

GLAS Trust Corporation Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

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COMPANIES HOUSE

Company Registration No. 07927175 (England and Wales)

GLAS Trust Corporation Limited

Company Information

Directors	B Carne M Drennan
Company number	07927175
Registered office	45 Ludgate Hill London EC4M 7JU
Auditor	KPMG LLP Arlington Business Park, Theale Reading RG7 4SD
Bankers	Barclays Level 11 1 Churchill Place London E14 5HP

GLAS Trust Corporation Limited

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GLAS Trust Corporation Limited

Directors' Report

For the year ended 31 December 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be to operate as a debt administration business.

As part of its core activities, from time to time the company holds funds on behalf of its clients in designated Escrow or Settlement accounts. The accounting treatment for these balances is reported in note 2 to the financial statements.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

B Carne

M Drennan

Auditor

The 2017 financial year is the first in which the Company has been audited. KPMG LLP were appointed as auditor to the Company on 9 November 2017.

Statement of directors' responsibilities

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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;
- 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.

GLAS Trust Corporation Limited

Directors' Report (Continued)

For the year ended 31 December 2017

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



B Carne

Director

Date: 25/11/18

GLAS Trust Corporation Limited

Independent Auditor's Report

To the Members of GLAS Trust Corporation Limited

Opinion

We have audited the financial statements of GLAS Trust Corporation Limited (the 'Company') for the year ended 31 December 2017 which comprise the Profit And Loss Account, the Balance Sheet and notes to the financial statements, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

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

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

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

We have nothing to report in these respects.

GLAS Trust Corporation Limited

Independent Auditor's Report (Continued)

To the Members of GLAS Trust Corporation Limited

Other matter - prior period financial statements

We note that the prior period financial statements were not audited. Consequently ISAs (UK) require the auditor to state that the corresponding figures contained within these financial statements are unaudited. Our opinion is not modified in respect of this matter.

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, such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities 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 fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

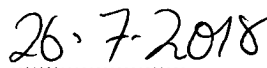
The purpose of our audit work and to whom we owe our responsibilities

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



Terri Coughlan (Senior Statutory Auditor)
for and on behalf of KPMG LLP

Chartered Accountants
Statutory Auditor



Arlington Business Park
Theale
Reading
RG7 4SD

GLAS Trust Corporation Limited

Profit and loss account

For the year ended 31 December 2017

		Year ended 31 December 2017	Unaudited Nine month period ended 31 December 2016 as restated
	Notes	£	£
Turnover		2,232,316	776,752
Cost of sales		(956,668)	(110,415)
Gross profit		1,275,648	666,337
Administrative expenses		(712,977)	(449,153)
Operating profit		562,671	217,184
Interest receivable and similar income		-	61
Interest payable and similar expenses		(1,379)	-
Profit before taxation		561,292	217,245
Tax on profit	4	(78,304)	(31,338)
Profit for the financial year		482,988	185,907

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

GLAS Trust Corporation Limited

Balance Sheet

As at 31 December 2017

			2017	Unaudited 2016 as restated
	Notes	£	£	£
Current assets				
Debtors	5	2,069,229		724,309
Creditors: amounts falling due within one year	6	<u>(1,176,997)</u>		<u>(315,065)</u>
Net current assets			<u>892,232</u>	<u>409,244</u>
Capital and reserves				
Called up share capital	7		250,001	250,001
Profit and loss reserves			<u>642,231</u>	<u>159,243</u>
Total equity			<u>892,232</u>	<u>409,244</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 25/7/18 and are signed on its behalf by:



B Carne
Director

Company Registration No. 07927175

GLAS Trust Corporation Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1 Accounting policies

Company information

GLAS Trust Corporation Limited is a private company limited by shares incorporated in England and Wales. The registered office is 45 Ludgate Hill, London, EC4M 7JU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2017 are the first financial statements of GLAS Trust Corporation Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 April 2016. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

1.2 Prior period error

The financial statements for the nine month period ended 31 December 2016 incorrectly classified balances and underestimated liabilities. The net impact reflected in these financial statements is £19,445.

1.3 Reporting period

The financial statements have been prepared for the 12 months ending 31 December 2017 (2016: 9 months ending 31 December 2016).

1.4 Turnover

Turnover represents amounts receivable for services provided where there is a right to consideration prior to the period end. Turnover is included net of VAT. Income is recognised in the period to which it relates. Where income is received in advance for services to be provided over a period of time, the revenue is deferred and recognised over the period to which the service relates and it is provided.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.5 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

GLAS Trust Corporation Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

GLAS Trust Corporation Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.8 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

GLAS Trust Corporation Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Cash held on behalf of clients

As part of its core activities, from time to time the Group holds funds on behalf of its clients in designated Client, Escrow or Settlement accounts.

The Directors are of the opinion that these funds do not form part of the assets of the business and are not utilised as working capital or for any other reason. They are held separately in identified accounts. The balance of these accounts amounts to £280,762,446 (2016: £70,975,422)

The Directors have made the judgement to exclude these values from the balance sheet. If they had been included, both assets and liabilities would increase by the same amount, being the sum total of the accounts. There would be no impact on either profitability or net assets.

3 Employees

The company had no employees during the year.

4 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	78,304	31,338
	<u> </u>	<u> </u>

GLAS Trust Corporation Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

4 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	561,292	217,245
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)</i>	108,049	43,449
Tax effect of expenses that are not deductible in determining taxable profit	644	1,127
Group relief	(30,389)	(13,238)
Taxation charge for the period	78,304	31,338

5 Debtors

	2017 £	Unaudited 2016 £
Amounts falling due within one year:		
Amounts due from group undertakings	2,060,036	715,116
Other debtors	9,193	9,193
	2,069,229	724,309

6 Creditors: amounts falling due within one year

	2017 £	Unaudited 2016 £
Corporation tax	109,642	31,338
Deferred income	1,056,604	279,476
Other creditors	4,251	4,251
Accruals	6,500	-
	1,176,997	315,065

GLAS Trust Corporation Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

7 Called up share capital

	2017 £	Unaudited 2016 £
Ordinary share capital		
Issued and fully paid		
250,001 Ordinary shares of £1 each	250,001	250,001
	<u>250,001</u>	<u>250,001</u>

8 Parent company

The ultimate parent company is GLAS Holdings Limited, a company registered in England and Wales. The parent company is in turn controlled by its joint shareholders, and as such there is deemed to be no controlling party.

The immediate parent company is Global Loan Agency Services Limited, a company registered in England and Wales.

9 Prior period adjustment

Changes to the balance sheet

	Unaudited At 31 December 2016		
	As previously reported £	Adjustment £	As restated £
Current assets			
Debtors due within one year	394,050	330,259	724,309
Creditors due within one year			
Cash at bank and in hand	70,975,442	(70,975,442)	-
Taxation	(31,338)	-	(31,338)
Other creditors	(70,668,879)	70,664,628	(4,251)
Deferred income	(279,476)	-	(279,476)
	<u>389,799</u>	<u>19,445</u>	<u>409,244</u>
Net assets	389,799	19,445	409,244
Capital and reserves			
Share capital	250,001	-	250,001
Profit and loss	139,798	19,445	159,243
	<u>389,799</u>	<u>19,445</u>	<u>409,244</u>
Total equity	389,799	19,445	409,244

GLAS Trust Corporation Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

9 Prior period adjustment

(Continued)

Changes to the profit and loss account

	Unaudited Nine month period ended 31 December 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Turnover	2,021,992	(1,245,240)	776,752
Cost of sales	(1,059,810)	949,395	(110,415)
Administrative expenses	(795,720)	346,567	(449,153)
Interest receivable and similar income	-	61	61
Taxation	-	(31,338)	(31,338)
	<u> </u>	<u> </u>	<u> </u>
Profit for the financial period	166,462	19,445	185,907
	<u> </u>	<u> </u>	<u> </u>

Re-classification and taxation movements have been taken into account as part of the re-statement exercise. Turnover and cost of sales previously included reimbursable costs and income attributed to other Group companies. These have been removed. Administration expenses have been allocated based on turnover of the individual UK Group companies. This has resulted in a movement in net assets of £19,445 at December 2016 and an increase in profit of £19,445 for the nine month period ending 31 December 2016. Funds held in client accounts are now reported off Balance Sheet.