sydney, New South Wales 2000, Australia.

11. Post balance sheet events

On 3 November 2021, the Company invested a further £1m into its underlying subsidiary Fidante Partners Europe Limited to fund. Funding was provided by the ultimate Challenger Group.