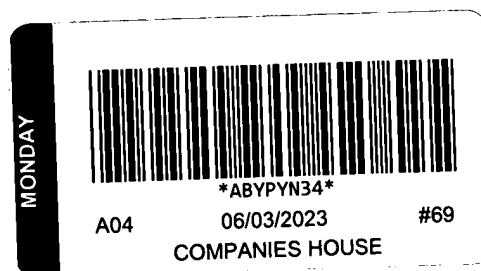


## **Crestbridge UK Limited**

### **Annual report and audited financial statements for the year ended 30 June 2022**

Company Registration: 09822915



**Crestbridge UK Limited**  
**Contents**  
**30 June 2022**

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**Crestbridge UK Limited**  
**Corporate directory**  
**30 June 2022**

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**Information**

<b>Registered office</b>	8 Sackville Street London W1S 3DG
<b>Independent Auditors</b>	PricewaterhouseCoopers CI LLP 37 Esplanade, St Helier, Jersey JE1 4XA
<b>Company registration number</b>	09822915

**Crestbridge UK Limited**  
**Directors' report**  
**30 June 2022**

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**Directors' report**

The directors of Crestbridge UK Limited, (the "Company") present their annual report and audited financial statements for the year ended 30 June 2022.

**Background**

The Company was incorporated in England and Wales on 13 October 2015 as CUKL Limited (Company Number 09822915) and commenced trading on 4 December 2015. The name of the Company was changed to Crestbridge UK Limited on 18 January 2016. Its registered office is 8 Sackville Street, London, W1S 3DG.

The Company incorporated its subsidiary, Crestbridge Nominees Limited ("CNL") on 14 November 2016. CNL has not traded since incorporation.

**Principal activities**

The principal activity of the Company is the provision of accounting and corporate administration services.

**Results and dividends**

The results for the year are set out in the statement of comprehensive income on page 9. The total comprehensive income for the year was £24,577 (2021: £558,845). The equity of the Company as at 30 June 2022 was £315,815 (2021: £291,239). The directors do not recommend the payment of a dividend in respect of the year ended 30 June 2022 (2021: £nil).

**Going Concern**

The directors have considered whether it is appropriate to prepare the financial statements on a going concern basis. The Company is profit-making with positive financial results expected to continue in future financial periods. The Company is supported by its immediate parent company, CUKG Limited, through a working capital facility and this facility will not be repayable until such time as the Company is in a financial position to do so.

The directors of the Company continue to monitor the geopolitical uncertainties arising from the conflict in Ukraine. From the performance of a companywide risk assessment and review of client due diligence the directors are satisfied that the Company does not operate or do business in Russia or Ukraine and has no exposure to the region. As a result, the impact of economic and political challenges arising in the region are not expected to have a material impact on the Company's operations, cash flows and performance. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

**Directors**

The following persons were directors of Crestbridge UK Limited during the year and up to the date of this report:

S D A Drewett  
M R Lambert (Appointed 14 March 2022)  
N D Townson  
P J Windsor (Resigned 31 March 2022)

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

The Companies Act 2006 requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Company financial statements in accordance with international accounting standards.

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 international accounting standards in conformity with the requirements of the Companies Act 2006 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 confirm that they have complied with the above requirements in preparing the financial statements.

**Crestbridge UK Limited**  
**Directors' report**  
**30 June 2022**  
**(continued)**

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**Statement of directors' responsibilities (continued)**

The directors 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.

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 requirements of the Companies Act 2006.

**Directors' confirmations**

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Events after the reporting period**

The directors continue to monitor the impact of the Covid-19 pandemic and other external risks on the Company. The business is performing well and there is continued growth in the client base so despite risks around the uncertainties detailed in note 25, the directors are of the opinion that no adjustments are required to the financial statements for events after the current reporting period.

The directors of the Company continue to monitor the geopolitical uncertainties arising from the conflict in Ukraine. From the performance of a companywide risk assessment and review of client due diligence the directors are satisfied that the Company does not operate or do business in Russia or Ukraine and has no exposure to the region. As a result, the impact of economic and political challenges arising in the region are not expected to have a material impact on the Company's operations, cash flows and performance.

**Small companies note**

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

**Political donations**

No political donations were made during the year ended 30 June 2022 (2021: £nil).

**Qualifying directors' indemnity**

Throughout the financial year the Company has paid a premium to insure the directors.

**Independent auditors**

The independent auditors, PricewaterhouseCoopers CI LLP, have indicated their willingness to continue in office.

Approved by the board of directors on 8 December 2022 and signed on its behalf by:

DocuSigned by:



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N D Townson  
Director



# Independent auditors' report to the members of Crestbridge UK Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Crestbridge UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit and cash flows for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and audited financial statements (the "Annual Report"); which comprise: the statement of financial position as at 30 June 2022; the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year 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

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 at least twelve months from when the financial statements are authorised for issue.

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.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## **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 the Director's report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires 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 the Director's report for the year ended 30 June 2022 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 the Director's 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to those that have a direct impact on the financial statements such as the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries. Audit procedures performed by the engagement team included:

- enquiring with the directors as to any actual or suspected instances of fraud or non-compliance with laws and regulations;
- reviewing the minutes of meetings of the board of directors for additional matters relevant to the audit;
- testing the disclosures made in the Directors' Report for compliance with the requirements of the Companies Act 2006;
- performing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- identifying and testing journal entries considered to be of higher fraud risk, and the evaluation of the business rationale for any significant or unusual transactions identified as being outside the normal course of business.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

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

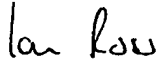
- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified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



## **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: prepare financial statements in accordance with the small companies regime; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Ian Ross (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers CI LLP  
Chartered Accountants and Statutory Auditors  
Jersey  
15/12/2022

**Crestbridge UK Limited**  
**Statement of comprehensive income**  
**For the year ended 30 June 2022**

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	Notes	30 June 2022 £	30 June 2021 £
<b>Income</b>			
Fee income		<u>6,887,990</u>	<u>5,228,576</u>
		<b>6,887,990</b>	<b>5,228,576</b>
<b>Expenses</b>			
Staff costs	4	(3,536,603)	(2,243,577)
Administrative expenses	6	(3,030,655)	(2,227,820)
Movement in bad debts	16	<u>(233,703)</u>	<u>(12)</u>
		<b>(6,800,961)</b>	<b>(4,471,409)</b>
<b>Operating profit</b>		<b>87,029</b>	<b>757,167</b>
Finance expenses	10,20	<u>(61,291)</u>	<u>(70,480)</u>
<b>Profit before tax</b>		<b>25,738</b>	<b>686,687</b>
Taxation on ordinary operations	8	<u>(1,161)</u>	<u>(127,842)</u>
<b>Total comprehensive income for the year</b>		<b><u>24,577</u></b>	<b><u>558,845</u></b>


There was no other comprehensive income that should be reflected in the statement of comprehensive income.

All items dealt with in arriving at the total comprehensive income for the years ended 30 June 2021 and 2022 relate to continuing operations.

**Crestbridge UK Limited**  
**Statement of financial position**  
**As at 30 June 2022**

	Notes	30 June 2022 £	30 June 2021 £
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	106,258	111,653
Right-of-use asset	10	131,807	448,143
Investment in subsidiaries	11	1	1
Goodwill	12	373,014	373,014
Intangible assets	13	87,397	137,745
Deferred tax asset	14	-	1,161
Other receivables	15	222,220	222,220
		<u>920,697</u>	<u>1,293,937</u>
<b>Current assets</b>			
Trade and other receivables	16	3,108,461	2,900,182
Related party receivables	17	216,616	1,825
Cash and cash equivalents		148,280	101,381
Other receivables		-	-
		<u>3,473,357</u>	<u>3,003,388</u>
<b>Total assets</b>		<u>4,394,054</u>	<u>4,297,325</u>
<b>LIABILITIES</b>			
<b>Non-current liabilities</b>			
Lease liabilities	10	-	160,586
Trade and other payables		5,410	-
		<u>5,410</u>	<u>160,586</u>
<b>Current liabilities</b>			
Trade and other payables	18	760,332	623,130
Deferred income	19	842,818	563,721
Related party payables	20	909,093	746,153
Related party loan	21	1,400,000	1,400,000
Lease liabilities	10	160,586	371,342
Taxation	8	-	141,154
		<u>4,072,829</u>	<u>3,845,500</u>
<b>Total liabilities</b>		<u>4,078,239</u>	<u>4,006,086</u>
<b>EQUITY</b>			
Share capital	22	300	300
Retained earnings		315,515	290,939
		<u>315,815</u>	<u>291,239</u>
<b>Total equity</b>		<u>315,815</u>	<u>291,239</u>
<b>Total equity and liabilities</b>		<u>4,394,054</u>	<u>4,297,325</u>

The financial statements on pages 9 to 35 were approved and authorised for issue by the board of directors on 8 December 2022 and were signed on its behalf by:

DocuSigned by:  
  
 .....  
 N D Townson  
 Director

The notes on pages 13 to 35 are an integral part of these financial statements

**Crestbridge UK Limited**  
**Statement of changes in equity**  
**For the year ended 30 June 2022**

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	Share capital £	Retained earnings £	Total equity £
<b>Balance at 01 July 2020</b>	300	(267,906)	(267,606)
Total comprehensive income for the year	<u>-</u>	<u>558,845</u>	<u>558,845</u>
<b>Balance at 30 June 2021</b>	<u>300</u>	<u>290,939</u>	<u>291,239</u>

	Share capital £	Retained earnings £	Total equity £
<b>Balance at 01 July 2021</b>	300	290,939	291,239
Total comprehensive income for the year	<u>-</u>	<u>24,577</u>	<u>24,577</u>
<b>Balance at 30 June 2022</b>	<u>300</u>	<u>315,516</u>	<u>315,816</u>

The notes on pages 13 to 35 are an integral part of these financial statements

**Crestbridge UK Limited**  
**Statement of cash flows**  
**For the year ended 30 June 2022**

	Notes	30 June 2022 £	30 June 2021 £
<b>Cash flows from operating activities</b>			
Cash (used in) / generated from operations	23	262,852	(705)
Income taxes paid		<u>(141,154)</u>	<u>-</u>
<b>Net cash generated from / (used in) operating activities</b>		<u>121,698</u>	<u>(705)</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	<u>(74,799)</u>	<u>-</u>
<b>Net cash used for investing activities</b>		<u>(74,799)</u>	<u>-</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>46,899</b>	<b>(705)</b>
Cash and cash equivalents at the beginning of the year		<u>101,381</u>	<u>102,086</u>
<b>Cash and cash equivalents at end of year</b>		<u>148,280</u>	<u>101,381</u>

The notes on pages 13 to 35 are an integral part of these financial statements

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**

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## **1 General information**

Crestbridge UK Limited (the "Company") is a limited company domiciled in the United Kingdom and Wales whose shares are not publicly traded. It was incorporated on 13 October 2015 (Company Number 09822915) and its registered office is located at 8 Sackville Street, London, United Kingdom, W1S 3DG.

The Company incorporated its subsidiary, Crestbridge Nominees Limited on 14 November 2016.

The principal activity of the Company is the provision of accounting and corporate administration services.

## **2 Summary of significant accounting policies**

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

### **(a) Basis of preparation**

The financial statements are prepared on a going concern basis, under the historical cost convention, and presented in pounds sterling (£), which is the Company's functional and presentational currency. All values stated in the financial statements are rounded to the nearest pound sterling.

The financial statements of the Company have been prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 ("IFRS").

The Company does not prepare consolidated financial statements as its only subsidiary is non trading and its inclusion is not considered material for the purpose of giving a true and fair view of the Company and its results for the financial period under review.

#### *Critical accounting estimates*

The preparation of the financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

#### *Exemptions for qualifying entities*

The Companies Act 2006 allows a qualifying entity certain exemptions, subject to certain conditions, including and on the basis that the Company falls within the small companies regime and is a wholly owned subsidiary. The Company has taken advantage of the following exemptions:

- from presenting a strategic report; and
- from preparing consolidated financial statements as the inclusion of the subsidiary is not considered material for the purpose of giving a true and fair view.

### **(b) Going concern**

The directors have considered whether it is appropriate to prepare the financial statements on a going concern basis. The Company is now profit-making and the positive growth and financial results are expected to continue in subsequent financial periods. The Company has been supported by its immediate parent company, CUKG Limited, with the working capital facility since the start up period of the Company and this facility will not be repayable until such time as the Company is in a financial position to do so.

The directors of the Company continue to monitor the geopolitical uncertainties arising from the conflict in Ukraine. From the performance of a companywide risk assessment and review of client due diligence the directors are satisfied that the Company does not operate or do business in Russia or Ukraine and has no exposure to the region. As a result, the impact of economic and political challenges arising in the region are not expected to have a material impact on the Company's operations, cash flows and performance. Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

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## **2 Summary of significant accounting policies (continued)**

### **(c) New accounting standards and interpretations**

#### *(i) New and amended standards adopted by the Company*

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 01 July 2021 and 01 July 2022 that have a material effect on the financial statements of the Company.

### **(d) Foreign currency translation**

#### *(i) Functional and presentation currency*

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which it operates ("the functional currency"). The financial statements are presented in pounds sterling (£), which is the Company's functional and presentation currency.

#### *(ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

### **(e) Revenue recognition**

#### *Fee income*

Revenue represents amounts invoiced to clients for corporate administration and professional accounting services provided during the year.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is received. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Company assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Company has concluded that it is acting as a principal in all of its revenue arrangements.

#### *IFRS 15 - Revenue from contracts with customers*

IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

1. Identify the contract with the supplier
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue as or when the entity satisfies a performance obligation

The Company recognises revenues from contracts with customers when the performance obligation is satisfied, which is when the promised services are transferred to the customer. A service is considered to be transferred when the customer obtains control, which is represented by the transfer of rights with regard to the service. Transfer of control happens either over time or at a single point in time. When a performance obligation is satisfied over time, an entity is required to select a single method of measuring progress for each performance obligation that depicts the entity's performance in transferring control of services to the customer. Revenue is recognised by reference to the stage of completion of the contracted services determined by the value of the services provided at the statement of financial position date as a proportion of the total value of the engagement. Revenue is only recognised where the Company has a contractual right to receive consideration for work undertaken, the amount can be reliably measured and it is probable that future economic benefits will flow.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

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## **2 Summary of significant accounting policies (continued)**

### **(e) Revenue recognition (continued)**

Services provided to clients where, at the statement of financial position date, rights to that service have been transferred to the customer in part or in full, but have not yet been billed to clients are accrued and recognised as revenue. Fees in advance in respect of contracted services are apportioned by reference to the stage of completion of the contracted services determined by the value of the services provided, and those billed but not yet completed are included in deferred income.

### **(f) Taxes**

The current corporation tax charge represents the sum of the current tax payable and deferred tax.

Current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because some items of income or expense are taxable or deductible in different years or may never be taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax is the tax expected to be payable or recoverable in the future arising from temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. It is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

### **(g) Pension costs**

The Company operates a defined contribution scheme which requires contributions to be made to a separately administered fund. The Company's obligation for each period is recognised as an expense in the statement of comprehensive income and is determined by the amounts to be contributed for that period.

### **(h) Expenses**

All expenditure is recognised on an accruals basis.

### **(i) Property, plant and equipment**

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation, based on a component approach, is calculated using the straight-line method to allocate the cost over the asset's estimated useful lives, as follows:

- Leasehold improvements - period of lease
- Fixtures and fittings - 5 years
- Office equipment - 5 years
- Computer equipment - 4 years



**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

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## **2 Summary of significant accounting policies (continued)**

### **(i) Property, plant and equipment (continued)**

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at least at each reporting period end.

An asset's carrying amount is written down immediately to its recoverable amount if its carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

All borrowing costs are expensed.

### **(j) Right-of-use assets**

As detailed in note 10 the Company adopted IFRS 16 for the first time on 1 July 2019 and recognised operating lease commitments as a right-of-use asset with a corresponding liability at that date.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received
- any initial direct costs, and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

### **(k) Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in the statement of comprehensive income when it is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over their useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates.

### **(l) Goodwill**

Goodwill represents the excess of the cost of an acquisition over the fair value of the Company's share of the net identifiable assets of the acquired business at the date of acquisition. Goodwill is not amortised. Instead, goodwill is tested for impairment annually and if events or changes in circumstances indicate that it might be impaired, is carried at cost less accumulated impairment losses. Gains and losses on the disposal include the carrying amount of goodwill relating to the business sold.

Goodwill is allocated to cash generating units ("CGUs") for the purpose of impairment testing. The CGU represents the Company's investment in the business operations of the primary reporting segment.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

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## **2 Summary of significant accounting policies (continued)**

### **(m) Trade receivables**

#### *Initial recognition*

Trade and other receivables represent the Company's right to an amount of consideration that is unconditional as only the passage of time is required before the consideration is due. None of the Company's trade receivables contain a significant financing component and therefore the Company has applied the practical expedient under IFRS 9 and measures these receivables at their transaction price, which approximates fair value.

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost or fair value through other comprehensive income. The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

#### *Subsequent measurement*

Trade and other receivables are subsequently recognised at amortised cost as reduced by appropriate allowances for expected credit losses ("ECLs"). The Company applies a simplified approach in calculating an allowance for ECLs for its trade and other receivables. Therefore, the Company does not track changes in credit risk, but instead recognises a lifetime loss allowance based on the ageing of the receivable balances and historical experience. Individual trade receivables are written off when management deems them not to be collectible.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company's financial statements.

### **(n) Cash and cash equivalents**

Cash and cash equivalents are defined as cash in hand, demand deposits, and highly liquid investments readily convertible within three months or less to known amounts of cash and subject to insignificant risk of changes in value.

### **(o) Trade and other payables**

Trade and other payables are not interest bearing and are stated at their amortised cost.

### **(p) Lease liabilities**

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company in the statement of financial position.

Assets and liabilities arising from a lease are initially measured on a present value basis.

### **(q) Classification of shares**

Ordinary shares are classified as equity.

### **(r) Fair value disclosures**

Fair value disclosures reflect the following methods and assumptions:

For cash and cash equivalents, the carrying amount does not differ from its fair value due to its short term nature. For trade and other receivables, trade and other payables, deferred income and the right-of-use asset the carrying amount does only slightly differ from its fair value. Therefore, the book value is the proxy for its fair value.

With regards to the asset and liabilities noted in the above accounting policies, the carrying value does not differ from fair value. No disclosure of fair value measurements by level of fair value hierarchy is required in these financial statements as no financial instruments are measured on such basis in the statement of financial position.

The carrying values of financial assets and liabilities at amortised cost are a reasonable approximation of their fair values. The fair value of financial assets and liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

## 2 Summary of significant accounting policies (continued)

### (r) Fair value disclosures (continued)

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledge willing parties in an arm's length transaction. Management believes the fair values of the Company's financial assets and liabilities are not materially different from their carrying amounts at the statement of financial position date due to their short term maturities.

## 3 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experiences as adjusted for current market conditions and other factors.

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

### (i) Recoverable amount of cash generating unit

At each reporting date the Company considers whether goodwill and other intangible assets are impaired. Where an indication of impairment is identified, the estimation of the recoverable value of the cash generating unit ("CGU") is required. This requires an estimation of the future cash flows from the CGU and the selection of appropriate discount rates in order to calculate the net present value of those cash flows. As detailed in note 12, determining the recoverable amount of the CGU involves the use of significant assumptions.

### (ii) IFRS 9 - Expected credit losses

An impairment analysis is performed at each reporting date to measure expected credit losses. The provision rates are based on the ageing of the receivables balances and historical experience. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables as disclosed in note 16.

### (iii) IFRS 16 - Leases

Assets and liabilities arising from a lease are initially measured on a present value basis and as detailed in note 10 it requires the selection of an appropriate discount rate for the measurement of the net present value of the lease liabilities at initial recognition.

### (i) Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

## 4 Staff costs

	30 June 2022 £	30 June 2021 £
Salaries and discretionary payments	3,014,004	1,915,763
Staff insurances and defined contribution pension costs	<u>522,599</u>	<u>327,814</u>
	<u>3,536,603</u>	<u>2,243,577</u>

The average number of employees under contracts of service with the Company (including directors) during the year was 65 (2021: 53).

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

## 5 Pensions

The Company operates a defined contribution pension scheme which requires contributions to be made to a separately administered fund which is external and independent to the Company. Pension contributions by the Company are at rates set under the relevant United Kingdom legislation (the 'workplace pension scheme'). Deductions made from employees' salaries are matched by the employer and paid to a pension administrator. Employees may have personal pension arrangements, contributions to which the Company may pay in addition or instead of the workplace pension scheme, provided the contribution levels are more than or equal to the workplace pension scheme.

## 6 Administration expenses

	30 June 2022 £	30 June 2021 £
<b>Included in administration expenses are:</b>		
Management fees	1,740,717	1,429,564
Depreciation of tangible fixed assets	80,194	70,108
Depreciation charge on right-of-use assets	316,337	316,337
Amortisation	50,348	61,747
Net foreign exchange differences	1,819	4,910
Audit fees	36,748	30,650
	<u>2,226,163</u>	<u>1,913,316</u>

## 7 Management fee

The Company was charged a management fee of £1,740,717 (2021: £1,429,564) for the current year by Crestbridge Limited ("CL") under the terms of the Services Agreement ("the Agreement") signed on 5 December 2019 between the Company and CL. This fee is incurred in relation to the use of central services provided by CL including management, finance, human resources, marketing and information technology and is based on a weighted average calculation per central service. The calculation takes the main duties of each central service and allocates a metric to each receiving legal entity based on whether each service is available to the legal entity. Metrics vary depending on the central service and include revenue, FTE and number of legal entities. The metrics base values are taken from the year end date.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

## 8 Taxation

	30 June 2022 £	30 June 2021 £
<b>Corporation tax charge for the year</b>		
UK corporation tax charge at 19% (2021: 19%)	-	127,842
	<u>-</u>	<u>127,842</u>

### Deferred tax

Deferred tax movement in the year	<u>1,161</u>	<u>-</u>
Tax movement in the year	<u>1,161</u>	<u>127,842</u>

Reconciliation of the corporation tax charge applicable to the profit from ordinary activities at the statutory tax rate to the tax expense at the Company's effective tax rate for the year is as follows:

	30 June 2022 £	30 June 2021 £
Profit before tax	<u>25,738</u>	<u>686,687</u>
Tax calculated at domestic tax rates of 19% (2021: 19%) applicable to profit	4,890	130,471
Expenditure not allowed for tax purposes	40,888	14,173
Accelerated capital allowances	(18,475)	(12,648)
Capital allowance in excess of depreciation	-	12,647
Group relief	(27,303)	(17,309)
Adjustment to deferred tax for change in rate	-	-
Movement in deferred tax	<u>1,161</u>	<u>508</u>
Current tax expense	<u>1,161</u>	<u>127,842</u>

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

**9 Property, plant and equipment**

	Leasehold improvements £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>At 01 July 2020</b>					
Cost or fair value	149,638	11,723	60,285	162,279	383,925
Accumulated Depreciation and impairment	<u>(73,535)</u>	<u>(6,103)</u>	<u>(26,938)</u>	<u>(95,588)</u>	<u>(202,164)</u>
<b>Net book amount</b>	<u>76,103</u>	<u>5,620</u>	<u>33,347</u>	<u>66,691</u>	<u>181,761</u>
<b>Year ended 30 June 2021</b>					
Opening net book amount	76,103	5,620	33,347	66,691	181,761
Accumulated Depreciation and impairment	<u>(34,216)</u>	<u>(1,557)</u>	<u>(9,717)</u>	<u>(24,618)</u>	<u>(70,108)</u>
<b>Closing net book amount</b>	<u>41,887</u>	<u>4,063</u>	<u>23,630</u>	<u>42,073</u>	<u>111,653</u>
<b>At 30 June 2021</b>					
Cost or fair value	149,638	11,723	60,285	162,279	383,925
Accumulated Depreciation and impairment	<u>(107,751)</u>	<u>(7,660)</u>	<u>(36,655)</u>	<u>(120,206)</u>	<u>(272,272)</u>
<b>Net book amount</b>	<u>41,887</u>	<u>4,063</u>	<u>23,630</u>	<u>42,073</u>	<u>111,653</u>
<b>Year ended 30 June 2022</b>					
Opening net book amount	41,887	4,063	23,630	42,073	111,653
Additions	-	901	3,042	70,856	74,799
Accumulated Depreciation and impairment	<u>(38,937)</u>	<u>(1,455)</u>	<u>(10,262)</u>	<u>(29,540)</u>	<u>(80,194)</u>
<b>Closing net book amount</b>	<u>2,950</u>	<u>3,509</u>	<u>16,410</u>	<u>83,389</u>	<u>106,258</u>
<b>At 30 June 2022</b>					
Cost or fair value	149,638	12,625	63,327	233,135	458,725
Accumulated Depreciation and impairment	<u>(146,688)</u>	<u>(9,116)</u>	<u>(46,917)</u>	<u>(149,746)</u>	<u>(352,467)</u>
<b>Net book amount</b>	<u>2,950</u>	<u>3,509</u>	<u>16,410</u>	<u>83,389</u>	<u>106,258</u>

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

## 10 Leases

The statement of financial position shows the following amounts relating to leases:

	30 June 2022 £	30 June 2021 £
<b>Right-of-use assets net book value</b>		
Buildings	<u>131,807</u>	<u>448,143</u>
	<u>131,807</u>	<u>448,143</u>
<b>Lease liabilities</b>		
Current	160,586	371,342
Non-current	<u>-</u>	<u>160,586</u>
	<u>160,586</u>	<u>531,928</u>

The statement of comprehensive income includes the following amounts relating to leases:

	30 June 2022 £	30 June 2021 £
<b>Depreciation</b>		
Properties	<u>(316,337)</u>	<u>(316,337)</u>
	<u>(316,337)</u>	<u>(316,337)</u>
<b>Interest expense (included in finance cost)</b>	<u>(13,653)</u>	<u>(27,080)</u>
	<u>(13,653)</u>	<u>(27,080)</u>

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Company in the statement of financial position.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the Company under residual value guarantees;
- the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
**30 June 2022**  
**(continued)**

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## 10 Leases (continued)

To determine the incremental borrowing rate, the Company:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received. The lending rate of Barclays Bank plc at 1 July 2019 has been used as the discount rate for measurement of the lease liability at that date.
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to the statement of comprehensive income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in the statement of comprehensive income. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture.

## 11 Investment in subsidiaries

	Units in issue	Registered office	Country of incorporation	Nature of business	Holding
Crestbridge Nominees Limited	1	8 Sackville Street London W1S 3DG	United Kingdom	Nominee company	100 %

Crestbridge Nominees Limited was incorporated in England and Wales on 14 November 2016. It has not traded since incorporation.



**Crestbridge UK Limited**  
**Notes to the financial statements**  
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**(continued)**

## 12 Goodwill

30 June  
2022  
£

### Acquisition of business

The fair value of the assets and liabilities recognised were as follows:

Intangible assets	626,975
Tangible assets	10
Share capital	300
<b>Total identifiable net assets at fair value</b>	<b>627,285</b>
Goodwill	373,014
<b>Present value of purchase consideration transferred</b>	<b>1,000,299</b>

On 4 December 2015 the Company acquired a real estate book of business and this acquisition was part of an arrangement with WSM Partners LLP whereby a portfolio of clients, various licences and the staff who had previously undertaken the professional accounting and corporate administration for the respective clients, were transferred to the Company.

The goodwill in the Company is an allocation based upon the component of consideration settled by the Company. The Company performed its annual impairment test at 30 June 2022 and the test takes into account the performance of the Cash Generating Units ("CGU") of Crestbridge UK Limited as a whole. The recoverable amount has been determined based on a value in use calculation which require the use of assumptions. The calculation used cash flow projections from the financial plan approved by senior management covering a five year period. The projected cash flows have been updated to reflect a lower trajectory growth rate for their respective services. The pre tax discount rate applied to cash flow projections is 11.48% (2021: 12%). The cash flows within the period of the current five year business plan for customers, other than those introduced in, or as a result of, the purchased client list, are extrapolated using a 28% annual growth rate (2021: 23%), and the long term growth beyond the period of the current five year business plan assumes 5% annual growth (2021: 5%). Management did not identify an impairment for this CGU.

The calculation of value in use for the CGU is most sensitive to the following assumptions:

- Gross margins
- Discount rates

#### *Gross margins*

Gross margins are based on the average values achieved in the wider Crestbridge Group as well as in the current budget. Decreased demand can lead to a decline in the gross margin. A decrease in the gross margin of 4.06% (2021: 10.49%) would result in an impairment in the CGU.

#### *Discount rates*

Discount rates represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital ("WACC"). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest bearing borrowings the Group is obliged to service. An increase in the discount rate of 30.7% (2021: 250.7%) would lead to an impairment in the CGU.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
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**(continued)**

### 13 Intangible assets

	<b>30 June 2022 £</b>	<b>30 June 2021 £</b>
<b>Opening net book amount 1 July</b>	<b>137,745</b>	<b>199,492</b>
Amortisation and impairment	<u>(50,348)</u>	<u>(61,747)</u>
<b>Closing net book amount 30 June</b>	<b><u>87,397</u></b>	<b><u>137,745</u></b>

On 4 December 2015, the Company purchased a real estate oriented book of business with a client annuity revenue stream of circa £1m per annum and assets with a nominal value of £11 as part of a joint venture arrangement between WSM Partners LLP and Crestbridge Corporate Holdings Limited ("CCHL"). The consideration paid by the Company amounted to £1m, of which £626,975 was determined to be consideration paid for the existing book of business transferred ("the customer list"), with the residual being considered as goodwill and payment for the separate tangible assets transferred as detailed in note 12. The consideration for the purchase was provided by CCHL via the related party loan detailed in note 21.

The fair value of the separable intangible asset estimated on acquisition was determined through applying a discounted cash flow technique to the projected earnings to be derived from the customer list over its expected useful life. The key assumptions applied were:

- An assumed discount rate of 11.48% reflecting the estimated cost of capital of the business;
- A finite useful life of the customer list of 10 years, although this is being replaced with new work from the same customers. As a result an attrition factor of 10% per annum is being applied to the aggregate of the previous year's revenue from the portfolio and the new work derived from the purchased clients; and
- A growth factor of 3%.

As noted above, the directors have considered that the customer list has an expected finite life of 10 years and are amortising the cost over its useful life through the statement of comprehensive income. The amortisation will be charged to the statement of comprehensive income based on the expected revenue profile generated from the customers forming part of the customer list. This will result in accelerated recognition of amortisation in earlier years due to the anticipated profile of losses of these customers over the 10 year period.

### 14 Deferred tax

The Company offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to corporation taxes levied by the same tax authority.

Deferred tax assets and liabilities are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. It is the directors' opinion that based upon the Company's financial plan such profits will be available in future accounting periods.

The Company has tax losses that arose in the United Kingdom of £nil (2021: £42,211) and are available indefinitely for offset against future non trading taxable profits. The deferred tax related to the above has been included in the deferred tax balance set out below:

**Crestbridge UK Limited**  
**Notes to the financial statements**  
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**(continued)**

**14 Deferred tax (continued)**

	30 June 2022 £	30 June 2021 £
Deferred tax asset / (liability) as at 1 July	1,161	(12,659)
Current year tax adjustments	<u>(1,161)</u>	<u>13,820</u>
	<u>-</u>	<u>1,161</u>

**15 Non-current receivables**

	30 June 2022 £	30 June 2021 £
Rent deposit	<u>222,220</u>	<u>222,220</u>
	<u>222,220</u>	<u>222,220</u>

On 15 November 2022 an 18 month Reversionary Lease Extension agreement was signed to extend the lease of the 1st and 4th floor of 8 Sackville Street to 16 May 2024. In accordance with the Rental Deposit Deed signed on the 15 November 2022, the rental deposit will be released two months after the later of either the end of the Reversionary Lease term or the Company yielding the property in accordance with the lease covenants.

**16 Trade and other receivables**

	30 June 2022 £	30 June 2021 £
<b>Net trade receivables</b>		
Trade debtors	2,659,899	2,428,378
Provision for impairment of receivables	<u>(233,703)</u>	<u>-</u>
	<u>2,426,196</u>	<u>2,428,378</u>
<b>Net other receivables</b>		
Prepayments	204,566	174,894
Accrued income	398,504	296,184
Other receivables	<u>79,195</u>	<u>726</u>
	<u>682,265</u>	<u>471,804</u>
	<u>3,108,461</u>	<u>2,900,182</u>

**Crestbridge UK Limited**  
**Notes to the financial statements**  
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**(continued)**

## 16 Trade and other receivables (continued)

The ageing analysis of trade receivables is as follows:

	30 June 2022 £	30 June 2021 £
< 30 days	2,172,838	2,109,930
30 - 60 days	8,540	15,618
61 - 90 days	-	15,600
91 - 120 days	351,948	106,870
> 120 days	<u>126,573</u>	<u>180,360</u>
	<u>2,659,899</u>	<u>2,428,378</u>

Trade receivables are non-interest bearing and are generally received within 90 days. As detailed in note 25 the Covid-19 pandemic has not had a significant impact on the debtor collection period. The directors regularly review the aging of the trade receivables and as detailed below have written off any trade receivables deemed to be irrecoverable as at 30 June 2022.

The requirement for impairment is analysed at each statement of financial position date on an individual client basis. The provision rates are based on the ageing of the receivables balances, historical experience and the consideration of any other available forward-looking information. The directors have also considered the impact of Covid-19 on any bad debts and on debtor collection periods. During the year ended 30 June 2022 trade receivables of £233,703 (2021: £12) were deemed irrecoverable and written off to the statement of comprehensive income. The directors have adjusted for expected credit losses of trade receivables of £97,628 as at 30 June 2022 (2021: £nil).

## 17 Related party receivables

	30 June 2022 £	30 June 2021 £
Crestbridge Property Partnerships Limited	18,935	-
Crestbridge Property Finance LLP	-	1,825
Crestbridge UK Services Limited	<u>197,681</u>	<u>-</u>
	<u>216,616</u>	<u>1,825</u>

The above receivables are unsecured, interest free and have no specified date of repayment.

## 18 Trade and other payables

	30 June 2022 £	30 June 2021 £
Trade payables	84,053	35,958
Accrued expenses	262,725	249,899
Other payables	205,060	121,834
VAT payable	<u>208,494</u>	<u>215,439</u>
	<u>760,332</u>	<u>623,130</u>

**Crestbridge UK Limited**  
**Notes to the financial statements**  
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**19 Deferred income**

	<b>30 June 2022 £</b>	<b>30 June 2021 £</b>
Deferred income	<u><b>842,818</b></u>	<u><b>563,721</b></u>
	<u><b>842,818</b></u>	<u><b>563,721</b></u>

Deferred income represent amounts invoiced and received in advance in respect of contracted services which will be apportioned by reference of the stage of completion of the contractual services determined by the value of services provided. All deferred income will be released to the statement of comprehensive income before the expiration of twelve months from the date of the statement of financial position.

**20 Related party payables**

	<b>30 June 2022 £</b>	<b>30 June 2021 £</b>
CUKG Limited	<b>51,080</b>	479,942
Crestbridge Operator Services Limited	<b>25,476</b>	7,501
Crestbridge Limited	<b>832,537</b>	170,729
Crestbridge Property Partnerships Limited	<u><b>-</b></u>	<u><b>87,981</b></u>
	<u><b>909,093</b></u>	<u><b>746,153</b></u>

The above loans are unsecured, interest free and have no specified date of repayment.

The amount payable to CUKG Limited represents advances to the Company to finance working capital requirements and includes accrued interest payable of £47,638 (2021: £43,400) on the related party loan in note 21.

**Crestbridge UK Limited**  
**Notes to the financial statements**  
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**(continued)**

## 21 Related party loan

	30 June 2022 £	30 June 2021 £
CUKG Limited	<u>1,400,000</u>	<u>1,400,000</u>
	<u>1,400,000</u>	<u>1,400,000</u>

### *Loan from parent company*

The above loan from CUKG Limited is unsecured, bears interest at the Bank of England base rate plus 3% and is repayable on demand. Whilst the loan is repayable on demand, CUKG Limited will not require repayment until such time as the Company is in a financial position to do so.

## 22 Issued capital

	30 June 2022 £	30 June 2021 £
<b>Authorised</b>		
3,000 ordinary shares of £0.10 each	<u>300</u>	<u>300</u>
	<u>300</u>	<u>300</u>
<b>Allotted, called up and fully paid</b>		
3,000 ordinary shares of £0.10 each	<u>300</u>	<u>300</u>
	<u>300</u>	<u>300</u>

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**23 Cash generated / (used in) from operations**

	Notes	30 June 2022 £	30 June 2021 £
<b>Profit before tax</b>		<b>25,738</b>	<b>686,687</b>
Adjustments for:			
Depreciation of property, plant and equipment	9	80,194	70,108
Amortisation of intangible assets	13	50,348	61,747
Finance costs - leases	10	13,653	27,080
Depreciation charge on right-of-use assets	10	316,337	316,337
Lease payments on right-of-use assets		(384,995)	(372,964)
Finance expense	20	47,638	43,400
Bad debts written off	16	233,703	12
		<b>356,878</b>	<b>145,720</b>
Changes in working capital:			
(Increase) in trade and other receivables	16	(441,981)	(1,229,305)
Decrease / (increase) in related party receivables	17	(214,791)	16,968
Increase in trade and other payables	18	142,610	310,035
Increase in deferred income	19	279,097	144,427
Increase/(decrease) in related party payables	20,21	115,301	(75,237)
		<b>262,852</b>	<b>(705)</b>
<b>Cash generated from / (used in) from operations</b>		<b>262,852</b>	<b>(705)</b>

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## 24 Fair value of financial instruments

Fair value information is used for business purposes in determining an enterprise's overall financial position. Fair value information permits comparisons of financial instruments that have substantially the same economic characteristics.

The liabilities whose carrying amounts differ to their fair values are the related party payables in note 20 as these balances are currently interest free. If the interest rate of 4.25% p.a., which is applicable to the related party loan in note 21 and which is based on the Bank of England rate, is applied to the related party payables, then their amortised cost would be £835,481.

IFRS 13 requires the Company to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. interest rates and foreign exchange rates) or indirectly (i.e. derived from prices); and
- Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability. The board of directors considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Instruments whose values are based on quoted market prices in active markets, and therefore classified within Level 1 include active listed equities. Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations, or alternative pricing sources such as the binding and executable underlying net asset values provided by the managers/administrators of these instruments, supported by observable inputs (e.g. interest rates and foreign exchange rates) are classified within Level 2. These include listed equities, over-the-counter derivatives and fund investments for which market quotations are not readily available. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information. Instruments classified within Level 3 have significant unobservable inputs, as they trade infrequently.

Cash and cash equivalents as well as prepayments and accrued income are classified as Level 1 in relation to the fair value hierarchy, with all other financial instruments classified as Level 2.

## 25 Financial risk management

### Financial risk factors

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance. This includes closely monitoring the Company's exposure to the uncertainties caused by the Covid-19 pandemic and other risks and the impact on the Company.

#### (a) Market risk

The Company's exposure to market risk is comprised of the following risks:

##### *(i) Foreign Exchange risk*

The Company is not exposed to any material foreign exchange risk as the majority of the Company's transactions are in pounds sterling, which is also the Company's functional and presentation currency.

##### *(ii) Price risk*

The Company is not exposed to any material price risk.



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## 25 Financial risk management (continued)

### *(iii) Cash flow and interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Although the related party loan bears interest at a rate that is linked to market interest rates, the directors of the Company are of the opinion that the risk of exposure to any significant changes in market interest rates to the Company is minimised because its parent company, CUKG Limited, will not demand repayment of the loan until such time as the Company is in a financial position to do so, thereby making the operating cash flows of the Company substantially independent of changes in market interest rates.

### **(b) Credit risk**

Credit risk is the risk that a counterparty will be unable to meet a commitment that has been entered into with the Company.

All financial assets are subject to credit risk. In respect of financial assets of the Company, which comprise of trade and other receivables, related party receivables and cash and cash equivalents, the Company's maximum exposure to credit risk is equal to the carrying value of these instruments.

The Company is exposed to credit risk from its operating activities (primarily for trade receivables). The directors of the Company mitigate credit risk by regularly reviewing the credit quality of the Company's clients as well as the recoverability of any overdue receivables. The Company's clients are generally corporates generating a regular cash flow with low risk of default. In assessing the impact of the Covid-19 pandemic on its operating activities the directors also closely monitor cashflow forecasts and receivable collections. As detailed in note 16 the directors have adjusted for expected credit losses for trade receivables of £97,628 at 30 June 2022 (2021: £nil), and during the year ended 30 June 2022 additional trade receivables of £136,075 were deemed irrecoverable and written off to the statement of comprehensive income (2021: £12). The directors perceive the credit risk exposure of other trade receivables of the Company to be minimum.

The Company assesses all counterparties for credit risk before contracting with them. The Company does not include any collateral or other credit risk enhancers which might reduce the Company's exposure. The Company banks with HSBC Bank plc, which has a S&P short term rating of A-1.

### **(c) Liquidity risk**

Liquidity risk is the risk that the Company will encounter in realising assets or otherwise raising funds to meet its financial commitments. Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities.

The Company is now profit making and the directors of the Company expect this will continue into the foreseeable future, thereby decreasing the liquidity risk.

### *Implications of the Covid-19 pandemic*

In assessing the uncertainties around the impact of the pandemic on the continued operations of the Company, the directors regularly monitor cash flow forecasts and debtor collection periods and the impact on the Company is not considered to be significant.

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## 25 Financial risk management (continued)

A summary table with maturity of financial assets and liabilities presented below is used by key management personnel to manage liquidity risks:

As at 30 June 2022	<1 year £	On demand £	>1 year £	Total £
Trade and other receivables	3,108,461	-	222,220	3,330,681
Related party receivables	-	216,616	-	216,616
Cash and cash equivalents	148,280	-	-	148,280
Trade and other payables	(760,332)	-	-	(760,332)
Related party payables	-	(909,093)	-	(909,093)
Related party loan	-	(1,400,000)	-	(1,400,000)
	<u>2,496,409</u>	<u>(2,092,477)</u>	<u>222,220</u>	<u>626,152</u>

As at 30 June 2021	<1 year £	On demand £	>1 year £	Total £
Trade and other receivables	2,900,182	-	222,220	3,122,402
Related party receivables	-	1,825	-	1,825
Cash and cash equivalents	101,381	-	-	101,381
Trade and other payables	(623,130)	-	-	(623,130)
Related party payables	-	(746,153)	-	(746,153)
Related party loan	-	(1,400,000)	-	(1,400,000)
	<u>2,378,433</u>	<u>(2,144,328)</u>	<u>222,220</u>	<u>456,325</u>

### (d) Capital risk management

When managing working capital, which comprises trade and other receivables, cash and other cash equivalents and trade and other payables, the Company's objectives are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. The Company aims to deliver these objectives by achieving consistent returns from its assets, maintaining sufficient liquidity to meet the expenses of the Company and monitoring the lending to achieve the most effective cost of capital.

Capital risk management for the Company includes both share capital and retained earnings.

The Company has no external regulatory requirements that impact the management of capital therefore the Company is not exposed to any risk related to maintaining any defined capital structure requirements.

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## 26 Related party transactions

### (a) Related party transactions

#### *Immediate parent company*

The Company's immediate parent company is CUKG Limited, ("CUKGL"), a company incorporated in England and Wales. At 30 June 2022 the Company had a loan payable to CUKGL of £1,400,000 (2021: £1,400,000) as detailed in note 21 and accrued interest on the loan for the year ended 30 June 2022 of £47,638 (2021: £43,400) was included in the related party payable of £51,080 (2021: £479,942) detailed in note 20.

#### *Ultimate parent company*

The Company's ultimate parent company is Crestbridge Corporate Holdings Limited, ("CCHL"), a company incorporated in Jersey, Channel Islands. As detailed in note 13, CCHL provided the consideration for the purchase of the book of business by the Company.

#### *Crestbridge group entities*

The Company was charged a management fee of £1,740,717 (2021: £1,429,564) for the current year by Crestbridge Limited ("CL") under the terms of the Services Agreement ("the Agreement") signed on 6 December 2019 between the Company and CL. This fee is incurred in relation to the use of central services provided by CL including management, finance, human resources, marketing and information technology and is based on a weighted average calculation per central service. The calculation takes the main duties of each central service and allocates a metric to each receiving legal entity based on whether each service is available to the legal entity. Metrics vary depending on the central service and include revenue, FTE and number of legal entities. The metrics base values are taken from the year end date. These fees are charged via the related party payable disclosed in note 20. As at 30 June 2022 the balance payable on the loan was £832,537 (2021: £170,729).

The Company also recharges to CL a proportionate allocation of overhead costs in relation to business development and other operational costs via the related party payable in note 20.

The Company recharges certain costs via the related party loans in note 17 & note 20 to Crestbridge Property Finance LLP ("CPFLLP"), Crestbridge Property Partnerships Limited ("CPPL") and Crestbridge Operator Services Limited ("COSL"), in terms of a further proportionate allocation of costs between the companies. As at 30 June 2022, the Company had a related party receivable of £18,935 from CPPL (2021: a payable of £87,981), and a related party receivable of £Nil from CPFLLP (2021: £1,825) and related a party payable to COSL of £25,476 (2021: £7,501).

### (b) Key management and personnel compensation

Key management personnel compensation for the years ended 30 June 2022 and 2021 is set out below. The key management personnel of Crestbridge UK Limited are the principal directors.

	30 June 2022 £	30 June 2021 £
Salaries and short-term benefits	349,779	151,801
Post-employment benefit plans	<u>5,175</u>	<u>6,900</u>
	<u>354,954</u>	<u>158,701</u>

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## **27 Ultimate controlling party**

The Company's ultimate controlling party is Neslo Partners No. 1 Limited, a company incorporated in Jersey.

## **28 Events after the reporting period**

The directors of the Company continue to monitor the geopolitical uncertainties arising from the conflict in Ukraine. From the performance of a companywide risk assessment and review of client due diligence the directors are satisfied that the Company does not operate or do business in Russia or Ukraine and has no exposure to the region. As a result, the impact of economic and political challenges arising in the region are not expected to have a material impact on the Company's operations, cash flows and performance.

Accordingly, the Company continues to adopt the going concern basis in preparing its financial statements.