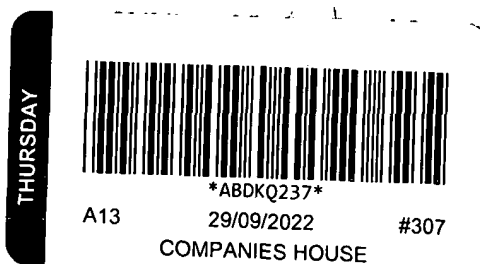


APEX CONSOLIDATION ENTITY LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



APEX CONSOLIDATION ENTITY LIMITED

COMPANY INFORMATION

Directors	P B Hughes D J Rhydderch
Company secretary	T Minhas
Registered number	10275566
Registered office	6th Floor 140 London Wall London EC2Y 5DN
Independent auditors	Deloitte LLP 5 Callaghan Square Cardiff CF10 5BT

APEX CONSOLIDATION ENTITY LIMITED

COMPANY INFORMATION

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APEX CONSOLIDATION ENTITY LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

The Directors present the strategic report for the year ended 31 December 2021.

Principal activity and review of the business

The principal activity of the Company is that of an investment holding company.

The financial statements show results for the year ended 31 December 2021 with comparative results from 2020.

The core business of the Company's subsidiaries is the provision of fund services, such as administration, corporate secretarial, director and other related services, to investment funds, hedge funds and private equity funds globally.

Apex Group Limited ("the AGL Group") aspires to become one of the top independent global fund administrators in the foreseeable future.

Principal risks and uncertainties

The Company's principal risk is interest rate risk on intercompany balances. The Company monitors net levels of borrowings and interest, aligned with Group practice. As the Company is merely an investment holding company it has been relying on the AGL for funding or financial support. It is the intention of the Group to provide continued support to the Company as and when necessary.

Financial key performance indicators

For the AGL Group as a whole, key performance indicators include assets under administration, number of funds administered and number of clients. As Apex Consolidation Entity Limited is purely a holding company within this Group these are not applicable.

Other key performance indicators

There are no non-financial key performance indicators for this holding company.

APEX CONSOLIDATION ENTITY LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Directors' statement of compliance with duty to promote the success of the Company

Section 172 of the Companies Act 2006 ("the Act") requires Directors to take into consideration the interests of stakeholders in their decision-making having regard to the matters set out in Section 172(1)(a)-(f) of the Act. The following section sets out how the Directors have engaged with the Company's stakeholders during the year.

The Company has no employees, however, as a subsidiary holding Company within the Apex Group ("the Group"), the Directors consider the impact of the Company's activities on its shareholder, its subsidiaries, its lenders and the Apex Group businesses that have an interest in the Company's activities and other stakeholders. The Company's stakeholders are consulted routinely on a wide range of matters including funding decisions, investment strategy, governance of its subsidiaries and compliance with Group policies with the aim of maximising investment returns for the benefit of its shareholder and ensuring that its subsidiaries maintain high standards of business conduct and governance.

The Company engages with its shareholder and subsidiaries on an ad hoc basis on requests for additional capital distributions or funding, re-financing, M&A, ongoing Group restructuring and intra-Group transactions. The Directors assess such requests in light of the Company's minimum capital requirements to maintain profitability in the long term.

The performance of the Company is monitored periodically with executives from the Apex Group Executive Committee and as required with tax advisers. The Board considered the Company's activities in light of the Group's corporate and social responsibility strategy.

The Directors continue to provide oversight governance of its subsidiaries to ensure that they comply with the Group's policies and maintain high standards of business conduct. The subsidiaries provide regular updates on their activities to the Directors. During the year under review, Peter Hughes has also been a member of a number of Boards of the subsidiaries to enable a broader understanding of the Group business and its impact on the Company.

This report was approved by the board on 28 June 2022 and signed on its behalf.



D J Rhydderch
Director

APEX CONSOLIDATION ENTITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The Directors present their report and the audited financial statements for the year ended 31 December 2021.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' report and the financial statements, in accordance with applicable law.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law).

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to 19,453k (2020: loss of \$16,710k).

The Company did not declare a dividend (2020: \$Nil) during the year.

Directors

The Directors who served during the year and until the date of this report were:

P B Hughes
D J Rhydderch

Political contributions

There were no political donations during the year (2020: \$nil).

APEX CONSOLIDATION ENTITY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Matters covered in the strategic report

Information relating to the following has been included in the Strategic Report:

- Principal activity and review of the business
- Principal risks and uncertainties
- Key performance indicators

Future developments

The Directors expect the Company to continue with its principal activities for the foreseeable future. The Company's ultimate parent company, Apex Group Limited, undertakes to provide sufficient financial assistance to the Company, as and when it is needed and to the extent that fund is not otherwise available to the Company to meet such obligations. The directors have therefore a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Disclosure of information to auditors

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Events after the reporting period

Events after the reporting period are set out in note 15 of these financial statements.

Auditors

The auditors, Deloitte LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28 June 2022 and signed on its behalf.



D J Rhydderch
Director

APEX CONSOLIDATION ENTITY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX CONSOLIDATION ENTITY LIMITED

Independent auditor's report to the members of Apex Consolidation Entity Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Apex Consolidation Entity Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 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 101 "Reduced Disclosure Framework"; 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 statement of financial position;
- the statement of changes in equity; and
- the related notes 1 to 15.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (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 financial statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained

APEX CONSOLIDATION ENTITY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX CONSOLIDATION ENTITY LIMITED

within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

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, internal audit and those charged with governance about their own identification and assessment of the risks of irregularities.

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

APEX CONSOLIDATION ENTITY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX CONSOLIDATION ENTITY LIMITED

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, 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.

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. We noted a significant risk due to fraud in impairment of investments. The calculation of value-in-use when assessing investments for impairment includes assumptions requiring management judgement specifically in determining the cash flow forecasts and discount rate used in the calculation. In response we involved our valuation specialists to develop an independent estimate of the discount rate, benchmarking rates against other entities in the same industry. We also assessed the cash flow forecasts by comparing against historical performance, and evaluating the growth rates used.

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, internal audit and in-house legal counsel 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 the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 or the directors' report.

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

APEX CONSOLIDATION ENTITY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF APEX CONSOLIDATION ENTITY LIMITED

- 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.

DocuSigned by:
David Rozier
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David Rozier, FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Cardiff, United Kingdom
29 June 2022

APEX CONSOLIDATION ENTITY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 \$'000	2020 \$'000
Administrative expenses		(98)	(1,938)
Operating loss		(98)	(1,938)
Transaction costs		(57)	-
Income from shares in group undertakings	6	48,396	11,224
Profit on disposal of investments		-	5,813
Finance income	6	9,730	23,232
Finance costs	6	(77,414)	(55,041)
Loss before tax		(19,443)	(16,710)
Tax	7	-	-
Loss for the year attributable to owners of the Company		(19,443)	(16,710)
Other comprehensive loss			
Exchange differences on translating foreign operations		(10)	-
Total other comprehensive loss		(10)	-
Total comprehensive loss		(19,453)	(16,710)

There was \$10,000 comprehensive loss for 2021 (2020: \$nil).

The notes on pages 15 to 26 form part of these financial statements.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

APEX CONSOLIDATION ENTITY LIMITED
REGISTERED NUMBER: 10275566

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 \$'000	2020 \$'000
Assets			
Non-current assets			
Investment in subsidiaries	8	762,816	619,944
Trade and other receivables	9	8,164	158,770
		770,890	778,714
Current assets			
Trade and other receivables	9	1,019,593	71,968
Cash and cash equivalents		78	2
		1,019,671	71,970
Total assets		1,790,561	850,684
Non-current liabilities			
Trade and other payables	10	1,380,854	574,581
Provisions		5,308	-
		1,386,162	574,581
Current liabilities			
Trade and other payables	10	277,910	140,961
Provisions		6,565	-
		284,475	140,961
Total liabilities		1,670,637	715,542
Net assets		120,014	135,142

APEX CONSOLIDATION ENTITY LIMITED
REGISTERED NUMBER: 10275566

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 \$'000	2020 \$'000
Issued capital and reserves			
Share capital		-	-
Share premium reserve	12	11,630	7,305
Other reserves	12	167,204	167,204
Accumulated losses	12	(58,820)	(39,367)
TOTAL EQUITY		<u>120,014</u>	<u>135,142</u>

The financial statements on pages 15 to 26 were approved and authorised for issue by the board of Directors and were signed on its behalf by:



D J Rhydderch
 Director
 Date: 28 June 2022

APEX CONSOLIDATION ENTITY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium	Other reserves	Retained earnings	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000
At 1 January 2020	-	7,305	167,204	(22,657)	151,852
Loss for the year	-	-	-	(16,710)	(16,710)
Total comprehensive income for the year	-	-	-	(16,710)	(16,710)
At 31 December 2020	-	7,305	167,204	(39,367)	135,142
At 1 January 2021	-	7,305	167,204	(39,367)	135,142
Profit/(Loss) for the year	-	-	-	(19,453)	(19,453)
Total comprehensive income for the year	-	-	-	(19,453)	(19,453)
Capital contribution	-	4,325	-	-	4,325
At 31 December 2021	-	11,630	167,204	(58,820)	120,014

The notes on pages 15 to 26 form part of these financial statements.

APEX CONSOLIDATION ENTITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Apex Consolidation Entity Limited ("the Company") is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1.

The nature of the Company's operations and its principal activities are set out in the strategic report on pages 3 to 4.

The immediate parent company is Apex Fund Services Holdings Limited, a company incorporated in the Bermuda. The company's ultimate parent is Apex Group Limited, a company incorporated in the Bermuda.

The group accounts of Apex Group Limited are available to the public and can be obtained from the Company's registered address at 58 Par La Ville Road, Vallis Building, Hamilton, HM 11.

2. Significant accounting policies

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 (Financial Reporting Standard 100) issued by the Financial Reporting Council. Accordingly, in the year ended 31 December 2020 the company has undergone transition from reporting under IFRSs adopted by the European Union to FRS 101 as issued by the Financial Reporting Council. The financial statements have therefore been prepared in accordance with FRS 101 (Financial Reporting Standard 101) 'Reduced Disclosure Framework' as issued by the Financial Reporting Council. This transition is not considered to have had a material effect on the financial statements.

As permitted by FRS 101, the Company has taken advantage of the disclosure exemptions available under that standard. The following exemptions available under FRS 101 have been applied:

- IFRS 7 "Financial Instruments: Disclosures";
- Paragraph 91 to 99 of IFRS 13, "Fair value measurement" (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities);
- Paragraph 38 of IAS 1 "Presentation of financial statements" comparative information requirements in respect of paragraph 79(a)(iv) of IAS 1;
- The following paragraphs of IAS 1 "Presentation of financial statements":
 - 10(d) (statement of cash flows);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures).
- IAS 7 "Statement of cash flows";
- Paragraph 30 and 31 of IAS 8 "Accounting policies, changes in accounting estimates and errors" (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective);
- The requirements in IAS 24 "Related party disclosures" to disclose related party transactions entered into between two or more members of a group;

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Significant accounting policies (continued)

- The requirements in IAS 36 to disclose valuation technique and assumptions used in determining recoverable amount.

Where relevant, equivalent disclosures have been given in the group accounts of Apex Group Limited.

The financial statements have been prepared on the historical cost basis, which is generally based on the fair value of the consideration given in exchange for the goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement purposes in these financial statements is determined on such a basis.

Going concern

At the time of approving the financial statements, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Directors have therefore continued to adopt the going concern basis of accounting in preparing the financial statements.

Revenue

The Company is an investment holding company and has no revenue.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Interest income from a financial asset is recognised when it is possible that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Finance costs

Finance costs are charged to the Statement of Profit or Loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

Taxation

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

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Significant accounting policies (continued)*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the Statement of profit or loss and other comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

APEX CONSOLIDATION ENTITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

(i) Trade and other receivables

Trade and other receivables are recorded initially at fair value, reflected by transaction price. Subsequently they are measured and carried at amortised cost using effective interest method, less any impairment.

The Company recognises a loss allowance for expected credit losses on trade and other receivables that are measured at amortised cost. The amount of expected credit losses (ECL) is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL's on trade receivables. The expected credit losses on these financial assets are estimated using the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current, as well as the forecast, direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(ii) Other financial liabilities

Subsequent to initial recognition, interest-bearing other financial liabilities are measured at amortised cost using the effective interest method. Bank loans are carried at face value due to their market rate of interest net of transactions costs incurred. Subsequent to initial recognition, interest-bearing bank overdrafts are carried at face value in view of their short-term maturities.

(iii) Trade and other payables

Trade and other payables are classified with current liabilities and are stated at their nominal value.

(iv) Shares issued by the Company

Ordinary shares issued by the Company are classified as equity instruments. Preference shares are classified as debt instruments.

(v) Investment in subsidiaries

Investment in subsidiaries is stated at cost less any accumulated impairment losses. The results of subsidiaries are reflected in these financial statements only to the extent of dividend receivable. On disposal of an investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

APEX CONSOLIDATION ENTITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and term deposits. Bank overdrafts that are repayable on demand and form part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Foreign exchange

The Company's functional and presentation currency is US dollars and all values are rounded to the nearest \$1,000 except when otherwise stated.

Transactions in foreign currencies are initially recorded in US dollars by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the US dollar rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of profit or loss. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rates as at the dates of the initial transaction.

3. Critical accounting judgements and key sources of estimation uncertainty

The preparation of Company financial statements in conformity with FRS 101 requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the Company financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The key area of estimation uncertainty that has the most significant effect on the amounts recognised in the financial statements is the review for impairment of investment carrying values.

FRS 101 requires management to perform impairment test annually to judge whether the carrying value of assets can be supported by the net present value of future cash flows that they generate. Calculating the net present value of the future cash flows requires assumptions to be made in respect of highly uncertain matters, including management's expectations of:

- Growth in EBITDA,
- Timing and amount of future capital expenditure,
- Long-term growth rates; and
- Appropriate discount rates to reflect the risks involved.

Management prepares formal three year forecasts which are used to estimate the value in use of its investments. Changing the assumptions selected by management, in particular the growth rate and discount rate assumptions used in the cash flows projection, could significantly affect the Company's impairment evaluation and hence reported assets and profits or losses.

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Auditors' remuneration

	2021 \$'000	2020 \$'000
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements.	24	22
Fees payable to the Company's auditor and its associates for other non-audit related services.	-	-
	<u>24</u>	<u>22</u>

5. Staff costs

There were no employees employed directly by the Company during the current or preceding year. However the Company had been recharged staff costs from other group companies in respect of the work performed for the Company by other group employees.

No Directors received any remuneration in this period or in the prior period.

	2021 \$'000	2020 \$'000
Wages and salaries	55	866
Social security costs	3	115
Defined contribution plans	-	24
	<u>58</u>	<u>1,005</u>

6. Finance income/(costs)

	2021 \$'000	2020 \$'000
Interest received from group undertakings	9,730	23,232
Interest payable on loans from group undertakings	<u>(77,414)</u>	<u>(55,041)</u>

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Tax

The current tax on profits for the period is \$nil (2020: \$nil).

The charge for the year can be reconciled to the loss before tax as follows:

	2021 \$'000	2020 \$'000
Profit/(Loss) before tax	<u>(19,443)</u>	<u>(16,710)</u>
Tax at the UK corporation tax rate of 19% (2020: 19%)	(3,694)	(3,175)
Tax effect of expenses that are not deductible in determining taxable profit		-
Unrecognised tax losses carried forward	<u>3,694</u>	<u>3,175</u>
Tax expense for the year	<u>-</u>	<u>-</u>

Changes in tax rates and factors affecting the future tax charges

The Company has total tax Profit/(loss) of \$128,135k (2020: \$37,225k) available to offset against future profits. Due to the inherent uncertainty regarding the timing of the future taxable profits, a deferred tax asset has not been recognised on the carried forward tax losses.

APEX CONSOLIDATION ENTITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

8. Investment in subsidiaries

Cost or Valuation	2021	2020
	\$'000	\$'000
At 1 January	619,944	480,698
Additions	-	143,845
Disposals	-	(4,599)
Acquisitions	142,872	-
At 31 December	762,816	619,944

Details of the Company's material subsidiaries at the end of the reporting period are as follows:

Name of Subsidiary	Place of incorporation	Ownership*	
		2021	2020
Investor Administration Solutions Limited	United Arab Emirates	-	100%
Apex Fund Services (Netherlands) B.V.	The Netherlands	100%	100%
Apex Depositary (UK) Ltd	United Kingdom	100%	100%
Apex Fund and Corporate Services (Guernsey) Ltd	Guernsey	100%	100%
Apex Director Services (Guernsey) Limited	Guernsey	100%	100%
Ipes Director (UK) Ltd	UK	100%	100%
Apex Fund and Corporate Services (Jersey) Ltd	Jersey	100%	100%
Apex Fund and Corporate Services (UK) Ltd	United Kingdom	100%	100%
Apex Fund and Corporate Services France	France	100%	100%
Apex Fund Services S.A	Luxembourg	100%	100%
Apex Fund Services (Abu Dhabi) Ltd	UAE	100%	100%
Apex Co Services (Cyprus) Ltd	Cyprus	100%	100%
Apex Fund Services (Dubai) Ltd	UAE	100%	100%
Apex Fund Services (HK) Ltd	Hong Kong	100%	100%
Apex Fund Services (IOM) Ltd	Isle of Man	100%	100%
Apex Fund Services Ltd	Bermuda	100%	100%
Apex Fund Services (Malta) Ltd	Malta	100%	100%
Apex Fund Services (Mauritius) Ltd	Mauritius	100%	100%
Apex Fund Services (Singapore) Pte Ltd	Singapore	100%	100%
Apex Fund Services (Canada) Ltd	Canada	100%	100%
Apex Fund Tax Services (USA)	United States	100%	100%
Apex US Holdings Ltd	United Kingdom	100%	100%
Apex Corporate Services Group B.V.	The Netherlands	100%	100%
Apex Corporate Services Luxembourg S.A	Luxembourg	100%	-
Apex Fund Services (Cayman) Ltd	Cayman Islands	100%	100%
Apex Fund Services (UK) Ltd	United Kingdom	-	-
Apex Fund Services (Guernsey) Ltd	Guernsey	100%	100%
Apex Fund Services (Jersey) Ltd	Jersey	100%	100%
Apex Asia Group Ltd	Cayman Islands	100%	100%
Custom House Holdings Malta Ltd	Malta	100%	100%
Ivy Topco Ltd	Guernsey	100%	100%
Apex Corporate Services (Luxembourg) S.A	Luxembourg	100%	100%

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. Investment in subsidiaries (continued).

Name of Subsidiary	Place of incorporation	Ownership*	
		2021	2020
Apex Financial Services (Alternative Funds) Limited	Jersey	100%	100%
Apex Alternative Fund Services (Guernsey) Limited	Guernsey	100%	100%
Apex Corporate Services Ltd	Bermuda	100%	100%
Apex Fund and Corporate Services Ltd	Mauritius	100%	-
Senasen Group Ltd	United Kingdom	100%	-
Senasen Services Ltd	United Kingdom	100%	-
Mola Administration GmbH	Germany	50.1%	-
Apex Fund Holdings Australia Pty Ltd	Australia	100%	-
Apex Corporate Services Ltd	Bermuda	100%	100%
Throgmorton UK Ltd	United Kingdom	100%	100%
Apex Financial Services (Jersey) Limited	Jersey	100%	100%
* All share class relate to ordinary shares			

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Trade and other receivables

	2021 \$'000	2020 \$'000
Amount falling due within one year:		
Amounts owed by group undertakings	1,019,536	71,896
Prepayment and accrued income	57	72
Included in current assets	<u>1,019,593</u>	<u>71,968</u>
Amount falling due after more than one year:		
Amounts owed by group undertakings	8,164	158,770
Included in non-current assets	<u>8,164</u>	<u>158,770</u>
Total trade and other receivables	<u><u>1,027,757</u></u>	<u><u>230,738</u></u>

10. Trade and other payables

	2021 \$'000	2020 \$'000
Amount falling due within one year:		
Trade payables	87	-
Amounts owed to group undertakings	277,823	140,897
Accruals	-	64
Included in current liabilities	<u>277,910</u>	<u>140,961</u>
Amount falling due after more than one year:		
Amounts owed to group undertakings	1,380,854	574,581
Included in non-current liabilities	<u>1,380,854</u>	<u>574,581</u>
Total trade and other payables	<u><u>1,658,764</u></u>	<u><u>715,542</u></u>

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Share capital

Authorised	2021 Number	2021 \$	2020 Number	2020 \$
Ordinary shares of £1 each	<u>29</u>	<u>37</u>	<u>29</u>	<u>37</u>
Issued and fully paid				
Ordinary shares of £1 each converted to \$ At 1 January and 31 December	<u>29</u>	<u>37</u>	<u>29</u>	<u>37</u>

12. Reserves**Share premium**

The share premium is a non-distributable reserve made up of the excess consideration paid above the nominal value of shares issued by the company.

Other reserves

Other reserves consist of capital contributions from shareholders.

Retained earnings

Retained earnings consist of the profit or loss for the period plus the accumulated profit or loss from prior periods, less any dividends paid.

13. Credit facility guarantee

The Company is party to a credit facility belonging to an intermediate parent company and the Company's investments are secured by this credit facility.

14. Contingent liabilities

The Company, together with other group companies and third-party financial services businesses, is subject to a litigation claim in the USA, in connection with alleged professional negligence by a related US company, which was dissolved in 2017.

The Company has been joined in the claim as it is the holding company of a subsidiary to whom the dissolved company's business was transferred.

The Group is defending the claim robustly and the legal case is still ongoing as at the date of approval of the financial statements.

Given the jurisdictional issues and the difficulty in apportionment between the various defendants, the Directors believe that any potential liability will be remote and unquantifiable. Accordingly, no adjustment has been made in these financial statements for this claim.

APEX CONSOLIDATION ENTITY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. Events after the reporting period

Russia-Ukraine conflict

Subsequent to the balance sheet date, the escalation of the conflict in Ukraine has led to severe sanctions imposed by the US, UK, EU and other countries on certain Russian institutions and individuals. These developments may result in reduced access for Russian businesses to international capital markets.

Whilst the full impact of sanctions on the Company is difficult to ascertain at this stage, the Directors believe the exposure risks posed by the ongoing conflict and its economic consequences would be minimal.