Annual Report

for the Year Ended 30 June 2021

for

Equity Trustees (UK & Europe) Ltd.

Equity Trustees (UK & Europe) Ltd.

Contents of the Financial Statements for the Year Ended 30 June 2021

Equity Trustees (UK & Europe) Ltd.

Strategic Report
for the Year Ended 30 June 2021

The directors present their strategic report for the year ended 30 June 2021.

OBJECTIVE AND STRATEGY OF THE COMPANY
Equity Trustees (UK & Europe) Ltd. ("the Company") is the holding company for the Financial Conduct Authority ("FCA") authorised company Equity Trustees Fund Services Ltd. ("ETFS") and the Central Bank of Ireland ("CBI") authorised company Equity Trustees Fund Services (Ireland) Limited ("ETFSI"). ETFS acts as an Authorised Corporate Director ("ACD") for UK-based collective investment schemes, and ETFSI acts as a management company ("Management Company") for Irish collective investment schemes. ETFS and ETFSI seek to profitably operate collective investment schemes ("the Funds") in both the UK and Ireland. By working closely with clients, ETFS and ETFSI seek to facilitate the growth in assets under management ("AUM") of their Funds whilst ensuring the Funds are operated in line with all applicable laws and regulations, and best practice.

The Company is part of the Equity Trustees Group, which also has operations in Australia. The ultimate parent entity of the Company is EQT Holdings Limited, an Australian Securities Exchange ("ASX") listed company who also acts as a fiduciary for Australian domiciled investment and superannuation funds with assets under supervision in excess of AUD$144bn.

For the year ended 30 June 2021, the Company made a loss of £3,878,988 (2020: loss of £212,760). The loss was as a result of no dividends being received from the Company's subsidiaries during the year (2020: nil), and the recognition of an impairment against the Company's fixed asset investments of £3,548,965 (2020: Nil).

The Directors are in receipt of a letter of support from the Company's ultimate parent, EQT Holdings Limited, which pledges financial support for at least 18 months from the date of this report, as the Company seeks to implement its growth strategy, before ultimately leading to future profitability.

The Company's net liabilities at the end of the year amounted to £3,718,308 (2020: net assets of £160,680).

PRINCIPAL RISKS
The Company acts as a holding company and therefore its principal risks arise from and relate to its investments in ETFS and ETFSI. The value of, and risks associated with the Company's investments are influenced by the operations of those businesses within the investment management industry. Volatility in financial markets, and declines in financial markets (which are often a secondary effect of other economic changes) may impact the performance of the ETFS and ETFSI businesses. The Company manages this risk through the growth strategies of ETFS and ETFSI, which entail the development of new fund ranges and the development of relationships with new and existing client companies and strategic service suppliers.

While the risk of financial market volatility cannot be controlled, its effects can be mitigated through continued growth of AUM of the Funds that ETFS and ETFSI operate..

BUSINESS RISKS AND COVID-19
The emergence of COVID-19, in line with much of the industry, resulted in the elevation of the Company's risk profile in March 2020. The elevation occurred across multiple risk categories including, people, financial, investment, strategic and operational risks. Our primary objectives were to ensure the safety of our people, continued uninterrupted service to our clients and the appropriate discharge of our obligations as an Authorised Corporate Director for UK-based collective investment schemes for ETFS and for ETFSI as a Management Company of Irish-based collective investment schemes. Our business continuity plan was invoked and has resulted in all of our staff successfully working remotely since March 2020. In addition, a series of steps have been taken to ensure an appropriate control environment continues to operate with many of our staff and service providers working remotely.

In addition, the impact of market volatility and associated financial risks continues to be closely managed to ensure appropriate management of expenses in response to revenue pressures.

While a number of the immediate risks have been successfully navigated in the first instance, the impact of COVID-19 continues and the risk profile remains elevated into the new financial year.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The Company is not directly exposed to market or credit risk. However, the Company has exposures to both market and credit risk through its investments in ETFS and ETFSI. Market risk includes both interest rate risk and price risk.

The management of both market and credit risk is a critical responsibility of both ETFS and ETFSI in their respective roles as Authorised Corporate Director and Management Company. Both companies have established appropriate risk management frameworks, which include independent risk and compliance functions, to ensure that the risks associated with each business are appropriately identified, measured and controlled.

MARKET RISK
ETFS's and ETFSI's income and therefore that of the Company is primarily driven by the value of its funds under management. Market risk is the risk that changes in market prices will affect the value of funds under management.

Each of ETFS's and ETFSI's funds' market risk is managed daily by our delegated investment managers in accordance with the fund prospectus and the policies and procedures in place. ETFS and ETFSI also monitor the funds' investments on a daily basis and undertakes periodic reviews of the investment managers and service providers it appoints.

LIQUIDITY RISK
Liquidity risk is the risk that the Company will encounter difficulty in meeting its obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

All of the Company's financial liabilities are owed to related parties under the common control of the EQT Holdings Limited group of companies. The Company is thus able to proactively manage the settlement timing of its related party obligations.

FUTURE DEVELOPMENTS
The Company continues to operate in accordance with its stated objectives and strategy.

KEY PERFORMANCE INDICATORS
The Company's key performance indicator is dividends received from its subsidiaries. In the current year, no dividends were received (2020: nil). The Company's two operating subsidiaries, ETFS and ETFSI are early phase operations and accordingly, have not yet paid dividends to the Company.

The key performance indicators of the Company's two indirectly held operating subsidiaries are revenue and AUM. Revenue for ETFS was £11,975k (2020: £9,492k), and for ETFSI was €2,476k (2020: €1,527k) for the year ended 30 June 2021. Both ETFS and ETFSI currently operate at a loss so are unable to pay dividends until such time that their operations have achieved scale.

Growth in AUM is the key driver of growth in revenue (which in turn affects profits available out of which dividends can be paid). AUM is an alternative performance measure. During the financial year ended 30 June 2021, the combined AUM of ETFS and ETFSI increased from £1.9b to approximately £2.8b (2020: £275m to £1.9b), an increase of 47% (2020: an increase of 591%).

ON BEHALF OF THE BOARD:

....
Mr P Gentry - Director

Date: 31 March 2022

Equity Trustees (UK & Europe) Ltd.

Report of the Directors
for the Year Ended 30 June 2021

The directors are pleased to present their annual report on the affairs of Equity Trustees (UK & Europe) Ltd. ("the Company"), together with the financial statements and auditors report for the year ended 30 June 2021.

PRINCIPAL ACTIVITIES
The core activity of the Company is acting as a holding company for Equity Trustees Fund Services Ltd. ("ETFS") and Equity Trustees Fund Services (Ireland) Limited ("ETFSI").. ETFS is an Authorised Corporate Director for UK-based collective investment schemes, and ETFSI is a Management Company Irish-based collective investment schemes. Both ETFS and ETFSI hold authorisations under relevant local laws in relation to their operating activities.

DIVIDENDS
The Directors did not propose any dividend during the period (2020: nil).

DIRECTORS
The directors shown below have held office during the whole of the period from 1 July 2020 to the date of this report.

Mr J Gardner
Mr K Lavery
Mr M J O'Brien
Mr P D Gentry

Changes in directors holding office are as follows:

Mr H H Kalman - resigned 15th June 2021
Mr O J Brailsford - appointed 18th June 2021

ULTIMATE CONTROLLING PARTY
The Company is majority owned by EQT International Holdings (UK) Limited, which in turn is wholly owned by EQT Holdings Limited, an Australian Securities Exchange ("ASX") listed company. The ultimate controlling party is EQT Holdings Limited.

FUTURE DEVELOPMENTS
The Company continues to operate in accordance with its stated objectives and strategy.

EVENTS AFTER THE BALANCE SHEET DATE
Subsequent to 30 June 2021, the Company has made the following capital injections into its subsidiaries:
- On 14 September 2021, the Company purchased 600,000 shares at £1 per share from its subsidiary, ETFS;
- On 21 October 2021, the Company purchased 500,000 shares at €1 per share from its subsidiary, ETFSI;
- On 21 December 2021, the Company purchased 500,000 shares at £1 per share from its subsidiary, ETFS; and
- On 9 February 2022, the Company purchased 400,000 shares at €1 per share from its subsidiary, ETFSI.

The purchase of shares was funded by additional borrowings from a related entity, EQT Services Pty Ltd. The additional capital received by ETFS and ETFSI will be used to meet their future regulatory and working capital requirements.

Other than the above, there have been no other significant events after the balance sheet date.

DIRECTORS INDEMNITIES
The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES
The Company is not directly exposed to market or credit risk. However, the Company has exposures to both market and credit risk through its investments in ETFS and ETFSI. Market risk includes both interest rate risk and price risk.

CORPORATE SOCIAL RESPONSIBILITY
The Directors recognise that the Company has an impact on, and responsibilities and obligations towards society and aims to reduce its environmental impact. The Company is committed to the highest standards of business conduct and has put in place policies and procedures to facilitate the reporting of suspect and fraudulent activities, including money laundering. The Company has put in place a health and safety policy which aims, insofar as is reasonable and practicable, to ensure the health and safety of all employees, visitors and any other person who may be affected by the Company's operations and provide a safe and healthy working environment.

Equity Trustees (UK & Europe) Ltd.

Report of the Directors
for the Year Ended 30 June 2021

GOING CONCERN STATEMENT
The Directors have undertaken a going concern assessment in accordance with guidance on 'Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks', published by the Financial Reporting Council in April 2016.

In the current period, this assessment has also considered the impacts of COVID-19 on investment markets, the economy, and more specifically, the Company, and its ability to operate.

As a result of this assessment, and being in possession of a letter of support from the Company's ultimate parent, EQT Holdings Limited, the Directors are satisfied that the Company has adequate resources to continue to operate as a going concern for at least 18 months from the date of signing these financial statements, and have prepared the financial statements on that basis. In assessing whether the going concern is appropriate, the Directors have also considered the information contained in the financial statements, the latest business plan, revenue forecasts and the latest cash flow forecasts.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

AUDITORS
The auditors, Deloitte LLP, of Saltire Court, 20 Castle Terrace, Edinburgh, EH1 2DB, who were appointed on the 15 May 2018.

Each of the persons who is a director at the date of approval of this report confirms that:
-So far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware;
and
-The directors have taken all the steps that he ought to have taken as director to make himself aware of any relevant audit information and to establish that the Company's auditor are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to re-appoint Deloitte LLP as auditor of the Company will be proposed at the forthcoming Annual General Meeting in accordance with Section 485-488 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

....
Mr P Gentry - Director

Date: 31/03/22

Independent auditor's report to the members of Equity Trustees (UK & Europe) Ltd.

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Equity Trustees (UK & Europe) Ltd. (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 30 June 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

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

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

Basis for opinion

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

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Strategic Report and Report of the Directors. The directors are responsible for the other information contained within the Strategic Report and Report of the Directors. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Responsibilities of directors

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

Independent auditor's report to the members of Equity Trustees (UK & Europe) Ltd.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the Companies Act 2006 and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included regulatory solvency requirements.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following area:

The valuation of the company's fixed assets investment balance represents the company's investment in its wholly owned subsidiaries, and is held at cost less accumulated provision for impairment. As disclosed in note 8 of the financial statements, management recorded in the current period a material impairment in this balance. The valuation models used by management to determine the amount of the impairment charge relied on a number of key assumptions which are subject to significant estimation uncertainty, which increases the risk of manipulation and management bias. Our procedures performed in relation to managements' impairment review included: Inquiry of management to understand and critically challenge the rationale for key inputs used by management in the valuation model, review of documentary evidence to support key assumptions, and evaluating the capabilities and objectivity of managements' experts.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report and the Report of the Directors.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

Patrick Werner

Patrick Werner
Senior Statutory Auditor
For and on behalf of Deloitte LLP
Statutory Auditor
Edinburgh, Scotland
31 March 2022

Equity Trustees (UK & Europe) Ltd.

Income Statement
for the Year Ended 30 June 2021

	Notes	30.6.21 £	30.6.20 £
TURNOVER		-	-
Administrative expenses		1,001	30,498
Impairment expenses		3,548,965	-
OPERATING LOSS	5	(3,549,966)	(30,498)
Interest payable and similar expenses	6	329,022	182,262
LOSS BEFORE TAXATION		(3,878,988)	(212,760)
Tax on loss	7	-	-
LOSS FOR THE FINANCIAL YEAR		(3,878,988)	(212,760)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(3,878,988)	(212,760)

All items in the Income Statement derive from continuing activities.

As there are no gains or losses other than those disclosed above, a Statement of Other Comprehensive Income is not disclosed.

Equity Trustees (UK & Europe) Ltd. (Registered number: 10145592)

Balance Sheet
As at 30 June 2021

	Notes	30.6.21 £	£	30.6.20 £	£
FIXED ASSETS					
Investments	8		3,619,985		4,376,213
CURRENT ASSETS					
Cash at bank		-		1,001	
CREDITORS					
Amounts falling due within one year	9	691,601		362,579	
NET CURRENT LIABILITIES			(691,601)		(362,579)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,928,384		4,014,635
CREDITORS					
Amounts falling due after more than one year	10		6,646,692		3,853,955
NET (LIABILITIES)/ASSETS			(3,718,308)		160,680
CAPITAL AND RESERVES					
Called up share capital	12		1,663		1,663
Share premium	13		806,131		806,131
Retained earnings	13		(4,526,102)		(647,114)
SHAREHOLDERS' FUNDS			(3,718,308)		160,680

The financial statements were approved by the Board of Directors and authorised for issue on 31 March 22 and were signed on its behalf by:

....
Mr P Gentry - Director

Equity Trustees (UK & Europe) Ltd.

Statement of Changes in Equity for the Year Ended 30 June 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 July 2019	1,663	(434,354)	806,131	373,440
Changes in equity				
Total comprehensive loss	-	(212,760)	-	(212,760)
Balance at 30 June 2020	1,663	(647,114)	806,131	160,680
Changes in equity				
Total comprehensive loss	-	(3,878,988)	-	(3,878,988)
Balance at 30 June 2021	1,663	(4,526,102)	806,131	(3,718,308)

1. STATUTORY INFORMATION

Equity Trustees (UK & Europe) Ltd. is a private company, limited by shares, incorporated in the United Kingdom and registered in England and Wales. The company's registered number and registered office address are as below:

Registered number:	10145592
Registered office:	4th Floor Pountney Hill House 6 Laurence Pountney Hill London EC4R 0BL

The principal activity is stated on page 3.

The presentation currency of the financial statements is the Pound Sterling (£).

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

(a) Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention on a going concern basis.

The Directors have undertaken a going concern assessment in accordance with guidance on 'Going Concern Basis of Accounting and Reporting on Solvency and Liquidity Risks', published by the Financial Reporting Council in April 2016.

In the current period, this assessment has also considered the impacts of COVID-19 on investment markets, the economy, and more specifically, the Company, and its ability to operate.

As a result of this assessment and being in possession of a letter of support from the company's ultimate parent, EQT Holdings Limited, the Directors are satisfied that the company has adequate resources to continue to operate as a going concern for at least 18 months from the date of signing these financial statements, and accordingly, have prepared the financial statements on that basis. In assessing whether the going concern is appropriate, the Directors have also considered the information contained in the financial statements, the latest business plan, revenue forecasts and the latest cash flow forecasts.

(b) Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows.

The financial statements of Equity Trustees (UK & Europe) Ltd. are consolidated in the financial statements of EQT Holdings Limited (EQTHL), an Australian Securities Exchange listed company. EQTHL's financial statements are publicly available in Australia and are available upon request from the directors.

(c) Preparation of consolidated financial statements

The financial statements contain information about Equity Trustees (UK & Europe) Ltd. as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its ultimate parent, EQTHL. EQTHL's principal place of business is Level 1, 575 Bourke Street, Melbourne, Victoria, Australia.

3. ACCOUNTING POLICIES - continued

(d) Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgments, estimates and assumptions about the carrying values 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 relevant. Actual results may differ from these estimates.

The key area of judgment in these financial statements relates to the recoverability of the carrying value of its fixed asset investments. The Directors are required to apply FRS 102 Section 27 to determine if there is any indication that the Company's investments have suffered an impairment loss.

In making this determination, regard has been given to the existence of continued operating losses generated by the Company's two fixed asset investments, ETFS and ETFSI, and the slower than anticipated path to profitability. In addition, over the past two years, new business development activities have been curtailed by the COVID-19 pandemic, leading to further delays to profitability for ETFS and ETFSI. The Directors regard these factors as potential indicators of impairment and have hence performed a recoverability analysis for the fixed asset investments.

The recoverability analysis has been performed using value in use (VIU) and fair value less selling costs (FVLSC) models. Recoverable amounts determined using both models are highly sensitive to their key inputs, and judgement is required to ensure that the inputs selected are reasonable and appropriate for this purpose. Key inputs for the VIU model include weighted average cost of capital (WACC), terminal growth rates, and revenue and expense growth rates. Key inputs for the FVLSC model include the revenue multiples adopted. Management have utilised their past experience and consulted with advisers, including valuation specialists, where necessary to determine the inputs to be used.

The key sources of estimation uncertainty in these financial statements also relate to the VIU and FVLSC models used to determine the recoverable amount of the Company's fixed asset investments. The VIU model, in particular, requires selection of appropriate long-term revenue, expense and terminal growth rates. The adopted WACC also includes a 12% risk premium (2020: 12% risk premium) specific to the ETFS and ETFSI ventures, which has been determined by management based on their prior experience, and with regard to WACC rates adopted for businesses in a similar phase of their lifecycle. Further details on the impairment process during the current year are contained within note 8.

Other than the aforementioned, the Directors do not believe any other critical accounting judgements or estimates have been applied to this set of financial statements that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

(e) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Company's activities. Revenue is presented, net of value-added tax, rebates and discounts. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as follows:

Dividend income:
Dividend income from investments is recognised when the Company's right to receive payment is established.

3. ACCOUNTING POLICIES – continued

(f) Expense recognition

Administration expenses:
Administration expenses consist of salaries and wages, operating lease payments, legal, taxation, accounting and audit fees, marketing and business development expenses, and other sundry expenses. Unless expressly described otherwise, these amounts are measured at the fair value of the consideration paid or payable on an accruals basis.

Operating leases:
Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Interest expense:
The Company pays interest to the holder of the preference shares issued by the Company. The Company also pays interest to a related entity for the outstanding balance of a loan made to the Company. Interest expense is recognised in the Income Statement on a time basis, by reference to the preference shares and loan balance outstanding and the effective interest rate applicable.

(g) Investments

Investments in subsidiaries are carried at cost less accumulated impairment in the Company's Balance Sheet.
Impairment:

At each reporting date, the Company reviews the carrying amount of its investments to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

The Company's fixed asset investments are grouped into a single CGU, because the operations and infrastructure of both businesses are highly integrated, synergistic, and not separable.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit). A reversal of an impairment loss is recognised immediately in the Income Statement in such cases. The Directors have assessed there is no impairment loss on the Company's investments.

(h) Debtors

Debtors are classified as loans and receivables and are therefore measured at amortised cost. The terms of payment for all debtors is 14 days from the invoice date. All debtors outstanding more than 30 days are monitored and actively managed. No interest is charged on debtors.

(i) Cash at bank

Cash at bank comprises demand deposits held with banks.

(j) Creditors

Creditors are initially recognised at transactional cost and are subsequently measured at fair value at the Company's Balance Sheet date. The Company's policy regarding creditors is to pay all invoices by the due date.

Preference shares are classified as creditors falling due after more than one year, in accordance with the terms of the underlying agreement. Outstanding preference shares are recognised at their fair value, with any accrued but unpaid interest recognised separately in creditors as part of amounts due within one year.

3. ACCOUNTING POLICIES – continued

(k) Debt / equity classification
Instruments issued by the Company are classified as either debt liabilities or equity in accordance with the terms of the underlying agreements.

4. EMPLOYEES AND DIRECTORS

There were no staff costs for the year ended 30 June 2021 nor for the year ended 30 June 2020.

	30.6.21	30.6.20
	£	£
Directors' remuneration	-	-
Directors' pension contributions to defined contribution schemes	-	-

Information regarding the highest paid director is as follows:

	£	£
Emoluments	-	-
Pension contributions to defined contributions schemes	-	-

The number of Directors who are members of a defined benefit scheme is nil.

The number of Directors who contribute to a money purchase scheme is nil.

Directors have not exercised options over shares in the Company and no awards are receivable in the form of shares under a long-term incentive scheme.

5. OPERATING LOSS

The operating loss is stated after charging:

	30.6.21	30.6.20
	£	£
Other operating leases	-	30,498
Bank fees	1,001	-
Impairment expenses – fixed asset investments	3,548,965	-
	3,549,966	30,498

The Company is not registered for value added tax (VAT). The auditors' remuneration for 2021 is borne by the Company's subsidiary. The Company's share of this audit fee is £10,688 + VAT.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.6.21	30.6.20
	£	£
Other loan interest – 4% per annum on drawn amounts	168,042	78,825
Preference dividend - 7% Preference dividend	160,980	103,437
	329,022	182,262

7. TAXATION

Analysis of the tax charge
No liability to UK corporation tax arose for the year ended 30 June 2021 nor for the year ended 30 June 2020.

8. FIXED ASSET INVESTMENTS

	Investment in subsidiaries £
COST	
At 1 July 2020	4,376,213
Additions	2,792,737
Impairment recognised	(3,548,965)
At 30 June 2021	3,619,985
NET BOOK VALUE	
At 30 June 2021	3,619,985
At 30 June 2020	4,376,213

The company's investments at the Balance Sheet date in the share capital of companies consists of the following:

Equity Trustees Fund Services Limited
Registered office: 4th Floor, Pountney Hill House, 6 Laurence Pountney Hill, London, United Kingdom, EC4R 0BL

Nature of business: Investment fund management

Class of shares:	% holding
Ordinary	100.00

During the year, the Company made a further investment of £1,680,000 (2020: investment of £625,000) which is included in additions.

Equity Trustees Fund Services (Ireland) Limited
Registered office: 56 Fitzwilliam Square North, Dublin, Ireland, D02 X224
Nature of business: Investment fund management

Class of shares:	% holding
Ordinary	100.00

During the year, the Company made a further investment of £1,112,737 (2020: investment of £594,079) which is included in additions.

The fixed asset investments are measured at cost less impairment.

Following the identification of indicators of impairment, the Company performed a recoverability analysis of its fixed asset investments. As described in note 3(g), the fixed asset investments of the Company are treated as a single CGU for impairment testing purposes. Fixed asset investments relate to investments in two early stage operating companies, ETFS and ETFSI. These companies have generated operating losses in recent years and are anticipated to continue generating operating losses until they reach a position of scale. The operations of these companies have also been adversely impacted by both Brexit, and the global pandemic, leading to delays in the path to profitability.

In the current period, recoverable amount was first assessed using a value in use model. Key inputs into the value in use model, which is based on a discounted cash flow approach, included revenue and expense growth rates, WACC and terminal growth rates. The recoverable amount assessed per the VIU model showed that the fixed asset investments had suffered an impairment loss.

8. FIXED ASSET INVESTMENTS - continued

Noting that an impairment was evident, a fair value less selling costs model was also prepared. Key inputs into the fair value less selling costs model included trading multiples, based on assessment of market transactions for comparable assets. This assessment also demonstrated an impairment of the aforementioned assets.

Consistent with FRS 102, the Company has adopted the value in use model to arrive at the recoverable amount of its fixed assets investments and accrued preference share income, being the higher of the two approaches used. The carrying value of fixed asset investments exceeded the recoverable amount of those investments calculated using the value in use model by £3,548k. These investments have been written down to their recoverable amount as at 30 June 2021 (2020: nil impairment recognised).

As set out in Critical accounting judgements and key sources of estimation uncertainty, recoverable amount assessed by both the VIU and FVLSC models is sensitive to changes in the key inputs in these models. Management have utilised their past experience, and where necessary have consulted with external advisers in selecting the value of these key inputs, to ensure that inputs used are appropriate.

The Directors have also assessed the reasonably possible change in key inputs that could occur, and their corresponding impact on the impairment recognised. The results of this analysis, for the value in use model, being the model ultimately adopted to determine recoverable amount, are as follows:

Variable	Reasonably possibly change	(Increase)/decrease to impairment recognised relative to base case
Revenue growth	+2.5%	1,413,211
	-2.5%	(1,369,097)
Expense growth	+2.5%	(2,568,613)
	-2.5%	2,356,590
WACC	+1%	(463,010)
	-1%	532,168
Terminal growth rate	+1%	362,427
	-1%	(319,839)

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.6.21	30.6.20
	£	£
Preference share accrued interest (see note 11)	444,734	283,754
Loan from related entity (see note 14)	246,867	78,825
	691,601	362,579

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.6.21	30.6.20
	£	£
Preference shares (see note 11)	1,000,000	1,000,000
Loan from related entity (see note 14)	5,646,692	2,853,955
	6,646,692	3,853,955

11. LOANS

An analysis of the maturity of loans is given below:

	30.6.21	30.6.20
	£	£
Amounts falling due between two and five years:		
Loan from related entity (see note 14)	5,646,692	2,853,955
Preference shares	1,000,000	1,000,000
	6,646,692	3,853,955

Details of shares shown as liabilities are as follows:

Allotted and issued:

Number:	Class:	Nominal value:	30.6.21 £	30.6.20 £
1,000,000	7% Redeemable Preference Shares	£1	1,000,000	1,000,000

12. CALLED UP SHARE CAPITAL

Allotted and issued:

Number:	Class:	Nominal value:	30.6.21 £	30.6.20 £
1,663	Ordinary	£1	1,663	1,663

13. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 July 2020	(647,114)	806,131	159,017
Deficit for the year	(3,878,988)	-	(3,878,988)
At 30 June 2021	(4,526,102)	806,131	(3,719,971)

The share premium was recognised when the Equity Trustees Group acquired the Company. Retained earnings contains the balance of the Company trading losses and dividends paid to the owners of the Company.

14. RELATED PARTY DISCLOSURES

During the year, the Company had an outstanding amount owing to EQT Services Pty Ltd. an affiliate Australian entity of £5,893,559 (2020: £2,932,780). The amount of £5,893,559 is included within creditors. The balance of £5,646,692 is backed with a Loan agreement entered in financial year ended 30 June 2020. The loan attracts an interest rate of 4% per annum and has a term of three years.

During the year, the Company had an outstanding amount owing to EQT International Holdings (UK) Ltd., the parent company. The amount of £444,734 (2020: £283,754) is included in creditors.

There are no provisions or guarantees made on the above amounts.

15. ULTIMATE CONTROLLING PARTY

The Company is majority owned by EQT International Holdings (UK) Ltd., which in turn is owned by EQT International Holdings Limited, which in turn is wholly owned by EQT Holdings Limited, an Australian Securities Exchange ("ASX") listed company.. The ultimate controlling party is EQT Holdings Limited. The ultimate controlling company's registered office and its principal place of business is Level 1, 575 Bourke Street, Melbourne, Victoria.

16. SUBSEQUENT EVENTS

Subsequent to 30 June 2021, the Company has made the following capital injections into its subsidiaries:

- On 14 September 2021, the Company purchased 600,000 shares at £1 per share from its subsidiary, ETFS;
- On 21 October 2021, the Company purchased 500,000 shares at €1 per share from its subsidiary, ETFSI;
- On 21 December 2021, the Company purchased 500,000 shares at £1 per share from its subsidiary, ETFS; and
- On 9 February 2022, the Company purchased 400,000 shares at €1 per share from its subsidiary, ETFSI.

The purchase of shares was funded by additional borrowings from a related entity, EQT Services Pty Ltd. The additional capital received by ETFS and ETFSI will be used to meet their future regulatory and working capital requirements.

Other than as described above, there has not been any matter or circumstance that has arisen since the end of the financial year that has significantly affected, or may significantly affect, the operations of the Company, the results of those operations or the state of affairs of the Company in future financial years.

Equity Trustees (UK & Europe) Ltd.

Unaudited Trading Profit and Loss Account for the Year Ended 30 June 2021

	30.6.21 £	30.6.21 £	30.6.20 £	30.6.20 £
Income		-		-
Expenditure				
Rent	-		24,498	
Repairs and renewals	-		6,000	
Bank fees	1,001		-	
Impairment – fixed asset investments	3,548,965		-	
		-		30,498
		(3,549,966)		(30,498)
Finance costs				
Other loan interest	168,042		78,825	
Dividends - preference shares	160,980		103,437	
		329,022		182,262
NET LOSS		(3,878,988)		(212,760)

This page does not form part of the statutory financial statements