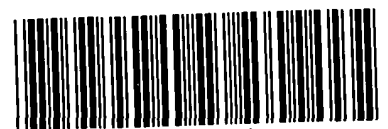


EBURY PARTNERS UK LIMITED  
REGISTERED NUMBER: 07088713

STRATEGIC REPORT, DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
For the year ended 30 April 2021

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# **EBURY PARTNERS UK LIMITED**

## **STRATEGIC REPORT, DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

for the year ended 30 April 2021

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# **EBURY PARTNERS UK LIMITED**

## **COMPANY INFORMATION**

**DIRECTORS** Salvador Garcia Andres (resigned 26 January 2022)  
Juan Manuel Fernández Lobato  
Jose Garcia Esteban (appointed 26 January 2022)  
Tobias James Young (appointed 26 January 2022)  
Rahim Firoz Nanji (appointed 26 January 2022)

**REGISTERED OFFICE** Third floor  
80-100 Victoria Street  
Cardinal Place  
London  
United Kingdom  
SW1E 5JL

**REGISTERED NUMBER** 07088713

**INDEPENDENT AUDITOR** BDO LLP  
55 Baker Street  
London  
W1U 7EU

**BANKERS** Barclays Bank PLC  
1 Churchill Place  
Canary Wharf  
London E14 5HP

# EBURY PARTNERS UK LIMITED

## STRATEGIC REPORT

The Directors present their report with the audited Financial Statements of Ebury Partners UK Limited (the "Company" and/or "Ebury") for the year ended 30 April 2021. The Company is a wholly-owned subsidiary of Ebury Partners Limited, its parent company, and a member of the Ebury Group of companies ("the Group").

### PRINCIPAL ACTIVITIES

The principal activities of Ebury Partners UK Ltd comprise providing commercial and deliverable foreign exchange and cash management solutions for primarily small and medium-sized enterprises ("SMEs") in the United Kingdom of Great Britain and Northern Ireland ("UK"), the European Union ("EU") the Middle East and Oceania. From January 2021, the Company has been focusing main on UK clients.

The Company helps eliminate boundaries by providing services to SMEs normally only available for large companies. Ebury's financial services provide clients with:

- risk management solutions associated with cross-border trading;
- international payment and cash management services;
- tailored currency services and solutions; and
- global network coverage and expertise.

The Company has a Branch and Trade Representative office network, including operations in the following locations:

Branch, Trade Representative registered offices and locations at which the Company's staff are employed during the year and up to and including the date of signing the Financial Statements (unless otherwise stated)<sup>1</sup>:

Region	Country	Cities	Activities
Europe	UK	London	Providing commercial and deliverable foreign exchange and cash management solutions, primarily for SMEs in the UK and EU.
	Kingdom of Spain ("Spain")*	Madrid/Malaga/Barcelona	
	Netherlands*	Amsterdam	
	Switzerland*	Zurich	
	France*	Paris	
	Italy*	Milan	
	Germany*	Dusseldorf	
	Greece*	Athens	
	Poland*	Warsaw	
	Portuguese Republic ("Portugal")*	Lisbon	
	Romania*	Bucharest	
	Czech Republic ("Czechia")*	Ostrava	
	Republic of Ireland ("Ireland")*	Dublin	
	Bulgaria *	Sofia	
Cyprus*	Nicosia		

\* As a result of the transfer of the European Union and Swiss based operations of the Company in December 2020 (see note 26), the employees of these branches were transferred out of the Company during the year.

<sup>1</sup>: For a full list of all Branches and Trade Representative registered offices including those with only a legally registered office and no employees see the Financial Statements Note 14 'Investments'.

# EBURY PARTNERS UK LIMITED

## STRATEGIC REPORT (continued)

### PRINCIPAL ACTIVITIES (CONTINUED)

#### Location of Branch and Trade Representative offices (continued)<sup>1</sup>

Region	Country	Cities	Activities
Middle East	United Arab Emirates ("UAE")	Abu Dhabi*	Provides commercial and deliverable foreign exchange and cash management solutions, primarily for SMEs in the UAE.
		Ebury Partners UK Limited (DIFC Branch) **	Providing commercial and deliverable foreign exchange and cash management solutions, primarily for SMEs in Dubai
Oceania	Australia***	Sydney/Melbourne	Provides commercial and deliverable foreign exchange and cash management solutions, primarily for SMEs in Australia.

\* During the year the operations and employees of the Abu Dhabi branch were transferred to the Dubai branch of the Company.

\*\* On 14 October 2020 the Dubai Representative Office, known as Ebury Partners UK Limited (Dubai International Financial Centre Representative Office) transformed into a regulated Branch with the trading name, Ebury Partners UK Limited (DIFC Branch).

\*\*\* On 1 July 2021 the operations and employees of the Australia branch of the Company were transferred to Ebury Partners Australia PTY Ltd, a fellow group understanding.

<sup>1</sup>: For a full list of all Branches and Trade Representative offices including those with only a legally registered office and no employees see the Financial Statements Note 14 'Investments'.

### BUSINESS REVIEW

The investment in infrastructure, data, and technology has been a key priority for Ebury to offer services through a unified, single global transaction services platform across multiple jurisdictions. Ebury's global transaction services platform allows the Company to manage the complete life cycle of customers holistically and support all processes from onboarding, anti-money laundering ("AML") transaction monitoring, credit underwriting, currency risk management, execution of international payments and collections.

Our strategic investment in technology enables the Company and the Group to deliver global transaction banking products and solutions to our clients in a simple, safe and efficient manner. Our range of services will continue to evolve to meet market demands and client requirements. During the year we continued to partner with a range of exciting organisations, which has enabled us to grow our product offerings in line with our strategic growth plan.

The corporate client base has decreased by nine thousand customers (2020: eleven thousand), the number of payments decreasing by 28% to 377k (2020: 526k) and the volume of booked trades decreasing by 31% to £11.5bn (2020: £16.7bn). New business generation during the year was affected by the changes in onboarding requirements in the different jurisdictions as well as remote working limitations. We have seen a decrease in the number of onboarded accounts during FY2021 that is now back to normal levels (c.350 accounts / month). Although the number of accounts has decreased, Ebury has managed to increase the value of the accounts from £4k in April 2020 to £10k in January 2022 (+ 150%). This is the result of Group's efforts to move to high value accounts that will allow to reach profitability. During FY2021, the Group managed to onboard more than 3k new customers reaching a total number of active clients of c.16k by end of year.

In terms of repeat business, we have seen an impact in activity due to changes in operational processes that have now been fixed and are running effectively.

## **EBURY PARTNERS UK LIMITED**

### **STRATEGIC REPORT (continued)**

#### **BUSINESS REVIEW (CONTINUED)**

Despite the commercial challenges suffered in FY2021, the Group are now operating with a healthy core business that is recovering (25% revenue growth comparing May-Sep 21 vs Dec 20 – April 21). This is the result of several initiatives defined by the commercial team to Make Ebury Grow Again including: stabilisation of the management commercial teams in the different regions, revenue optimisation and product diversification.

The Company is expected to require continued financial support from Ebury Partners Limited, the Parent of the Company.

The Group continues to see significant growth in the use of our online payment facility which increased to 71% of payments made online in FY2021 vs 67% in FY1920.

Our easy-to-use online portal comes as standard for our valued clients, allowing them to manage, visit and use their Ebury accounts 24 hours per day, seven days per week. Clients can execute currency transactions in more than 50 currencies online (more than 140 on the phone), as well as instruct collections and payments to their beneficiaries.

Liquidity levels remain robust. Group cash balances as at 30 April 2021 were £411m, including safeguarded and other client cash of £349m, and Group cash of £62m. Ebury Group cash decreased by £386m compared to FY20 and is inclusive of debt facility related cash.

Group borrowings increased from £117m to £161m in FY2021.

Our current capital and liquidity positions were primarily affected by:

- i. Santander equity injection in April 2020; and,
- ii. Refinancing of the Groups debt facility on significantly improved terms.

In July 2020, Ebury Partners Limited reached an agreement with Banco Santander S.A. to refinance a new one-year €250m facility agreement and this has been extended for a further year to June 2022. The Company is a co-guarantor to the arrangement. Under the arrangement, the Group repaid the Company's remaining facility in full and made additional funds available for investment and working capital requirements. The Directors expect the facility to be renewed to continue to support the working capital needs of the Group

Additionally we anticipate where required, and as applicable, that our existing shareholders, of which Santander is a 50.1% shareholder, would contribute further as and when required, to ensure the operations continue on a going concern basis.

Cash can be used for financing the growth of the business and its assets base including working capital financing. This allows the entity to continue implementing its growth strategy without significant impediments.

Despite the highest uncertain economic conditions driven by Covid-19 and Brexit, Ebury has continued investing in product development, technology and customer experience, whilst focusing on delivering to the highest standard to its clients and partners. Migration of all European clients and existing products from the Company to Ebury Belgium NV/SA ("EPBE"), regulated by the National Bank of Belgium ("NBB") and an authorised payment institution, has ensured continuity of service past Brexit transition phase. This has resulted in the reduction of revenue in FY2021 for the Company with the total comprehensive loss for the year amounting to £30.6m (2020: loss £4.2m),

On 29 October 2020 and 26 February 2021 Ebury Partners Limited, injected a total of £47.0m in additional share capital to the business. The latest investment further underpins the Group's belief in the strategic importance of the Company and the long-term viability of the business model. Due largely to the equity injection, net assets of the Company increased by £16.4m to £27.1m (2020: £10.7m). This is partially offset by the Company's loss for the year.

## **EBURY PARTNERS UK LIMITED**

### **STRATEGIC REPORT (continued)**

#### **BUSINESS REVIEW (CONTINUED)**

Whilst implementing the Group's growth strategy the Company is expected to require continued financial support from Ebury Partners Limited. We discuss the Going Concern assumptions in further detail below as well as within the Directors' Report. The Directors consider the financial position of the Company at the end of the year satisfactory.

No dividend was paid during the year (2020: £Nil) and none were proposed post-year-end.

#### **OPERATIONAL OVERVIEW**

Ebury delivered strong growth across all the key operational metrics underpinning and building on the growth experienced in recent years. The total number of transactions declined by over 27% year-on-year ("YoY"), fuelled by customer growth, branch roll-out, and a wider product offering.

The total number of payments grew by over 28% YoY, largely as a result of a new and existing customers using our services more frequently, in particular our online platform which experienced a decrease in transaction activity of 27% YoY.

As the functionality of our online offering continues to gain awareness amongst new and existing clients we have seen an increasing proportion of our customers performing their trade execution on-line, with the proportion of our online payments increasing to 69% (2020: 66%). Ebury remains committed to continuous improvements and the digitisation of all operational processes.

All clients that were previously under the Company for all the European countries except UK have been migrated in December 20 to EPBE. Since capital requirements are calculated as an average of the last six months the biggest impact affects Apr 21 to July 21 that already takes into accounts "low" client balance months. From July 21 onwards the slight increase is mainly driven by the growth of client base in the UK.

#### **STRATEGY UPDATE**

The Company's strategy is to provide transactional banking services for internationally trading SMEs, based in UK, and with limited no access to these services otherwise.

The key pillar to our strategy is building a global, technology, and data-enabled platform to deliver transactional services, coupled with credit provision tailored to the needs of SMEs across Europe and globally.

Investment in product, technology, and data, enabled the Company to launch and improve its online, multi-payment, and cash management offering as well as expand geographically at the same time. The ongoing implementation of this strategy will enable the Company to grow both in underlying revenues and operational metrics.

#### **FUTURE PROSPECTS AND DEVELOPMENTS**

##### *Future prospects*

We will continue to expand our operational capacity to support the business in a sustainable manner. Our leadership team works closely with management at the Group level to ensure our KYC processes, controls and resourcing are aligned to the growth plans and direction of the business. This includes planning for new geographies, new markets and new products which present different financial crime risks to those we face today.

# **EBURY PARTNERS UK LIMITED**

## **STRATEGIC REPORT (continued)**

### **FUTURE PROSPECTS AND DEVELOPMENTS (CONTINUED)**

As we grow, we are focused on investing in the right tools and platforms to allow us to perform our roles effectively and efficiently, whilst meeting and exceeding regulatory expectations. Automating and improving processes is a key focus as we move into the next financial year

For the year ending in April 2022, Ebury will continue to strengthen its growing presence in the current geographical footprint and it will keep improving its liquidity and cash management offerings for SMEs, developing segment and channel-specific solutions for its clients and partners. Ebury will keep focusing on enhancing its technical infrastructure as well as its product portfolio.

#### *Regulatory Changes*

Regulators throughout our areas of operations are continuing to increase the amount of regulatory change particularly drawing e-money institutions into the fold of regulatory controls and oversight. This has resulted in further investment and projects to improve our control environment and ensure we meet our regulatory requirements. Key projects for this have included the strengthening of our risk and compliance controls, building out more enhanced processes for operational resilience, third party risk management and outsourcing, and capital requirements. The strengthening of the risk and compliance controls allows Ebury to better assess key and emerging risks by identifying existing risks and monitoring the existing controls and their efficiencies, organising risk forums where the emerging risks are discussed.

#### *Covid-19*

The coronavirus pandemic has continued and will continue to play a significant impact on international business in the short to medium term. A direct impact of this has been a change in how our clients are using our products, such as a reduced use of forward products but increased use of spot trades. However, our credit risk controls have proved robust in the face of economic pressure to our clients and we have not seen a marked increase in default rates. We continue to track any impacts including which sectors are affected and have tailored marketing and sales strategies to take account of the changing conditions.

Economic activity during FY2021 has been and is expected to be, severely curtailed by the UK and other jurisdictions government's actions to contain the virus, including lockdowns and closure of non-essential businesses.

The Company has continued to refine its Business Continuity Plan ("BCP") to ensure it can minimise the potential impact of the ongoing Covid-19 crises on its operations. Ebury has noticed no significant negative permanent impacts on the business since the implementation of BCP. Remote and hybrid working is operational across the Company and deployed based on Government advice in conjunction with regular consultation with our employees.

The Company currently has £40m of excess liquidity (2020: £110.3m) to withstand additional severe market events that may impact the Company and the wider global economy. The Group has formally indicated its present intention to provide continuing financial support to the Company for at least twelve months from the date of approval of these Financial Statements. However, the ability of the Group to provide such support is dependent, in part, on its own funding.

If the Group does identify a need for additional capital the contributions, if required, would be sought from existing shareholders. Over the course of the Going Concern assessment period, being 12 months from the date of approval of the financial statements, the Group is not anticipating the need for any further equity contributions, though the equity holders stand ready and available to assist as and when required.

The Company's considerations in respect of the potential impact of Covid-19 on the going concern status of the Company are summarised on page 20 and in note 2(a) to the financial statements.

# **EBURY PARTNERS UK LIMITED**

## **STRATEGIC REPORT (continued)**

### **FINANCIAL RISK MANAGEMENT (INCLUDING PRINCIPAL RISKS AND UNCERTAINTIES)**

The Company's operations expose it to a variety of financial risks, including; credit risk, settlement risk, fraud risk, liquidity risk, market risk, operational risk, compliance risk, and regulatory risk.

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and performance.

The policies set out by the Board of Directors are implemented in the Company's Capital Markets, Risk, and Treasury departments jointly under the direct responsibility of the Company Chief Risk Officer and Chief Financial Officer as follows:

#### *Credit risk*

This refers to the risk of loss to the Company from the failure of clients, customers or counterparties, to fully honour their obligations to the Company, including the whole and timely payment of principal, collateral, and other receivables. The Company is exposed to counterparty credit risk whenever currency movement puts a counterparty's position with the Company at a loss.

To effectively manage credit risk, the Company undertakes continuous robust credit analyses before onboarding new clients, setting and varying trade limits, and accepting trades from each client, on an individual case-by-case basis. All open positions are monitored automatically in real-time.

The Company requires initial deposits from some clients up-front to collateralise the trade. The amount (if any) of the initial deposit to be collected is determined on a client-by-client basis according to a standardised process that takes into consideration both the volatility of the currencies involved and the financial strength of the client.

Margin calls are reviewed on a daily basis to ensure sufficient levels are maintained for each client and to mitigate credit risk exposure. In case of margin calls collateral is settled on the next business day.

The Company applies advanced risk management tools to run stress tests on credit exposure associated with the foreign exchange forward contracts. Credit quality is assessed during the underwriting process as well as measured by mapping the credit ratings to rating agencies.

#### *Settlement risk*

The risk of loss due to the failure of a client to honour its legal obligations to deliver cash, securities, or other assets as contractually agreed.

The Company's activities may give rise to risk at the time of settlement of transactions and trades. The Company mitigates this risk by having a policy of settling trades only when both parties have fulfilled their contractual settlement obligations.

Settlement limits form part of the credit approval and limit monitoring process which is performed on a daily basis.

#### *Fraud risk*

This refers to client fraud risk, as internal fraud risk is covered in the subsection describing operational risk.

Client fraud risk in our foreign exchange business is fairly limited as no outgoing payments should be released prior to the client's funds having been received.

Furthermore, the Company implemented fraud prevention tools that reduce the risk of clients being defrauded (e.g., mandatory two-step authentication).

## **EBURY PARTNERS UK LIMITED**

### **STRATEGIC REPORT (continued)**

#### **FINANCIAL RISK MANAGEMENT (INCLUDING PRINCIPAL RISKS AND UNCERTAINTIES) (CONTINUED)**

##### *Liquidity risk*

The risk that the Company will have difficulty obtaining the funds necessary to maintain sufficient margin with its liquidity providers, particularly during severe volatile currency moves.

The risk stems from the time lag between the Company being required to make margin payments to its hedging banks and being able to collect the corresponding margin calls from clients.

This risk is mitigated through:

- (i) Collecting margin calls daily, through a highly automated process, which is legally robust and operationally efficient;
- (ii) Capping the maximum posting requirements with hedging banks through an option programme;
- (iii) Keeping a sufficient buffer in cash and cash equivalents at all times to ensure the Company has sufficient financial resources to meet obligations under a reasonable worst-case scenario currency market fluctuations, which is modelled weekly; and
- (iv) Forecasting cash flows, performed by the Company's Treasury and Capital Markets departments, to ensure any additional working capital requirements are identified promptly.

Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets, and, where applicable, external regulatory or legal requirements.

The robust liquidity risk management framework allows the Company to estimate the funding requirements of the forward book at any given point in time.

##### *Market risk*

Market risk refers to the risk of loss arising from potential adverse changes in the value of the Company's assets and liabilities from fluctuation in market variables, including, but not limited to, interest rates, foreign exchange, and implied volatilities.

This risk is mitigated through the use of hedging instruments in the form of foreign exchange forwards contracts and foreign exchange options, which are entered into by the Capital Markets department and maintained and monitored by the broader Finance department.

Due to its international operating activities, the Company has obligations in other currencies different from its functional currency. As part of the market risk framework, foreign exchange percentages from future anticipated cash flows that the Company requires to hedge are reviewed on a regular periodic basis.

The Company performs simulations using the Monte Carlo methodology on a regular basis to estimate the effect of changes on its assets and liabilities due to fluctuations in foreign exchange markets.

To ensure it has adequate liquidity to support its financial assets and liabilities the Company calculates stress scenarios whereby the Company's largest exposure suffers a three standard deviation (three sigmas) movement over the next six months. For the Company's market exposure in the rest of the currency pairs, the model considers a Beta ratio versus the largest currency pair exposure allowing it to measure and model the risk of the entire portfolio based on a single currency.

# **EBURY PARTNERS UK LIMITED**

## **STRATEGIC REPORT (continued)**

### **FINANCIAL RISK MANAGEMENT (INCLUDING PRINCIPAL RISKS AND UNCERTAINTIES) (CONTINUED)**

#### *Operational risk*

The risk that incoming or outgoing payments will fail to be delivered as agreed by clients or banking partners/liquidity providers, either through operational failures of the Company, its counterparties, or fraud. The risk is mitigated by multiple checks on higher risk payments and a six-eyes principle in the payment authorisation process for amounts above a pre-determined risk threshold.

#### *Compliance risk*

The risk that the Company will execute payments in contravention of money laundering or terrorist financing regulation. The Company has robust processes in place including real-time sanction screening, transaction monitoring, and a data-driven onboarding process.

The Company has client money segregation and safeguarding policies in place which incorporate robust systems, processes, and controls. Client funds are protected either through safeguarding in line with Electronic money and payment institutions' regulatory requirements or through client money classification. Safeguarded funds are held in a segregated safeguarding account with Barclays Bank Plc, while the key collection and settlement bank accounts are acknowledged as client money accounts by the very same bank. The Company uses a Group developed patent-pending reconciliation algorithm allowing close to real-time reconciliation, with 97.5% auto-match, of incoming funds to client accounts. The reconciliation engine coupled with a robust treasury management system are pillars of the Company's client money segregation and safeguarding framework.

#### *Regulatory risk*

Financial service providers continue to face stringent regulatory and supervisory requirements, particularly in the areas of client money segregation and safeguarding, capital and liquidity management, the conduct of business, financial crime, internal control frameworks, the use of models, and the integrity of financial services delivery.

The competitive landscape in which the Company operates may be significantly altered by future regulatory changes and government intervention. Regulatory changes, including any resulting from the UK's exit from the EU, may affect the activities of the Company as a whole, or of some or all of its principal subsidiaries. We proactively engage with regulators wherever possible to help ensure new regulatory requirements are effectively implemented, and work with them in relation to their investigations into historical activities.

### **FINANCIAL KEY PERFORMANCE INDICATORS ("KPIs")**

The Board of Directors and management use a range of indicators to target, measure, and assess the performance of the business, as well as assessing whether the Company is delivering on its strategy, and ultimately creating shareholder value.

#### *UK-Adopted International Accounting Standards ("IFRS") reporting versus 'Adjusted Performance' Alternative Performance Measure*

Our reported results are prepared in accordance with IFRS. To provide a further understanding of the performance of the business, management reviews the profitability on a non-IFRS, Adjusted Performance basis.

We present Adjusted Performance measures to align internal and external reporting, identify and quantify items management believes to be significant, providing insights into how management assesses period-on-period performance.

A reconciliation between the loss and Statement of Financial Position reported under IFRS and management's Adjusted Performance results are shown in the Strategic Report tables starting on page 12 which forms the basis of how we calculate the performance indicators within this section.

## EBURY PARTNERS UK LIMITED

### STRATEGIC REPORT (continued)

#### FINANCIAL KEY PERFORMANCE INDICATORS (“KPIs”) (CONTINUED)

##### *IFRS reporting versus Adjusted Performance – Net revenue growth*

The following table provides a comparison between the Company’s revenue growth calculated using IFRS reported information and management’s Adjusted Performance:

##### Net revenue growth (\*)

Performance indicator	Definition and relevance	2021 performance
<p><b>IFRS</b></p> <p><b>(34)%</b></p>	<p>Net revenue growth is the percentage change between the current and prior year’s IFRS and Adjusted Performance revenue measured in functional currency. Monitoring this trend provides a measure of business growth.</p> <p>Adjusted Performance revenue provides an alternative measure of revenue growth as it eliminates the IFRS fair value adjustment on open window forwards’ valuation and incorporates the expected profit calculated from our internal model, which includes the estimated profit of open trades, based upon the payout profile of all trades since inception.</p> <p>Under IFRS fair value accounting methodology, the Company values its positions using the most conservative case forward curves at year-end for each currency pair.</p> <p>IFRS fair value highly depends on market indicators and the structure of the forward book, which makes the YoY comparison more volatile than actual performance.</p> <p>Adjusted Performance net revenue takes into account the expected economic value of open contracts using a predictive drawdown model based on the historical drawdown profile of all trades since the business started in operation.</p>	<p>Full-year revenue decrease for 2021 under IFRS was 34% versus 33% under the Adjusted Performance measure.</p> <p>Both performance indicators reflect the impact of lower revenue and volumes generated in FY 2021.</p> <p>From both Adjusted and IFRS perspective, an 34% and 33% decrease respectively, in net revenues and increase in overheads reflects migration of all European clients to EPBE, the changes in onboarding requirements and global Covid-19 pandemic.</p>
<p><b>Adjusted Performance</b></p> <p><b>(33)%</b></p>		

(\*) A reconciliation between the (loss)/profit and Statement of Financial Position reported under IFRS and management’s Adjusted Performance measure are shown in the Strategic Report tables on pages 12-14, which forms the basis of how we calculate the performance indicators shown in the tables in this section.

## EBURY PARTNERS UK LIMITED

### STRATEGIC REPORT (continued)

#### FINANCIAL KEY PERFORMANCE INDICATORS (“KPIs”) (CONTINUED)

##### *IFRS reporting versus Adjusted Performance – EBITDA margin*

The following table provides a comparison between the Company's Earnings Before Interest Taxation Depreciation and Amortisation (“EBITDA”) margin and margin growth calculated using IFRS reported information and management's Adjusted Performance measure:

#### EBITDA margin (\*)

Performance indicator		Definition and relevance	2020 performance
<b>IFRS</b>	<b>Adjusted Performance</b>	EBITDA is the adjusted operating profit and profitability measure of the Company.	Under IFRS the Company reported an EBITDA operating loss in the current year of £25.6m versus an operating loss of £17.1m in the prior year.
<b>£ (25.6)m</b>	<b>£ (26.4)m</b>	To derive EBITDA Adjusted Performance we adjust IFRS operating loss for:	Overheads include all staff related costs, travel, entertainment, recruitment, training, IT&Telecoms, professional fees, bad & doubtful debt costs. This figure was higher than expected in FY2021 due to the growth of the back office function teams to ensure we had the appropriate personnel to meet regulatory requirements and Brexit client migration.
<b>(35)%</b>	<b>(37)%</b>	<ul style="list-style-type: none"> <li>- Net revenue recognition methodologies compared and contrasted above; and,</li> <li>- The effect of depreciation and amortisation.</li> </ul> <p>Adjusted Performance EBITDA provides an alternative measure incorporating revenue eliminated under the IFRS fair value adjustment related to open window forwards' valuation.</p> <p>Adjusted Performance incorporates the expected profit calculated using the Company's internal model, which calculates the estimated profit of open trades, based upon numerous factors including the payout profile of all trades since inception.</p>	<p>Management's Adjusted Performance EBITDA for the current year reported a loss of £26.4m, compared to a loss of £13.7m in the previous year.</p> <p>The Company continued to invest in the future through its research and development programs which represent an investment in future revenue growth.</p>

(\*) A reconciliation between the (loss)/profit and Statement of Financial Position reported under IFRS and management's Adjusted Performance measure is shown in the Strategic Report tables below, which forms the basis of how we calculate the performance indicators shown in the tables in this section.

# EBURY PARTNERS UK LIMITED

## STRATEGIC REPORT (continued)

### FINANCIAL KEY PERFORMANCE INDICATORS ("KPIs") (CONTINUED)

*Reconciliation between reported IFRS to management's Adjusted Performance measure - (Loss)/Profit for the financial year ended 30 April 2021*

The table below reconciles the IFRS reported figures to management's Adjusted Performance measure which the Board of Directors uses to monitor, manage, and make decisions:

	Footnotes	2021			2020		
		IFRS	Adj.(*)	Adjusted Performance	IFRS	Adj.(*)	Adjusted Performance
		£m	£m	£m	£m	£m	£m
Revenue	(i)	73.5	(1.7)	71.8	111.8	(4.2)	107.6
Costs of sales	(ii)	(22.2)	0.9	(21.3)	(31.1)	0.8	(30.3)
<b>Gross profit</b>		<b>51.3</b>	<b>(0.8)</b>	<b>50.5</b>	<b>80.7</b>	<b>(3.4)</b>	<b>77.3</b>
<b>Gross margin (%)</b>	(iii)	<b>70%</b>	-	<b>70%</b>	<b>72%</b>	-	<b>72%</b>
Overheads	(iv)	(76.9)	-	(76.9)	(63.6)	-	(63.6)
<b>EBITDA</b>		<b>(25.6)</b>	<b>(0.8)</b>	<b>(26.4)</b>	<b>17.1</b>	<b>(3.4)</b>	<b>13.7</b>
<b>EBITDA margin (%)</b>		<b>(35)%</b>		<b>(37)%</b>	<b>17%</b>	-	<b>(13)%</b>
Depreciation & Amortisation		(5.5)	-	(5.5)	(5.4)	-	(5.4)
<b>EBIT</b>		<b>(31.1)</b>	<b>(0.8)</b>	<b>(31.9)</b>	<b>11.7</b>	<b>(3.4)</b>	<b>8.3</b>
Net finance costs	(v)	(3.6)	-	(3.6)	(15.8)	1.0	(14.8)
<b>Loss before tax</b>		<b>(34.7)</b>	<b>(0.8)</b>	<b>(35.5)</b>	<b>(4.1)</b>	<b>(2.4)</b>	<b>(6.5)</b>
Tax on ordinary activities		(0.5)	-	(0.5)	(0.2)	-	(0.2)
Foreign exchange translation differences		1.1	-	1.1	0.2	-	0.2
Gain/(Loss) on discontinued operations		3.5	-	3.5	-	-	-
<b>Total comprehensive loss for the year</b>		<b>(30.6)</b>	<b>(0.8)</b>	<b>(31.4)</b>	<b>(4.1)</b>	<b>(2.4)</b>	<b>(6.5)</b>

#### Footnotes

Adjusted Performance results are based on IFRS, adjusted for the following:

- (i) IFRS 'Revenue' is recognised at fair value over the life of the trade, whereas Adjusted Performance 'Revenue' is recognised in full on trade date.

The product contributing to the majority of the adjustment is window forwards, which are measured using market data as well as inputs which aren't observable from the market directly, though can be determined from observable prices via our model calibration which incorporates all historical trades, drawdown behaviour, as well as other internal model inputs, from the inception of the business to date.

IFRS recognised more 'Revenue' than Adjusted Performance in the current year, £1.7m, (2020: £4.2m), These differences reverse over the trade life-cycle.

'Cost of sales' adjustment of £0.9m (2020: £0.8m), reflects the lower commission costs associated with the lower Adjusted Performance 'Revenue'.

# EBURY PARTNERS UK LIMITED

## STRATEGIC REPORT (continued)

### FINANCIAL KEY PERFORMANCE INDICATORS (“KPIs”) (CONTINUED)

#### Footnotes (continued)

- (ii) 'Gross margin' is calculated by taking the percentage of 'Gross profit' divided by 'Revenue'. IFRS 'Gross margin' totals 70% (2020: 72%) consistent with the Adjusted Performance of 70% (2020: 72%). The 'Gross margin' percentage reflects changes in the Company's product profile, market conditions as well as commission pay-out rates.
  - (iii) 'Overheads' relates to administrative expenses as disclosed in the 'Statement of Comprehensive Income', adjusted for 'Depreciation and amortisation'.
  - (iv) 'Net finance costs' incorporate 'Finance income', 'Finance expense' and 'Net income from fair value financial instruments'. The prior year adjustment totalling £1.0m incorporates Adjusted Performance amortising option premium costs on a straight-line basis over the life of the contract, whereas under IFRS the contract is measured using the fair-value of the contract on reporting date.
  - (\*) Adjustments (“Adj.”)
- EBIT Earnings Before Interest and Taxation

# EBURY PARTNERS UK LIMITED

## STRATEGIC REPORT (continued)

### FINANCIAL KEY PERFORMANCE INDICATORS (“KPIs”) (CONTINUED)

*Reconciliation between reported IFRS to management’s Adjusted Performance measure - Summarised Statement of Financial Position as at 30 April 2021*

The table below reconciles the IFRS reported figures to management’s Adjusted Performance measure which the Board of Directors uses to monitor, manage, and make decisions:

	Footnotes	2021			2020		
		IFRS £m	Adj.(*) £m	Adjusted Performance £m	IFRS £m	Adj.(*) £m	Adjusted Performance £m
<b>Total non-current assets</b>		<b>37.2</b>	<b>-</b>	<b>37.2</b>	<b>62.8</b>	<b>-</b>	<b>62.8</b>
Financial assets <1 year	(vi)	97.6	(1.7)	95.9	163.5	(4.2)	159.3
Total other current assets	(vii)	280.8	-	280.8	791.5	1.0	792.5
<b>Total current assets</b>		<b>378.4</b>	<b>(1.7)</b>	<b>376.7</b>	<b>955.0</b>	<b>(3.2)</b>	<b>951.8</b>
Trade and other payables	(viii)	(301.4)	0.9	(300.5)	(751.2)	0.8	(750.4)
Total other current liabilities		(73.3)	-	(73.3)	(227.4)	-	(227.4)
<b>Total current liabilities</b>		<b>(374.7)</b>	<b>0.9</b>	<b>(373.8)</b>	<b>(978.6)</b>	<b>0.8</b>	<b>(977.8)</b>
<b>Total non-current liabilities</b>		<b>(13.8)</b>	<b>-</b>	<b>(13.8)</b>	<b>(28.5)</b>	<b>-</b>	<b>(28.5)</b>
<b>Net assets</b>		<b>27.1</b>	<b>(0.8)</b>	<b>26.3</b>	<b>10.7</b>	<b>(2.4)</b>	<b>8.3</b>
<b>Total equity</b>		<b>27.1</b>	<b>(0.8)</b>	<b>26.3</b>	<b>10.7</b>	<b>(2.4)</b>	<b>8.3</b>

#### Footnotes

Adjusted Performance results are based on IFRS, adjusted for the following:

- (v) ‘Statement of Financial Position’ impact of measuring ‘Revenue’ using an Adjusted Performance measure which normalises for swap and hedging costs and accounts for the full expected economic value of the window forward contracts unlike the current IFRS fair value approach using the market approach. The (£1.7m) (2020: £4.2m) difference reflects the gross gains from contracts open at year-end.
- (vi) ‘Statement of Financial Position’ impact of measuring option contracts using an Adjusted Performance measure, which amortises option premium on a straight-line basis over the term of the contract versus under IFRS which values an option contract on a fair value basis.
- (vii) ‘Statement of Financial Position’ impact of measuring the ‘Cost of sales’ using the Adjusted Performance measure, £0.9m (2020: £0.8m).

## EBURY PARTNERS UK LIMITED

### STRATEGIC REPORT (continued)

#### FINANCIAL KEY PERFORMANCE INDICATORS (“KPIs”) (CONTINUED)

##### *Operational KPIs*

Besides the aforementioned financial indicators, the Board of Directors and management use a broad set of operational KPIs to monitor, measure, track and align the performance of the Company with the overall strategic objectives.

The table below details some of the KPIs management track periodically. The main strategic KPIs focus on spot and forward product trading which covers the majority of the businesses flow:

KPIs	2021	2020	2019	2021 vs 2020	
				Change	(%)
Booked volume (£m)	11,456	16,737	11,688	-5,281	-32%
Number of new clients	1,822	11,367	10,429	-9,545	-84%
Number of transactions	338,547	463,730	337,191	-125,183	-27%
Number of payments	377,183	526,289	373,298	-149,106	-28%
Number of online payments	259,659	344,376	210,150	-84,717	-25%
Percentage of payments made online	69%	65%	56%	+ 4 p.p.	+ 4 p.p.
Percentage of drawdowns made online	50%	52%	48%	- 2 p.p.	- 2 p.p.

Booked volume which relates to the Company's forward and spot trades amounted to £11.5bn (2020: £16.7bn), a decrease of 32% over the prior year.

The Company added 1,822 new clients (2020: 11,367), largely as a result of attracting new customers in our core countries of the UK, The Netherlands, and Spain as well as through the expanded branch network. We continue to provide exceptional service and expertise to our core customers, SMEs, providing financial services which are normally reserved for large companies, through our extensive global network.

As part of its Brexit process, Ebury Partners Limited, migrated its EU business from its UK subsidiary, Ebury Partners UK Limited or the Company, to its Belgian subsidiary EPBE.

Our easy-to-use online portal comes as standard for our valued clients, allowing them to manage, visit, and use their Ebury accounts 24 hours per day, seven days per week. Clients can execute currency transactions in over 50 currencies online (130 over the phone), as well as instruct collections and payments to their beneficiaries.

# EBURY PARTNERS UK LIMITED

## STRATEGIC REPORT (continued)

### DEVELOPMENTS AND THE YEAR AHEAD

During one of the years with highest uncertainty due to the extraordinary situation that the world went through due to Covid-19 and Brexit, Ebury continued to make progress in delivering its strategy for our clients, partners, employees, shareholders and other stakeholders. Our strategic investment in technology enables the Group and the Company to deliver global transaction banking products and solutions to our clients in a simple, safe and efficient manner. Our range of services will continue to evolve to meet market demands and client requirements. During the year we continued to partner with a range of exciting organisations, which has enabled us to grow our product offerings in line with our strategic growth plan.

#### *Santander investment*

In the financial year ended 30 April 2020, Ebury Partners Limited (Parent) signed an agreement with Santander who agreed to invest in Ebury Partners Limited. Santander agreed to invest a total amount of £350.0m for a 50.1% stake in the business. Santander invested a further £35.0m in the last quarter of the year ended April 2021.

The Group is expected to require continued financial support from Ebury Partners Limited. This partnership enables the Group and Company to improve its value proposition, supported by a leading financial institution, allowing the Group and the Company the opportunity to invest in new ways to serve SMEs trading internationally and continue the growth in the business. The proceeds of the issuance have been used for general corporate purposes of the Group, including the Company, as its main trading entity, and the global branch network, to strengthen the capital base and implement the Group and the Company's growth strategy.

#### *New initiatives*

The Group and the Company have implemented several initiatives during the year as well as post-year-end to improve future profitability of the company, which includes:

- Trade Finance products, backed by government support schemes in the UK, Spain and the Netherlands, to support SMEs' financing needs through the difficulties brought on by the pandemic. In the UK, a partnership with Market Finance Limited, a UK lender specialising in Invoice Finance and small business loans, provided our clients with access to CBILS and, later, to RLS, via a fellow subsidiary of the Company.
- As part of the grant the Group received from the BCR, the Group enhanced the Trade Finance user experience for our clients by integrating the financing with our FX products on the same platform. The scope of this work began in November 2020 with delivery in August 2021. Further enhancements including a Self Serve capability also formed part of the grant's scope delivered in November 2021.
- Migration of all European clients and existing products to Ebury Belgium NV/SA, regulated by the NBB and authorised payment institution, ensuring continuity of service past Brexit transition phase
- Enhancement of payment infrastructure, including SEPA (Single European Payments Area) and additional connectivity to the SWIFT network
- Investment in our Financial Crime Control Operations product suite including a Client Lifecycle Management tool ("CLM") to strengthen all processes related to onboarding, offboarding and monitoring
- Development of powerful APIs and scalable payment engines to support the growth of the services dedicated to companies engaged in payroll and insurance

For the year ending in April 2022, Ebury will continue to strengthen its growing presence in the current geographical footprint and it will keep improving its liquidity and cash management offerings for SMEs, developing segment and channel-specific solutions for its clients and partners. Ebury will keep focusing on enhancing its technical infrastructure as well as its product portfolio.

## **EBURY PARTNERS UK LIMITED**

### **STRATEGIC REPORT (continued)**

#### **DEVELOPMENTS AND THE YEAR AHEAD (CONTINUED)**

The global economic environment has been severely impacted by Covid-19. This is having a significant impact on both our clients and the way we conduct our day to day operations. We continue to closely monitor Covid-19 developments and advice from the Government to ensure the health, safety, and wellbeing of our staff, customers, and business partnerships. For a detailed discussion of Covid-19 see page 6 of the Strategic Report.

#### **SECTION 172 STATEMENT**

The Directors have a responsibility under Section 172 of the Companies Act 2006 to consider the interests of the stakeholders in their strategic decision-making to promote the success of the Company for the benefit of the members as a whole. This is part of their duty to promote the Company's longer-term viability and prospects. As a wholly owned, major trading entity of the Ebury Group the Directors of the Company consider that the interests of the Company and its stakeholders are best served by allowing its interests to be aligned with those of the wider Ebury Group, led by the Board of Ebury Partners Limited.

During the financial year ended 30 April 2021 the Board of Ebury Partners Limited ("the Group Board") on behalf of the Group identified the following key stakeholders:

- Employees
- Shareholders
- Customers
- Suppliers
- The environment
- Regulatory bodies (Including auditors)

The Group Board evaluates all relevant matters to identify the impact on stakeholders, ensuring that the Executive Directors and Senior Management fully consider stakeholders' interests. Decisions made can result in compromises between stakeholder groups. However, the Group Board and the Board of the Company endeavours to ensure that all stakeholders are treated fairly. Below are examples of how the Group and the Company foster business relationships with, and consider the interests of a number of, our stakeholders.

#### *Employees*

The Executive Directors, senior management and Directors across the Group engage with all of our employees regularly. Heads of Departments hold weekly catch-up calls where employees can share updates and raise any questions they may have. Ebury has an open culture and operates a regular engagement survey which gives the leadership team valuable feedback. The feedback contributes to the continuous improvement of our culture.

#### *Customers*

Our customer-based focus is to deliver a high quality service that aims to minimise and eliminate boundaries by providing a competitive value proposition. We aim to engage with our clients through open communication channels and first-class customer service. Customers with an Ebury account have their dedicated RM who work with them to meet the business' specific needs. The continuous dialogue offers customers the opportunity to provide feedback, which we can be used in our strategic decision-making. This accessibility is key to placing our customer's interests at the forefront of our decisions, as well as playing a key role in developing our product offering. We value transparency and provide customers with our online platform to allow customers to view, manage and perform transactions through a secure portal.

#### *Suppliers*

The Group works with in excess of 2,500 suppliers and partners locally and internationally. Our suppliers provide services across a range of jurisdictions and geographies. Integrity is central to our business relationships and we only engage with suppliers who share our values. We have robust systems and processes in place to ensure that we understand their processes and that their interests and values align with our own.

# **EBURY PARTNERS UK LIMITED**

## **STRATEGIC REPORT (continued)**

### **SECTION 172 STATEMENT (CONTINUED)**

#### *Environment*

We recognise the importance of our environmental responsibilities and monitor the impacts of running our business on the environment. We design and implement policies to reduce any negative impact caused by Ebury's activities. We encourage sustainability and introduce initiatives to minimise our net impact on the environment and reduce our carbon footprint. From April 2020, the UK office has been supplied with 100% certified renewable electricity.

#### *Regulators*

We are regulated in all countries that we operate. We proactively engage with the local regulators wherever possible to ensure new regulatory requirements are effectively implemented. We are committed to an honest and cooperative relationship with our regulators and the Group has a dedicated regulatory and compliance team to support this. This team reports to the Group Board and the Senior Management Team to ensure Ebury maintains the highest standards of regulatory conduct

As an example of how the Group Board, with the support of the Board of the Company, acts in the wider interests of its stakeholders, during the pandemic the Group Board engaged with its stakeholders as follows :

**Employees:** the health and well-being of employees was a priority, with the Group introducing working from home arrangements across its global operations, and permitting employees to work flexibly, over and above local mandatory requirements.

**Customers:** the Group Board and the Board of the Company is always customer focused and not only did they take all necessary steps to maintain existing service levels, despite changes to ways of working as a result of the pandemic levels, they also continued to invest in new products and systems improvements (see the Business Review section on page 3)

**Suppliers:** despite the challenging conditions the Group continued to pay its suppliers on a timely basis, recognising their importance to the success of the Group.

**Regulators:** The Board of the Company secured £47.0m additional funding from its parent during a challenging year for the global economy. In addition, the Group Board has invested in strengthening the Compliance function during the year, enhancing the control environment that drives standards of conduct in the Company.

Approved by the Board of Directors and signed on its behalf by:



Juan Manuel Fernández Lobato  
Director  
1 February 2022

## **EBURY PARTNERS UK LIMITED**

### **DIRECTORS' REPORT**

The Directors present their report with the audited Financial Statements of the Company for the year ended 30 April 2021.

#### **DIRECTORS**

The Directors of the Company, who were in the office during the year and up to the date of signing the Financial Statements, were:

Directors            *Salvador Garcia Andres (resigned 26 January 2022)*  
                         *Juan Manuel Fernández Lobato*  
                         *Jose Garcia Esteban (appointed 26 January 2022)*  
                         *Tobias James Young (appointed 26 January 2022)*  
                         *Rahim Firoz Nanji (appointed 26 January 2022)*

#### **DIRECTORS' INDEMNITIES**

As permitted by the Articles of Association, the Directors and Executive Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and officers' liability insurance in respect of itself and its Executive Directors.

#### **EMPLOYMENT OF DISABLED PERSONS**

We are committed to ensuring equal opportunities are provided for all employees and included in this is the employment of people with a disability. The recruitment, training, career development, and promotion of disabled persons are solely based on the merits of the individual. If during their employment an individual becomes disabled, efforts are made to continue their employment and, where applicable, suitable training and equipment are provided and reasonable facilitations are made.

#### **PEOPLE**

The Company regularly updates employees on the performance of the business, strategic outcomes as well as matters of concern. The Company consults with its employees on a regular basis so that their views can be taken into account in making decisions that are likely to affect their interests. Performance management is key to the implementation of the Company's overall strategy. Employees are made aware of performance requirements through management briefings as well as organised events conducted by senior management. Employees are encouraged to align their objectives to their team's goals to support our overall strategy as well as facilitating value creation for customers.

#### **STRATEGIC REPORT**

The Company has chosen, in accordance with Section 414C of the Companies Act 2006, to set out the following information in the Strategic Report, which would otherwise be required to be disclosed in the Directors' Report:

- future prospects and developments;
- financial risk management; and
- principal risks and uncertainties.

The Directors do not recommend payment of a dividend (2020: £Nil).

## **EBURY PARTNERS UK LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **GOING CONCERN**

The Directors are confident that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future, hence they continue to adopt the going concern basis in preparing the annual Financial Statements. The Company is dependent on the Group, to provide continued financial support. The Group has formally indicated its present intention to provide continuing financial support to the Company for at least twelve months from the date of approval of these Financial Statements. However, the ability of the Group to provide such support is dependent, in part, on its own funding.

In the financial year ended 30 April 2020, Ebury Partners Limited signed an agreement with Santander who agreed to invest in the Ebury Partners Limited. Santander agreed to invest a total amount of £350.0m for a 50.1% stake in the business. Santander committed to investing a further £35.0m in the last quarter of the year ended 30 April 2021, received in August 2021. Santander has also approved the extension of the existing credit line available to the Group to 30 June 2022 and, based on correspondence from Santander, the Directors believe that this will be further extended, on similar terms, sufficient to enable the Group to meet its working capital needs and growth ambitions..

If the Group does identify a need for additional capital the contributions, if required, would be sought from existing shareholders. Over the course of the Going Concern assessment period, being twelve months from the date of approval of the financial statements, the Group is not anticipating the need for any further equity contributions, though our equity holders stand ready and available to assist as and when required.

Historically, over the course of the past three years, equity injections have taken place each year through various funding rounds. The existing shareholder is keen to maintain a 'lean' equity position to ensure the board operate in a manner which maintains an optimal resource allocation.

Furthermore under certain scenarios and where the board deemed it appropriate alternative actions would be taken prior to any request for additional equity. This includes raising more debt from Santander as well as taking cost minimisation strategies, cost cutting and other measures.

The incremental capital injections allow the Group and the Company to accelerate its expansion, to maintain on-going investment in infrastructure and technology, and to address more complex global transactional needs of its customers.

The Company's parent stands ready to provide support on an ongoing basis. On 29 October 2020 and 26 February 2021 Ebury Partners Limited injected a total of £47.0m in new equity in the Company which is being used to meet regulatory capital requirements as well as working capital requirements.

As noted in the Strategic Report on page 6, Ebury has enacted its business continuity plan to ensure it can minimise the potential impact of the Covid-19 crisis. Management believes that the negative impacts of Covid-19 on the global economy are becoming more manageable and the Group is cautiously positive about the recovery of the economy.

The Group has stress tested and reverse tested our budget, including in light of the Covid-19 situation, and the Directors are confident that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. The Group has carried out a sensitivity analysis on the forecasting process, assuming a range of decreases in revenue between 5% and 25%, with prudent assumptions as to the related impact on costs (0% to 15% decrease), which has demonstrated that under reasonably possible and probable outcomes the Group has sufficient capital and available resources to meet its financial obligations and adhere to its regulatory capital requirements over the course of 12 months.

Based on our current 12-month forecast from the date of the approval of the financial statements, the Group and the Company are expected to remain liquid based on various sensitivity analysis performed. Ebury is constantly running various credit stress scenarios at the client level using credit ratings mapped to external ratings agencies to assess the potential maximum credit loss as part of scenario planning. In addition to testing covenants and checking the liquidity position and outlook of the Company, we are running and analysing credit scenarios on a weekly basis. We believe that these actions allow us to best mitigate adverse market conditions.

## **EBURY PARTNERS UK LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **GOING CONCERN (CONTINUED)**

The Company is fully aware of various risks associated with high growth. These risk factors are well understood and regularly monitored. An excellent oversight of risks allows the management team and Board of Directors of the Group to react and respond in a nimble way and ensure that the business is appropriately funded over the next 12 months horizon. On that basis, the Directors of the Company believe that there is a reasonable expectation that the Company has adequate resources to continue trading for the foreseeable future.

The Directors are of the opinion that the Company forecast and projections, that take account of reasonably possible changes in trading performance and its stress testing show that the Company and the Group should be able to operate within its current borrowing facilities and comply with its financing covenants.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Financial Statements in accordance with UK-Adopted international accounting standards.

Company law requires the Directors to prepare the Financial Statements for each financial year. Under that law, the Directors have elected to prepare the Financial Statements in accordance with UK-Adopted International Accounting Standards. 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 year. In preparing these Financial Statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK-Adopted International Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the Financial Statements comply with the Companies Act 2006.

They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **EBURY PARTNERS UK LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006), of which the Company's auditors are unaware, and each Director has taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board of Directors and signed on its behalf by:



Juan Manuel Fernández Lobato  
Director  
1 February 2022

## **EBURY PARTNERS UK LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBURY PARTNERS UK LIMITED**

#### **Independent auditor's report to the members of Ebury Partners UK Limited**

##### **Opinion on the financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2021 and of the loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Ebury Partners UK Limited (the 'Company') for the year ended 30 April 2021 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as applied in accordance with the provisions of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Independence*

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **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.

## **EBURY PARTNERS UK LIMITED**

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBURY PARTNERS UK LIMITED**

### **Other information**

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

### **Other Companies Act 2006 reporting**

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 material misstatements in the Strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Company 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.

### **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.

## **EBURY PARTNERS UK LIMITED**

# **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBURY PARTNERS UK LIMITED**

### **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.

#### *Extent to which the audit was 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 have obtained an understanding of the legal and regulatory frameworks applicable to the Company and we have enquired of management to identify how the Company is complying with those frameworks and whether there were any known instances of non-compliance.

We considered the Company's control environment that has been established to prevent, detect and deter fraud. We then assessed the risk of susceptibility of the Company's financial statements to material misstatement, including how fraud might occur.

Our assessment of the company's revenue cycle identified that it is largely automated in nature. We tested the reconciliation of trading data to the trial balance on a total basis for all entities and tested a sample of reconciling items. We performed sample testing to agree trades back to source documentation and market data.

In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments in the general ledger.

We consider the following to be risk areas for potential fraudulent financial reporting given the high level of judgement and estimation involved: carrying value of investments, impairment of financial assets, fair value of financial instruments, capitalisation of development costs and leases. Our audit procedures have focused on significant judgements made by management and we have evaluated whether there was any evidence of bias that represented a risk of material misstatement due to fraud.

We communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and discussed how and where these might occur and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## EBURY PARTNERS UK LIMITED

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EBURY PARTNERS UK LIMITED

#### Use of our report

This report is made solely to 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:

*Peter Smith*

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Peter Smith (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
55 Baker Street  
London, UK  
1 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

**EBURY PARTNERS UK LIMITED****STATEMENT OF COMPREHENSIVE INCOME**

As at 30 April 2021

	Note	2021 £'000	2020 £'000
Revenue	5	51,075	39,294
Cost of sales		(17,816)	(17,882)
<b>Gross profit</b>		<b>33,259</b>	<b>21,412</b>
Administrative expenses		(56,337)	(39,575)
<b>Operating loss</b>	6	<b>(23,078)</b>	<b>(18,163)</b>
Finance income	9	287	1,012
Finance charges	9	(5,827)	(11,650)
Net gain/(loss) on financial instruments held at fair value through profit and loss		1,866	(5,139)
Other income		147	-
<b>Loss on ordinary activities before tax</b>		<b>(26,605)</b>	<b>(33,940)</b>
Income tax credit/(expense)	10	291	111
<b>Loss after income tax from continuing operations</b>		<b>(26,314)</b>	<b>(33,829)</b>
Net gain arising on transfer of business to the Company	26	27	-
(Loss)/profit from discontinued operations, net of tax	26	(5,500)	29,588
<b>Loss for the year</b>		<b>(31,787)</b>	<b>(4,241)</b>
<b>Other comprehensive income</b>			
Exchange differences on translation of foreign operations		1,156	249
<b>Other comprehensive income for the period, net of tax</b>		<b>1,156</b>	<b>249</b>
<b>Total comprehensive expense for the year</b>		<b>(30,631)</b>	<b>(3,992)</b>

The Company has elected to disclose the post-tax loss relating to discontinued operations in a single amount. Comparatives have been restated on a comparable basis as required by IFRS. See Note 26 for a detailed analysis.

Total comprehensive expense for the year is wholly attributable to the parent undertaking of the Company.

The Notes on pages 31 to 82 form part of these Financial Statements.

# EBURY PARTNERS UK LIMITED

## STATEMENT OF FINANCIAL POSITION

As at 30 April 2021

	Note	30 Apr 2021 £'000	30 Apr 2020 £'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	789	2,172
Right-of-use assets	12	4,049	10,254
Intangible assets	13	4,501	3,110
Investments	14	386	386
Derivative financial instruments	15	27,484	46,839
<b>TOTAL NON-CURRENT ASSETS</b>		<b>37,209</b>	<b>62,761</b>
<b>CURRENT ASSETS</b>			
Derivative financial instruments	15	97,585	163,470
Trade and other receivables	16	132,478	68,336
Cash and cash equivalents	17	148,273	723,187
<b>TOTAL CURRENT ASSETS</b>		<b>378,336</b>	<b>954,993</b>
<b>TOTAL ASSETS</b>		<b>415,545</b>	<b>1,017,754</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	(301,362)	(751,167)
Derivative financial instruments	19	(72,176)	(106,557)
Lease liabilities	12	(1,141)	(3,449)
Borrowings	20	-	(117,372)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(374,679)</b>	<b>(978,545)</b>
<b>NON-CURRENT LIABILITIES</b>			
Derivative financial instruments	19	(9,747)	(19,807)
Lease liabilities	12	(4,037)	(8,689)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(13,784)</b>	<b>(28,496)</b>
<b>TOTAL LIABILITIES</b>		<b>(388,463)</b>	<b>(1,007,041)</b>
<b>NET ASSETS</b>		<b>27,082</b>	<b>10,713</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	21	60,516	13,516
Share premium		51,041	51,041
Accumulated losses		(85,893)	(54,106)
Foreign exchange translation reserve		1,418	262
<b>TOTAL EQUITY</b>		<b>27,082</b>	<b>10,713</b>

The Financial Statements on pages 27 to 82 were approved by the Board of Directors on 1 February 2022 and signed on its behalf by:



Juan Manuel Fernández Lobato  
Director

Ebury Partners UK Limited, Registered number: 07088713

The Notes on pages 31 to 82 form part of these Financial Statement

## EBURY PARTNERS UK LIMITED

### STATEMENT OF CHANGES IN EQUITY

As at 30 April 2021

	Share capital	Share premium	Retained earnings	Foreign exchange translation reserve	Total equity
	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 30 April 2019</b>	<b>516</b>	<b>51,041</b>	<b>(49,865)</b>	<b>13</b>	<b>1,705</b>
Loss for the financial year	-	-	(4,241)	-	(4,241)
Share issue	13,000	-	-	-	13,000
Currency translation difference	-	-	-	249	249
<b>Balance as at 30 April 2020</b>	<b>13,516</b>	<b>51,041</b>	<b>(54,106)</b>	<b>262</b>	<b>10,713</b>
Loss for the financial year	-	-	(31,787)	-	(31,787)
Share issue	47,000	-	-	-	47,000
Currency translation difference	-	-	-	1,156	1,156
<b>Balance as at 30 April 2021</b>	<b>60,516</b>	<b>51,041</b>	<b>(85,893)</b>	<b>1,418</b>	<b>27,082</b>

The Notes on pages 31 to 82 form part of these Financial Statements.

# EBURY PARTNERS UK LIMITED

## STATEMENT OF CASH FLOWS

For the year ended 30 April 2021

	Note	2021 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
Loss before taxation (including discontinued operations)		(31,261)	(4,052)
<b>Adjustments for:</b>			
Finance income	9	(287)	(1,025)
Finance charges		5,925	11,654
Depreciation of property, plant and equipment	11	733	911
Depreciation of right-of-use assets	12	2,678	3,621
Amortisation of intangible assets	13	2,152	902
Borrowings – differences in foreign exchange		7,457	649
Impact of the transition to IFRS 16		-	1,677
Other non-cash items included in loss before taxation		(556)	257
Gain/(loss) from discontinued operations, net of tax		(3,510)	-
Net cash (used)/generated from operating activities before working capital changes		(16,669)	14,594
Decrease/(increase) in trade and other receivables		82,996	(88,708)
(Decrease)/increase in trade and other payables		(642,248)	528,129
(Increase)/decrease in amounts due from Group undertakings		89,514	623
Cash (used)/generated from operations		(486,407)	454,638
Finance income received	9	287	1,025
Finance charges paid		(1,641)	(8,435)
Corporation taxes paid		(426)	(333)
<b>Net cash (used)/generated from operating activities</b>		<b>(488,187)</b>	<b>446,895</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	11	(249)	(582)
Capitalisation of development costs	13	(3,543)	(2,910)
<b>Net cash used in investing activities</b>		<b>(3,792)</b>	<b>(3,492)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	21	47,000	13,000
Repayment of borrowings		(126,492)	-
Proceeds from borrowings		-	39,832
Payment of borrowing transaction costs		(70)	(2,005)
Payment of lease liabilities	12	(3,373)	(4,477)
<b>Net cash (used)/ generated from financing activities</b>		<b>(82,935)</b>	<b>46,350</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(574,914)</b>	<b>489,753</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>723,187</b>	<b>233,434</b>
<b>Cash and cash equivalents at the end of the financial year</b>	17	<b>148,273</b>	<b>723,187</b>

The Notes on pages 31 to 82 form part of these Financial Statements.

# **EBURY PARTNERS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

### **1. GENERAL INFORMATION**

Ebury Partners UK Limited is a private limited company limited by shares, incorporated and domiciled in England and Wales. The Company's registered office is Third Floor, 80-100 Victoria Street, Cardinal Place, London, United Kingdom, SW1E 5JL.

The principal activity of Ebury Partners UK Limited is the provision of commercial and deliverable foreign exchange for primarily small and medium-sized enterprises in the UK, EU the Middle East, and Australia.

### **2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with UK-Adopted International Accounting Standards in conformity with the requirements of the Companies Act 2006.

The preparation of the Financial Statements is based upon historical cost convention, except for certain financial instruments carried at fair value.

The summary below details the significant accounting policies applied in the preparation of these Financial Statements. Accounting policies were applied consistently to all the years presented unless otherwise stated.

#### **(a) Going concern**

The Company business activities, together with the factors likely to affect its future development, performance, and position are set out in the Strategic Report.

The Company is dependent on the Parent, to provide continued financial and operational support. The Parent has formally indicated its present intention to provide continuing financial support to the Company for at least twelve months from the date of approval of these Financial Statements.

However, the ability of the Parent to provide such support is dependent, in part, on its own funding.

The Company's parent stands ready to provide support on an ongoing basis. On 29 October 2020 and 26 February 2021 Ebury Partners Limited injected a total of £47.0m in new equity in the Company which is used to meet regulatory capital requirements as well as working capital requirements. Credit line headroom analysis has been performed in relation to Group forecasts, stressed tested accordingly. The Directors have considered and concluded that they expect the credit line to be sufficient to meet future capital and liquidity requirements for the relevant future period.

In assessing the Company's going concern, the Director's considered the current Statement of Financial Position, working capital requirements, the forecast financial projections and plans for future capital raising. We have conducted sensitivity analysis, stress test and reverse testing, assuming a range of decreases in revenue between 5% and 25%, with prudent assumptions as to the related impact on costs (0% to 15% decrease). It was concluded that under probably and possible scenarios the Company has sufficient has adequate capital to meet its obligations over the course of the next 12 months from the date of approval of the accounts without the need for further capital from shareholders.

The Directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. The Company, therefore, continues to adopt the going concern basis in preparing its Financial Statements and have the ability to continue as a going concern.

#### **(b) Standards adopted during the year ended 30 April 2021**

No standards have been adopted in the current financial year. The following standards were adopted in previous years.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (c) Accounting judgements and estimates

The preparation of the Company's Financial Statements requires management to make judgements, estimates, and assumptions that affect the reported amounts of income, expenses, assets, and liabilities, and the accompanying disclosures, and, the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The estimates and assumptions which resulted in significant judgements by management, and which may impact the carrying amount of assets and liabilities within the next financial year are discussed below:

#### *Fair value of financial instruments*

The fair value of financial instruments is determined based on quoted market prices, where available, or on estimates using present values. Those techniques are significantly affected by the assumptions used, including discount rates and estimates of future cash flows.

Fair value measurements for derivative financial instruments are obtained from quoted market prices ("Level 1") and/or valuation models ("Level 2") as appropriate. Quoted market prices are sourced from well-known price providers. Fair values for over-the-counter derivatives are based on well-established ubiquitous valuation models (e.g. discounted cash flows). Market quotes of the input variables are generally used as the parameters for the models. The main inputs to the models are foreign exchange spot rates and foreign exchange ticks (for foreign currency forwards). Further details of valuation techniques are detailed in our Fair value measurement of derivative financial instruments policy detailed in Note 2 'Significant Accounting Policies'. The movement on financial instruments at fair value is disclosed in 'Net profit / (loss) on financial instruments held at fair value through profit and loss' in the Income Statement.

#### *Expected credit loss and Credit Valuation Adjustment ("CVA")*

The provision for credit losses and other credit impairment charges is calculated based on incurred losses for the Group's pool of short-term loans as well as the expected credit losses. Incurred losses were determined by a review of each loan and the expected credit loss on the loan. Expected credit losses were determined in line with our ECL policy detailed in Note 2 'Significant Accounting Policies'. Details of the ECL allowance as at 30 April 2021 are given in Note 25 'Financial Risk Management And Financial Instruments'.

CVA adjustments are made to fair valued financial instruments to reflect counterparty credit risk. A separate CVA was calculated for each financial asset in-scope, for each counterparty. CVAs were determined in line with our financial assets at fair value through profit or loss policy detailed in Note 2 'Significant Accounting Policies'. Details of CVAs as at 30 April 2021 are given in Note 25 'Financial Risk Management And Financial Instruments'.

#### *Leases*

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group determines its incremental borrowing rate by assessing the Group's external financing sources and relevant interest rates to determine a proxy rate based on borrowings for a loan of similar term, and with similar security, to obtain an asset of similar value. Leases were recognised and disclosed in line with IFRS 16 detailed in Note 2 'Significant Accounting Policies'. See Note 12 'Right-of-use assets for details of the value of lease liabilities recognised as at 30 April 2021, and the related interest charge for the year.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Capitalised development costs (refer to Note 13)*

Capitalised development costs relate to the costs incurred by the Company in developing the bespoke trading platforms which are utilised by the wider Ebury Group and by third parties.

Judgement is required with respect to determining which costs are suitable for capitalisation, which have been restricted to the following: Internal salaries and other payroll costs incurred in respect of development costs for clearly defined projects to enhance and improve the Company's internally generated software. The costs must be separately identifiable in order to meet the criteria for capitalisation.

Judgement is also required in determining whether the capitalised development costs have suffered any form of impairment. Management considers a range of factors, including whether the associated assets have become obsolete due to technological advances as well as economic factors that may indicate a contraction in expected demand for the associated services supported by the platforms.

##### *Impairment reviews*

Judgement is required in determining whether tangible and intangible assets, including property, plant and equipment, right-of-use assets, and capitalised development costs, have suffered any form of impairment. Management considers a range of factors, including the actual and forecast economic performance of the assets or the businesses to which they relate; obsolescence due to technological advances; as well as other economic factors which may indicate a contraction in expected demand for the associated services supported by the Group's software platforms. Impairment reviews were determined in line with our impairment policy detailed in Note 2 'Significant Accounting Policies'. There is no impairment arising under IAS 36 'Impairment of assets' during the year ending 30 April 2021.

Other key estimates and judgments made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

Note 26 – recognition and measurement of contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;

#### **(d) Revenue**

IFRS 15 explicitly excludes from its scope transactions governed by another IFRS. From our analysis, we have determined that under the Company's product offering, the majority of transactions would fall outside of the scope of the standard, owing to the entity's main product offering, providing customers with financial instruments, which fall within the scope of IFRS 9.

The Company has the following revenue streams:

- *Revenue within the scope of IFRS 9*
  - i. Foreign exchange
  - ii. Trade finance
  
- *Revenue within the scope of IFRS 15*
  - iii. Payment fees
  - iv. Account fees

## **EBURY PARTNERS UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

#### **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Under IFRS 9, revenue is calculated as the spread between the selling price and the cost of spot and/or forward contracts entered into by the Company. Revenue includes open contract positions as of period-end, which are revalued to market value, being the spot value as at 30 April, including the trading positions entered into by the Group to reduce the exposure risk for these forward contracts.

The Company only trades in FX instruments that are outside of the scope of Markets in Financial Instruments Directive ("MiFID"), otherwise referred to as non-MiFID instruments.

Any clients who wish to trade a MiFID product are required to be on-boarded by our sister company Ebury Partners Markets Limited, a wholly-owned subsidiary of Ebury Partners Limited, the ultimate controlling entity within the Group.

MiFID products relate to non-deliverable Foreign Exchange ("FX") forwards ("NDFs") and deliverable FX Forwards, where they are purchased by the client other than for the purpose of facilitating payment of identifiable goods or services or foreign direct investment.

Non-MiFID products in the Company's revenue stream include:

- deliverable fx spot contracts, delivered within a specified number of days.
- deliverable fx forward contracts, purchased by the client for the purposes of facilitating payment for identifiable goods or services.
- deliverable fx forward contracts, purchased by the client for the purposes of facilitating payment for identifiable foreign direct investment.
- open contract positions as of period-end, entered into by the company to reduce the risk exposure to forward contracts.

Under IFRS 15 the accounting requirements for revenue are applied through a five-step model framework. International payment, cash management, mass payment, and collection fees are transactional-based services earned upon the completion of the service on an accrual basis.

Ebury currency account fees relate to revenue earned from customers who hold accounts with the Company, payable up to 12-months in advance. Given the performance obligations for these contracts, revenue is earned over time for the right to access the service. The Company recognises revenue over time and records deferred income for the unearned portion in the Statement of Financial Performance. Adopting IFRS 15 has had an insignificant effect on the financial statements of the Company.

#### **(e) Foreign currencies**

Transactions denominated in foreign currencies are translated into the functional currency using the exchange rate on the date of the transaction. At each period end date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the period end date. All differences are taken to the Statement of Comprehensive Income for the period.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. The Company determines its incremental borrowing rate by assessing the Group's external financing sources and relevant interest rates to determine a proxy rate based on borrowings for a loan of similar term, and with similar security, to obtain an asset of similar value.

A corresponding asset is recognised as a Right of Use ("ROU") asset at the same commencement date when the leased asset is made available to use. Lease payments are allocated between the liability and finance expense. The finance expense is recognised in profit or loss over the lease term. The ROU asset is depreciated over the shorter of the ROU asset's useful economic life and the lease term on a straight-line basis. In determining the lease term, the Company considers all facts and circumstances to determine the most likely outcome whether to utilise break clauses and shorten the lease, or extend the lease beyond the lease term by utilising an option in the contract.

The Company adopted the requirements of IFRS 16 on 1 May 2019 using a modified retrospective approach where the cumulative effect of initially applying it is recognised as an adjustment to the opening balance of retained earnings and comparatives are not restated. The implementation increased assets by approximately £12.6m and increase financial liabilities by approximately £14.3m with no effect on net assets or retained earnings

#### (g) Pensions and other post-employment benefits

The Company provides access to a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in independently administered funds. The amount charged to profit or loss represents the contributions payable to the scheme in respect of the financial year.

#### (h) Taxation

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

##### *Current tax*

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are non-taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted as at the balance sheet date.

##### *Deferred tax*

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Financial Statements. However, deferred tax is not accounted for if it arises from the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted as at the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

## **EBURY PARTNERS UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

#### **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **(i) Current / Non-current classification**

The Company presents assets and liabilities in the Statement of Financial Position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting date.

##### **(j) Impairment**

The carrying amounts of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indications exist, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the Statement of Comprehensive Income.

The recoverable amount of assets is the greater of their net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortisation if no impairment loss had been recognised.

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

Property, plant and equipment are stated at cost or deemed cost, less accumulated depreciation and impairment provisions. Cost includes all expenditure that is directly attributable to the acquisition of the items.

The Directors assess the residual values and useful economic lives of the property plant and equipment on an annual basis.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The cost, or deemed cost, less the estimated residual value of each asset is depreciated in equal instalments over its estimated useful life from the time it becomes operational, as follows:

Asset category	Estimated useful life
Leasehold improvements:	Straight-line over the term of the lease
Furniture and fittings:	Four years at 25% on a straight-line basis
Office equipment:	Four years at 25% on a straight-line basis
Motor vehicles:	Four years at 25% on a straight-line basis

All property, plant, and equipment is reviewed for impairment in accordance with IAS 36, 'Impairment of Assets' when there are indications that the carrying value may not be recoverable.

#### (I) Intangible assets

##### *Development Costs*

Intangible assets consist of development costs in respect of the Company's bespoke trading platform. Intangible assets are stated at cost less accumulated amortisation and impairment costs.

The cost, or deemed cost, less the estimated residual value of each asset is amortised in equal instalments over its estimated useful life from the time it becomes operational, as follows:

Asset category	Useful life
Development costs	33.33% straight-line

Development costs are only capitalised when all of the following criteria are met:

- Completion of the intangible asset is technically feasible so that it will be available for use or sale;
- The Company intends to complete the intangible asset and use or sell it;
- The Company has the ability to use or sell the intangible asset;
- The intangible asset will generate probable future economic benefits;
- There are adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset; and
- The expenditure attributable to the intangible asset during its development can be measured reliably.

Management assesses costs against the above criteria. Where development costs do not meet the above criteria, they are expensed as incurred. Expenditure on research is expensed as incurred.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment.

The carrying value of the intangible asset is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### (m) Investments

Investments in subsidiaries are recorded at cost less any provision for impairment.

#### (n) Fair value measurement of derivative financial instruments

The Company measures derivative financial instruments at fair value at each balance sheet date.

The Company issues foreign exchange forward contracts to clients and buys/sells similar contracts with liquidity providers to cover its position as a market maker or to manage its foreign exchange exposure risk. The Company has not designated any derivatives for hedge accounting treatment.

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. The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

All assets and liabilities for which fair value is measured or disclosed in the Financial Statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. All foreign exchange forward contracts are categorised within Level 2:

Hierarchy	Valuation technique
Level 1	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

#### (o) Financial instruments

##### Classification and measurement

Classification and measurement of financial assets will depend on how these are managed by the business as well as the contractual cash flow characteristics of the product offering.

These factors determine whether the financial assets are measured at amortised cost, Fair Value through Other Comprehensive Income ("FVOCI") or Fair Value through Profit or Loss ("FVPL").

Financial assets and liabilities are recognised in the Company's Statement of Financial Position when the Company becomes a party to the contractual provisions of the instrument. The Company classifies its financial assets as financial assets at fair value through profit or loss; and, financial assets measured at amortised cost.

The Company classifies its financial liabilities as financial liabilities at fair value through the profit or loss; and, financial liabilities at amortised cost.

## **EBURY PARTNERS UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

#### **2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Provided below is a summary of the significant accounting policies related to financial assets and liabilities.

##### **(I) Financial assets**

Financial assets include foreign exchange currency contracts, trade and other receivables, and cash and cash equivalents and investments. Financial assets are classified at initial recognition as either financial assets at fair value through profit or loss or financial assets measured at amortised cost.

##### *Financial assets at fair value through profit or loss*

Financial assets held at fair value through profit or loss related to the Company's foreign exchange currency contract assets, which are held for trading and to manage foreign exchange exposure risk. Financial assets at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented as revenue in the Statement of Comprehensive Income.

Impairment of financial assets designated at FVPL relates to the Credit Valuation Adjustment ("CVA") made to the fair valuation to account for the possibility that the counterparty may default and that the Company and the Group may not receive the fair value of the transaction.

The Company calculates a separate CVA for each financial asset in-scope, and for each counterparty to which the entity has exposure. The CVA is calculated by taking the product of Probability of Default ("PD"), the Loss Given Default ("LGD") and the Exposure At Default ("EAD").

##### *Financial assets measured at amortised cost*

##### *Trade and other receivables*

Trade and other receivables are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses.

Provisions against trade and other receivables are made when there is objective evidence that the Company will not be able to collect all amounts due to it in accordance with the original terms of those receivables. The amount of the write-down is determined as the difference between the asset's carrying amount and the present value of the estimated future cash flows.

##### *Cash and cash equivalents*

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less, and bank overdrafts. For the purpose of the cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

##### *Client – Safeguarded*

This refers to Cash and cash equivalents held on behalf of the Group's clients in Safeguarding accounts which fall within the scope of Electronic Money Regulations. Safeguarding requirements protect funds received for the provision of payment service or e-money that the Group issued to clients.

##### *Investments*

Investments are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method, if applicable, less impairment losses.

##### *Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when the rights to receive cash from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### *Impairment of financial assets*

The Company assesses at the end of each reporting period whether there is objective evidence that a financial asset is impaired.

There are two main methods for measuring financial assets held by the Company:

- i. Assets measured at amortised cost; and
- ii. Those designated at fair value through the profit or loss ("FVPL").

##### *i. Assets measured at amortised costs*

IFRS 9 'Financial Instruments' requires the Company to calculate ECL on all assets measured at amortised cost.

ECL uses a three-stage process that incorporates both internal and external data to formulate an expected credit loss which is reflected as an expense through the Statement of Comprehensive Income. The three-stage process is detailed below:

##### *Stage 1 12-month ECL is recognised*

In this stage a financial asset is unimpaired and there is no significant, identifiable increase in credit risk. The Company recognises ECL resulting from default events possible within the next 12-months. The ECL provision is recorded net against the financial asset in the balance sheet and an expense through the profit and loss.

##### *Stage 2 Lifetime ECL is recognised*

For financial assets that have experienced a significant increase in credit risk since initial recognition, the Company recognises a lifetime ECL, calculated as the total of all possible default events over the financial assets expected life.

This is determined via a combination of internal and external factors which include changes in risk ratings, collection history, and other factors that are indicative of a significant increase in credit risk. For high volume and low value products, including account and payments fees, we use simplified methodology, employing aging as the key criteria with 30 days past due as the initial key indicator.

The lifetime ECL for financial assets categorised as Stage 2 is calculated by the Risk department using internal and external factors.

The Company recognises the lifetime ECL against the financial asset as a provision in the balance sheet and an expense through the profit and loss.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Stage 3: *Impaired and otherwise in default on which a lifetime ECL is recognised*

Financial assets for which there is objective evidence of impairment are considered to be in default or otherwise referred to as credit impaired. Financial assets categorised as Stage 3 have objective evidence of credit impairment and are determined by the Risk department and reviewed in conjunction with Financial Control on a case-by-case basis.

The Risk department determines whether a financial asset is credit-impaired and in Stage 3 by considering internal and external factors which provide objective evidence of impairment and include:

- Significantly overdue contractual payments of principal and interest;
- Indications from a trade finance customer that full repayment of the loan is unlikely due to economic or legal reason relating to the customers' financial condition;
- The trade finance customer is considered to be in default; and
- Objective indicators affecting other financial assets that indicate default.

The Company recognises the lifetime ECL against the financial asset as a provision in the balance sheet and an expense through the profit and loss.

#### *Impairment of financial assets – Calculating ECL*

ECL is calculated by taking the product of the PD, the LGD, and the EAD. The Company discusses the three components below:

Component	Explanation
<b>PD</b>	The probability of default represents the expected probability a counterparty defaults and is calculated for Stage 1 as a 12-month PD (no indicative deterioration) and a lifetime PD (indicative deterioration since initial recognition) for Stages 2 and 3.
<b>LGD</b>	The loss given default represents the expected percentage loss when default occurs. This takes into account collateral, recovery costs and the time value of money.
<b>EAD</b>	The exposures at default represent the net exposure when default occurs, any repayments since the reporting date, (pre-signing the Financial Statements).

The data sources used to develop the ECL model reflect forward-looking probabilities of defaults which take into account all available information relevant to the assessment including past-events, current conditions and economic conditions at the reporting date.

#### *ii. Those designated at FVPL*

Impairment of financial assets designated at FVPL relates to the CVA made to the fair valuation to account for the possibility that the counterparty may default and that the Company may not receive its fair value of the transaction.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company calculates a separate CVA for each financial asset in-scope, and for each counterparty to which the entity has exposure. The CVA is calculated by taking the product of PD, LGD, and EAD, which are discussed in detail above.

#### (ii) Financial liabilities

Financial liabilities include trade and other payables, borrowings, and other financial liabilities. Financial liabilities are classified at initial recognition as either financial liabilities at fair value through profit or loss or at amortised cost.

##### *Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss related to the Company's foreign exchange currency contract liabilities, which are held for trading and to manage foreign exchange exposure risk. Financial liabilities at fair value through profit or loss are carried in the Statement of Financial Position at fair value with net changes in fair value presented as revenue in the Statement of Comprehensive Income.

Impairment of financial liabilities designated at FVPL relates to the Debit Valuation Adjustment ("DVA") made to the fair valuation, to account for the possibility that the Company and the Group may not meet obligations under contracts it entered into with its counterparties. After assessing the DVA for the Company and the Group we determined that the quantum is negligible and is the result of the entity being sufficiently capitalised to meeting its current and future obligations as and when they fall due.

##### *Financial liabilities at amortised cost*

Financial liabilities at amortised cost relate to borrowings, and, trade and other payables, and are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method. Interest related charges are recognised as finance costs in the Statement of Comprehensive Income.

Fees paid on the establishment of borrowing facilities are recognised as transaction costs of the facility and amortised over the period of the facility.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

##### *Derecognition*

The Company derecognise financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expire.

##### *Offsetting of financial assets and financial liabilities*

Where there is a legally enforceable right to set off the recognised amounts and an intention to settle on a net basis or to realise the asset and the liability simultaneously, financial assets and financial liabilities are offset and the net amount is presented in the Statement of Financial Position. For both the current and prior year there were no transactions or instances of financial asset/liability offsetting.

#### (p) Equity

Equity comprises the following:

- Share capital represents the nominal value of the equity shares;
- Share premium represents the excess over nominal value of the fair value of the consideration received for the equity shares, net of expenses of the share issue;
- Foreign exchange translation reserve comprises of foreign exchange translation differences arising from the translation of the Financial Statements of the Group's overseas subsidiaries; and
- Retained earnings represent accumulated profits and losses from incorporation and the credit arising under share-based payments.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (q) Segment reporting

The Company is considered to have one class of business, being the provision of foreign exchange brokerage services to its clients, and one geographical location, being the United Kingdom. This is based on internal management reporting data used by the Chief Financial Officer.

#### (r) Business reorganisations

The Company measures assets acquired or disposed of to fellow subsidiaries under common control at the book value of the transferring company. Assets and liabilities included in sale agreements are recognised on acquisition or derecognised on disposal at the date of sale. Consideration paid or received in the form of shares is valued at the nominal value of those shares, and cash is valued at book value. Once acquired, assets are measured and accounted for under IFRS.

#### (s) Functional and presentation currency

The Financial Statements are presented in Sterling ("£"), which is also the functional currency of the Company. All amounts, unless otherwise stated, have been rounded to the nearest thousand pounds. The abbreviations '£bn', '£m' and '£k', represent billions (thousands of millions), millions and thousands of Sterling, respectively.

#### (t) Standards adopted during the year ended 30 April 2021 and new standards, amendments, and interpretations

No standards have been adopted in the current financial year. The following standards were adopted in previous years.

At the date of authorisation of these Financial Statements, the following new standards, amendments, and interpretations to existing standards potentially relevant to the Company have been published but are not yet effective and have not been adopted early by the Company. The Company has not yet assessed the impact of these new standards. Management anticipates that all of the pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

<b>IFRS</b>	<b>IASB Effective Date Periods commencing on or after:</b>
IBOR reform and its Effects on Financial Reporting – phase 2	1 January 2021
IFRS 16 'Leases': Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Annual Improvements to IFRSs - 2018-2020 cycle	1 January 2022
IAS 37 'Provisions, Contingent Liabilities and Contingent Assets'(Amendment – Onerous Contracts – Cost of Fulfilling a Contract)	1 January 2022
IFRS 3 'Business Combinations' (Amendment – Reference to the Conceptual Framework)	1 January 2022
IAS 1 'Presentation of Financial Statements' (Amendment – Classification of Liabilities as Current or Non-current)	1 January 2023
IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 (Amendment – Disclosure of accounting policies)	1 January 2023
IAS 8 'Accounting policies', Changes in Accounting Estimates and Errors (Amendment - Definition of Accounting Estimates)	1 January 2023
IAS 12 'Income Taxes' (Amendment –Deferred Tax related to Assets and Liabilities arising from a Single Transaction)	1 January 2023

# **EBURY PARTNERS UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

### **3. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in accordance with UK-Adopted International Accounting Standards and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations as issued by the International Accounting Standards Board, and in conformity with the requirements of the Companies Act 2006.

The Financial Statements have been prepared on a historical cost basis except for certain financial instruments that are carried at fair value.

The accounting policies set out above have unless otherwise stated, been applied consistently to all periods presented in these Financial Statements.

Judgements made by the Directors in the application of those accounting policies which have a significant effect on the Financial Statements and estimates with a substantial risk of material adjustment in the next financial year are disclosed in Note 2(c).

### **4. CAPITAL MANAGEMENT**

The Company seeks to finance all operational working capital requirements from cash flows generated from operating activities. In the short term and whilst the Group and the Company are in their growth phase working capital requirements are supported by the loan facility.

Management's objective with respect to capital management is to ensure that sufficient working capital is available to settle liabilities as they fall due.

The Company runs stringent and conservative liquidity and capital management processes. The funding requirements comprise of primarily:

- (i) Evolving capital requirements associated with future dated payments and intra-day liquidity; and
- (ii) Collateral buffer arising from the collateral posting asymmetry between hedging banks and SME clients.

The management reviews weekly the adequacy of the Company's funding requirements and available capital and resources. The funding outlook and requirements are re-forecasted under various scenarios on a monthly basis to ensure the Company is fully funded for an 18-24 month period.

As part of scenario analysis, a number of stress tests are carried out to assess potential maximum losses in a significant downturn case. The level of capital is in excess of the capital requirements set by the Financial Conduct Authority ("FCA").

On 1 October 2019, Ebury Partners Limited (Parent Entity) signed an agreement with Santander who has agreed to invest in Ebury Partners Limited (Parent Entity). The first tranche was completed on 3 October 2019 for a consideration of £40m.

The overall strategic investment of £350m was announced publicly on 4 November 2019. This strategic investment provides the Group with a strategic partner and significant long-term funding.

The partnership will enable Ebury to improve its value proposition, supported by a leading financial institution, allowing Ebury to invest in new ways to serve SMEs trading internationally and continue the growth in the business.

The proceeds of the issuance will be used for general corporate purposes of Ebury Partners Limited, as well as other entities within the Group, to strengthen the capital base and implement the Company and the Group's growth strategy.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 5. REVENUE

The accounting standard 'Revenue - IFRS 15' requires the disaggregation of revenue from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

The extent to which the Company's revenue is disaggregated for the purposes of this disclosure depends on the facts and circumstances of the Company's contracts with customers. The Company follows the five revenue recognition steps, which are to:

- identify the contract;
- identify separate performance obligations;
- determine the transaction price;
- allocate transaction price to performance obligations; and
- recognise revenue when each performance obligation is satisfied.

The Company provides commercial and deliverable foreign exchange and cash management solutions to SMEs, mid-corporates, banking partners and non-banking financial institution partners, together called "Customers", throughout its global branch network. The Company generates revenue from contracts with customers and other revenue. Other revenue includes international payments and cash management service fees, mass payment and collection fees, and Ebury currency account fees.

#### A. Disaggregation of revenue from continuing and discontinuing operations

For the year ended 30 April:	Continuing operations		Discontinued operations		Total	
	2021	2020	2021	2020	2021	2020
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue from contracts with customers	51,075	39,294	22,515	72,526	73,590	111,820
Total revenue	<b>51,075</b>	<b>39,294</b>	<b>22,515</b>	<b>72,526</b>	<b>73,590</b>	<b>111,820</b>

The revenue from contracts with customers is generated from the following four lines of business as detailed in Note 5 (b):

- Foreign exchange;
- Trade finance;
- Account fees; and
- Payment fees.

Foreign exchange business is subject to FX risk on open positions, including Window Forward Contracts that may be settled at any point within a contractually agreed period, but this risk is managed by the use of forward and spot contracts economically hedging these positions. See Note 25 'Financial Risk Management And Financial Instruments' for further details.

These four lines of business have been grouped together into the following two broad categories below:

- Revenue measured and recognised IFRS 9; and
- Revenue measured and recognised IFRS 15.

The table B below includes the disaggregation of revenue from contracts with customers into four lines of business:

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 5. REVENUE (CONTINUED)

#### B. Disaggregation of revenue from contracts with customers

For the year ended 30 April:	2021 £'000	2020 £'000
<b>Measured and recognised under IFRS 9:</b>		
Foreign exchange	70,460	109,240
Trade finance	233	119
	<b>70,693</b>	<b>109,359</b>
<b>Measured and recognised under IFRS 15:</b>		
Payment fees	127	250
Account fees	2,770	2,211
	<b>2,897</b>	<b>2,461</b>
<b>Total revenue from contracts with customers</b>	<b>73,590</b>	<b>111,820</b>

Following the requirements under 'Revenue - IFRS 15', the Company recognises revenue when a performance obligation is satisfied by transferring a service to a customer. A performance obligation may be satisfied at 'a point in time' or 'over time'.

The table B above includes the disaggregated revenue from contracts with customers disaggregated based on the time of the fulfilment of services following the nature of contracts with customers.

#### C. Timing of revenue recognition

For the year ended 30 April:	Services transferred at a point in time		Services transferred over time		Total	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000	2021 £'000	2020 £'000
<b>Measured and recognised under IFRS 9:</b>						
Foreign exchange	70,460	109,240	-	-	70,460	109,240
Trade finance	-	-	233	119	233	119
	<b>70,460</b>	<b>109,240</b>	<b>233</b>	<b>119</b>	<b>70,693</b>	<b>109,359</b>
<b>Measured and recognised under IFRS 15:</b>						
Payment fees	127	250	-	-	127	250
Account fees	-	-	2,770	2,211	2,770	2,211
	<b>127</b>	<b>250</b>	<b>2,770</b>	<b>2,211</b>	<b>2,897</b>	<b>2,461</b>
<b>Total revenue from contracts with customers</b>	<b>70,587</b>	<b>109,490</b>	<b>3,003</b>	<b>2,330</b>	<b>73,590</b>	<b>111,820</b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 6. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2021 £'000	2020 £'000
<b>Fees payable to the Company's auditors and its associates:</b>		
- For the audit of the Company	225	182
- For non-audit services (Taxation services)	60	54
<b>Lease rentals</b>		
- Effect of electing to account for short-term and low-value leases off-balance-sheet	-	253
- Other operating lease rentals	343	-
<b>Differences on foreign exchange</b>	(918)	684
<b>Depreciation of property, plant, and equipment*</b>		
- Owned by the Company	316	238
- Right-of-use assets	2,448	3,621
<b>Amortisation of intangible assets*</b>	2,152	902
<b>Change in expected credit loss charges and other credit impairment charges</b>	574	5,826

\* Total depreciation and amortisation for the Company comprises amounts recognised in operating loss as disclosed above and amounts recognised in (loss)/profit on discontinued operations, net of tax.

### 7. STAFF COSTS

(a) Staff costs

	Continuing operations 2021 £'000	Discontinued operations 2021 £'000	Total 2021 £'000	Continuing operations 2020 £'000	Discontinued operations 2020 £'000	Total 2020 £'000
Wages and salaries	15,434	20,001	35,435	19,856	20,185	40,041
Social security costs	1,945	3,238	5,183	1,680	2,922	4,602
	<b>17,379</b>	<b>23,239</b>	<b>40,618</b>	<b>21,536</b>	<b>23,107</b>	<b>44,643</b>

The above staff costs include staff costs capitalised during the year of £3,076k (2020: £768k).

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 7. STAFF COSTS (CONTINUED)

(a) Average employee numbers

The average monthly number of persons (including executive Directors) employed by the Company during the year was:

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Sales and marketing	322	443
Operations	157	145
Management and administration	188	179
	<b>667</b>	<b>767</b>

### 8. DIRECTORS' REMUNERATION AND KEY MANAGEMENT PERSONNEL

(a) Directors' remuneration

Directors' remuneration for the financial year is set out below:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	1,197	1,624
	<b>1,197</b>	<b>1,624</b>

There were no Director accrued retirement benefits during either the current or previous financial year.

(b) Directors' remuneration – highest-paid Director

The highest-paid Director received remuneration of £674k (2020: £822k).

(c) Key management compensation

Key management includes Directors (executive and non-executive) as well as members of the executive committee. The compensation paid or payable to key management for employee services is shown below:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Salaries and other short-term employee benefits	5,443	3,894
Termination benefits	341	-
Post employment benefits	48	-
	<b>5,832</b>	<b>3,894</b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 9. FINANCE CHARGES AND INCOME

#### i. Interest payable and similar charges consists of the following:

	2021 £'000	2020 £'000
Interest expense on borrowing facilities and short-term arrangements	1,605	7,905
Interest expense on leasing arrangements	665	1,066
Amortisation of transaction issuance costs	3,552	2,201
Other finance charges	5	478
	<b>5,827</b>	<b>11,650</b>

#### ii. Interest payable and similar charges categorised by function:

	2021 £'000	2020 £'000
Borrowing facility		
Interest expense	1,598	7,547
Facility charges	5	478
Amortisation of transaction issuance costs <sup>1</sup>	3,552	2,201
	<b>5,155</b>	<b>10,226</b>
Overdraft facilities		
Interest expense	-	357
Other	12	1
	<b>12</b>	<b>358</b>
Lease liabilities		
Interest on lease liabilities	660	1,066
	<b>660</b>	<b>1,066</b>
	<b>5,827</b>	<b>11,650</b>

#### iii. Interest receivable and similar income

	2021 £'000	2020 £'000
Interest income	287	1,025
	<b>287</b>	<b>1,025</b>

#### Footnote

<sup>1</sup>: The Company capitalises its transaction issuance costs and discloses them against the net carrying amount of the Company's borrowings. The amortisation of these costs takes place over the life of the facility agreement. For details of the Company's borrowings see Note 20.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 10. INCOME TAX EXPENSE

#### (a) Taxation credit

	2021 £'000	2020 £'000
<b>Current tax</b>		
- for this year (continuing operations)	291	111
<b>Tax credit for the financial year (continuing operations)</b>	<u>291</u>	<u>111</u>

Total tax charge for the financial year includes a further £817k (2020: £300k) in respect of discontinued operations disclosed in '(Loss)/profit from discontinued operations, net of tax' in the Statement of Comprehensive Income. See Note 26 for further details.

#### (b) Loss before taxation

	2021 £'000	2020 £'000
<b>Factors affecting the total tax charge for the financial year</b>		
Loss before taxation	(26,605)	(33,940)
Loss before taxation multiplied by the standard rate of UK corporation tax of 19% (2019: 19%).	(5,055)	(6,449)
Non-deductible expenses	1,073	1,529
Adjustment in respect of prior period liabilities	-	(203)
Utilisation of previously unrecognised tax losses		
Impact of deferred tax not recognised in respect of losses and other timing differences	4,101	4,319
Utilisation of group relief	(410)	693
<b>Total tax charge / (credit) for the financial year</b>	<u>(291)</u>	<u>(111)</u>

#### (c) Tax losses

As at the date of the Statement of Financial Position, the Company has estimated tax losses and other timing differences of £53,491k (2020: £35,870k). Deferred tax assets have not been recognised due to the uncertainty of recoverability.

#### (d) Tax rates

The March 2021 Budget announced a further increase to the main rate of corporation tax to 25% from 1 April 2023.

**EBURY PARTNERS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

**11. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements £'000	Furniture and fittings £'000	Office equipment £'000	Motor vehicles £'000	Software £'000	Total £'000
<b>Cost</b>						
<b>At 1 May 2019</b>	<b>2,176</b>	<b>329</b>	<b>1,639</b>	-	-	<b>4,144</b>
Additions	185	66	331	-	-	582
<b>At 30 April 2020</b>	<b>2,361</b>	<b>395</b>	<b>1,970</b>	-	-	<b>4,726</b>
Additions	44	11	194	-	-	249
Assets acquired under business reorganisations (note 26)	106	257	230	53	12	658
Discontinued operations (Note 26)	(1,643)	(575)	(1,403)	(53)	(12)	(3,686)
<b>At 30 April 2021</b>	<b>868</b>	<b>88</b>	<b>991</b>	-	-	<b>1,947</b>
<b>Accumulated depreciation</b>						
<b>At 1 May 2019</b>	<b>783</b>	<b>130</b>	<b>730</b>	-	-	<b>1,643</b>
Charge for the year	413	85	413	-	-	911
<b>At 30 April 2020</b>	<b>1,196</b>	<b>215</b>	<b>1,143</b>	-	-	<b>2,554</b>
Charge for the year	316	68	346	1	2	733
Assets acquired under business reorganisations (note 26)	18	67	107	50	11	253
Discontinued operations (Note 26)	(1,117)	(297)	(904)	(51)	(13)	(2,382)
<b>At 30 April 2021</b>	<b>413</b>	<b>53</b>	<b>692</b>	-	-	<b>1,158</b>
<b>Net book value</b>						
<b>As at 30 April 2020</b>	<b>1,165</b>	<b>180</b>	<b>827</b>	-	-	<b>2,172</b>
<b>As at 30 April 2021</b>	<b>455</b>	<b>35</b>	<b>299</b>	-	-	<b>789</b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 12. RIGHT-OF-USE ASSETS

As part of its on-going operations, the Company has entered into various lease arrangements including leasehold property and motor vehicles. Details of its lease arrangements are presented below:

#### i. Right-of-use assets

	Leasehold property £'000	Motor vehicles £'000	Total £'000
<b>Cost</b>			
<b>At 1 May 2019</b>	<b>12,348</b>	<b>231</b>	<b>12,579</b>
Additions	1,266	30	1,296
<b>At 30 April 2020</b>	<b>13,614</b>	<b>261</b>	<b>13,875</b>
Additions	2,022	98	2,120
Assets acquired under business reorganisations (note 26)	2,412	-	2,412
Derecognition of right-of-use assets*	(1,168)	(44)	(1,212)
Asset disposals under business reorganisations (note 26)	(9,658)	(297)	(9,955)
<b>At 30 April 2021</b>	<b>7,222</b>	<b>18</b>	<b>7,240</b>
<b>Accumulated depreciation</b>			
<b>At 30 April 2020</b>	<b>3,489</b>	<b>132</b>	<b>3,621</b>
Assets acquired under business reorganisations (note 26)	436	-	436
Derecognition of right-of-use assets*	(775)	(14)	(789)
Charge for the year	2,597	81	2,678
Asset disposals under business reorganisations (note 26)	(2,565)	(190)	(2,755)
<b>At 30 April 2021</b>	<b>3,182</b>	<b>9</b>	<b>3,191</b>
<b>Net book value</b>			
<b>At 30 April 2020</b>	<b>10,125</b>	<b>129</b>	<b>10,254</b>
<b>At 30 April 2021</b>	<b>4,040</b>	<b>9</b>	<b>4,049</b>

\* Derecognition of right-of-use assets is as result of disposals of expired lease agreements and modification of prior year leases

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 12. RIGHT-OF-USE ASSETS (CONTINUED)

##### ii. Reconciliation of operating lease commitment under the modified retrospective approach

The weighted average incremental borrowing rate applied to lease liabilities on 30 April 2021 is 3.50%.

In applying the modified retrospective approach, the Company has taken advantage of the following:

- A single discount rate has been applied to the Company's portfolio of leases as it is deemed the characteristics of these leases are reasonably similar.
- Under the IFRS recognition criteria, the Company utilised the exemption to capitalise leases of low value, which for the current year included office equipment.
- Initial direct costs associated with entering into leases were not included in the measurements of the right-of-use asset at the date of initial application.
- For the purposes of measuring right-of-use assets, the Company has used hindsight, measuring the right-of-use asset by reference to circumstances prevailing on the reporting date.

##### iii. Lease liabilities – Movement schedule

	Leasehold property £'000	Motor vehicles £'000	Total £'000
<b>At 1 May 2019</b>	<b>14,025</b>	<b>231</b>	<b>14,256</b>
Additions	1,263	30	1,293
Interest	1,052	14	1,066
Payments	(4,322)	(155)	(4,477)
<b>At 30 April 2020</b>	<b>12,018</b>	<b>120</b>	<b>12,138</b>
Additions	2,020	98	2,118
Derecognition of Lease Liability	(597)	(9)	(606)
Interest	725	7	732
Payments	(3,279)	(94)	(3,373)
Leases acquired under business reorganisations (note 26)	1,949	-	1,949
Leases transferred under business reorganisations (note 26)	(7,666)	(113)	(7,779)
<b>At 30 April 2021</b>	<b>5,170</b>	<b>9</b>	<b>5,179</b>

**EBURY PARTNERS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

**12. RIGHT-OF-USE ASSETS (CONTINUED)**

**iv. Lease liabilities - Maturity analysis**

	<b>30 April 2021</b>		
	<b>Leasehold property £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
Maturity analysis - contracted undiscounted cash flows			
Less than one year	1,474	7	1,481
One to five years	4,628	3	4,631
<b>Total undiscounted lease liabilities</b>	<b>6,102</b>	<b>10</b>	<b>6,112</b>

Lease liabilities included in the Statement of Financial Position calculated by taking the present value of contracted cash flows and applying a discount rate of 3.5% on new leases arising in the year (2020: 8%):

Current	1,135	6	1,141
Non-current	4,035	3	4,038
	<b>5,170</b>	<b>9</b>	<b>5,179</b>

**v. Lease amounts recognised in the profit or loss**

	<b>2021 £'000</b>	<b>2020 £'000</b>
<b>Leases under IFRS 16</b>		
Interest on lease liabilities	732	1,066
Depreciation of right-of-use assets	2,678	3,621
Expenses relating to leases of low-value assets	281	253
Gain on derecognition of right-of-use assets	(184)	-
Gain on leases acquired under business reorganisations (Note 26)	27	-
Gain on leases terminated on sale of discontinued operations*	579	-
	<b>4,113</b>	<b>4,940</b>

\*Included in '(Loss) / profit from discontinued operations, net of tax' disclosed in Statement of Comprehensive Income

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 13. INTANGIBLE ASSETS

	<b>Internally generated software development costs £'000</b>
<b>Cost or valuation</b>	
<b>At 30 April 2019</b>	<b>1,465</b>
Additions	2,910
<b>At 30 April 2020</b>	<b>4,375</b>
Additions	3,543
<b>At 30 April 2021</b>	<b>7,918</b>
<b>Accumulated depreciation</b>	
<b>At 30 April 2019</b>	<b>363</b>
Amortisation charged for the year	902
<b>At 30 April 2020</b>	<b>1,265</b>
Amortisation charged for the year	2,152
<b>At 30 April 2021</b>	<b>3,417</b>
<b>Net book value</b>	
<b>As at 30 April 2020</b>	<b>3,110</b>
<b>As at 30 April 2021</b>	<b>4,501</b>

#### *Internally generated software development costs*

'Intangible assets' relate to development costs directly attributable to the design and testing of identifiable and unique software associated with the Company and Groups back and front office systems. Amortisation is recorded in 'Administrative expenses' in the 'Statement of Comprehensive Income'.

**EBURY PARTNERS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

**14. INVESTMENTS**

	<b>Investments in subsidiaries £'000</b>
<b>Cost or valuation</b>	
<b>At 30 April 2019</b>	<b>386</b>
Disposals	-
<b>At 30 April 2020</b>	<b>386</b>
Disposals	-
<b>At 30 April 2021</b>	<b>386</b>
<b>Carrying value of investments</b>	<b>-</b>
<b>As at 30 April 2020</b>	<b>386</b>
<b>As at 30 April 2021</b>	<b>386</b>

*Investment in subsidiaries*

The Company's investments in subsidiaries relate to wholly-owned Foreign Exchange Solutions S.L. ("FX Solutions").

FX Solutions is incorporated in Spain with a registered address at 15, Puerta del Mar, 29005, Malaga, Spain. Its principal activity is the provision of foreign currency dealing services. On 1 June FX Solutions sold its business to the Company and is now in the process of being wound down (see Note 26)

FX Solutions incorporated a wholly-owned entity, Foreign Exchange Solutions (UK) Limited with a registered address, third Floor, 80-100 Victoria Street, London, Cardinal Place, SW1E 5JL. Since incorporation, the entity remained inactive.

FX Solutions opened a UK branch known as Foreign Exchange Solutions SL, with a registered address, third Floor, 80-100 Victoria Street, London, Cardinal Place, SW1E 5JL. Since incorporation, the entity remained inactive.

<b>Name of subsidiary</b>	<b>Aggregate share capital and reserves £'000</b>	<b>Profit before income tax £'000</b>
Foreign Exchange Solutions S.L.	564	(690)

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 14. INVESTMENTS (CONTINUED)

##### *Branch and Trade Representative Offices*

The following table details the branches and representative offices of the Company during the year to 30 April 2020.

Trade Representative Offices are operated and controlled by a representative person on behalf of the Company and only practice promotional business for the products and services provided by the Company:

<b>Branch and Trade Representative offices opened during the year ended 30 April 2020<sup>(1)</sup></b>					
<b>Country / Jurisdiction</b>	<b>Office type</b>	<b>Name</b>	<b>Registered address</b>	<b>Business</b>	<b>Registration date</b>
Abu Dhabi	1	Ebury Partners UK Limited	(a)	FX brokerage	18 Apr 19
Australia	1	Ebury Partners UK Limited	(b)	FX brokerage	15 Mar 18
UAE	1	Ebury Partners UAE DIFC	(c)	FX brokerage	21 Dec 17
United Kingdom	2	FOREIGN EXCHANGE SOLUTIONS SL, UK BRANCH	(d)	Inactive	10 Oct 17
Germany	3	Ebury Partners UK Limited - Zweigniederlassung Deutschland	(e)	Inactive	11 Aug 17
Greece	3	Ebury Partners UK Limited - Greece	(f)	Inactive	5 Sep 17
Ireland	3	Ebury Partners UK Limited	(g)	Inactive	27 Nov 19
Italy	3	Ebury Partners UK Limited	(h)	Inactive	11 Aug 17
Luxembourg	3	Ebury Partners UK - Luxembourg Branch	(i)	Inactive	28 Jan 19
Netherlands	3	Ebury Partners UK Limited	(j)	Inactive	1 Jun 14
Poland	3	EBURY PARTNERS UK LIMITED SPÓŁKA Z OGRANICZONĄ ODPOWIEDZIALNOŚCIĄ ODDZIAŁ W POLSCE	(k)	Inactive	23 Oct 17
Portugal	3	Ebury Partners UK Limited- Sucursal em Portugal	(l)	Inactive	23 Oct 17
Romania	3	Ebury Partners UK Limited Londra - Sucursala Bucuresti	(m)	Inactive	16 Mar 18
Spain	3	EBURY PARTNERS UK SUCURSAL EN ESPANA	(n)	Inactive	26 Feb 14
Bulgaria	3	Ebury Partners UK Limited - Branch Bulgaria	(o)	Inactive	4 Oct 19
Switzerland	3	Ebury Partners UK Limited - Zweigniederlassung Zurich	(p)	Inactive	17 Oct 16
Austria	3	Ebury Partners UK Limited ZNL Österreich	(q)	Inactive	3 Jan 19
Czech Republic	3	EBURY PARTNERS UK LIMITED - odštěpný závod	(r)	Inactive	22 May 18
France	3	Ebury Partners UK Limited	(s)	Inactive	7 Apr 17
Cyprus	3	Ebury Partner UK Limited - Cyprus branch	(t)	Inactive	12 Nov 19

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 14. INVESTMENTS (CONTINUED)

(<sup>(1)</sup>): For a list of Branches, Trade Representative offices, and locations at which the Company's staff were employed during the year and up to and including the date of signing these Financial Statements see the Strategic Report.

##### *Branch and Trade Representative Offices – Notes*

###### *Office type*

- 1: Branch office of Ebury Partners UK Limited. See subsidiary table within this note for further detail on this entity and its activities.
- 2: Branch office of Foreign Exchange Solutions S.L. The entity is inactive for both the current year and prior year. Its business was sold to the company on 1st of June 2020
- 3: Branch office of Ebury Partners UK Limited: as a result of the transfer of the European operations and Swiss operations of the Company being transferred to other companies within the Group these branches are in the process of being wound down (see note 26).

###### *Registered address*

The registered address and country of each branch or representative office listed above are summarised below:

- (a) Al Khatem Tower, Office 614, Abu Dhabi Global Market, Sowwah Square, Al Maryah Island, Abu Dhabi, UAE
- (b) Level 1, 53 Berry Street North Sydney NSW 2060
- (c) Unit C207, Level 2, Burj Daman, Dubai International Financial Centre, P O Box 507062, Dubai, United Arab Emirates
- (d) Third Floor 80-100 Victoria Street, Cardinal Place, London, United Kingdom, SW1E 5JL
- (e) 5th Floor, Georg-Glock-Strasse 3, 40474 Düsseldorf
- (f) Ebury Hellas, 4th Floor, 50, Agiou Konstantinou, Marousi, 151 24, Greece
- (g) Alexandra House The Sweepstakes, Ballsbridge, Dublin, D04 C7H2, Ireland
- (h) Via Filippo Sasseti, n. 32, 20142, Milano, Italy
- (i) 45, Avenue de la Liberté L - 1931 Luxembourg
- (j) Claude Debussylaan 26, 1082, MD Amsterdam
- (k) ul. Królewska 18 00-103 Warszawa
- (l) Av. Da Liberdade, nº 225, 4º dtº 1250-142 Lisboa
- (m) 19 - 21 Primaverii Boulevard, 2nd Floor, Room 2, Bucharest, district 1
- (n) Paseo de la Castellana, 202 Edificio Castellana 200, Planta 5, 28046 Madrid, Spain
- (o) 8, Iskar Str., Fl. 3, Sofia 1000, Bulgaria
- (p) Bahnhofstrasse 61, CH- 8001 Zürich
- (q) Albert Hall, Albertgasse 35, 1080 Wien, Austria
- (r) Stodolní 1428/9, Moravská Ostrava, 702 00 Ostrava
- (s) 52-56 52B Rue De La Victoire 75009 Paris 9
- (t) Eagle House, Floor 6, Kyriakou Matsi 16, 1082 'Aglol Omologites, Nicosia, Cyprus

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 15. DERIVATIVE FINANCIAL INSTRUMENTS - FINANCIAL ASSETS

	2021 £'000	2020 £'000
Foreign exchange currency contract assets		
- Non-current	27,484	46,839
- Current	97,585	163,470
	<u>125,069</u>	<u>210,309</u>

Based on the IFRS Market to Market ("MtM") valuation, the Company's forward contracts with clients, and banking liquidity providers or liabilities, depending on whether client contracts and the position with hedging banks (excluding collateralisation) are in-the-money or out-of-the-money.

#### 16. TRADE AND OTHER RECEIVABLES

	2021 £'000	2020 £'000
Trade receivables	2,277	4,483
Amounts due from Group undertakings	120,370	58,472
Client collateral	2,183	1,064
Other receivables	3,660	3,019
Prepayments	1,528	1,298
Short-term loans receivable	2,460	-
	<u>132,478</u>	<u>68,336</u>

'Trade receivables' primarily relates to trades past maturity date where the client experienced a negative MtM and the Company is awaiting settlement of the outstanding balance. 'Trade receivables' are stated net of provision for impairment £1,015k (2020: £5,431k). There were no trade receivables written-off during either year.

'Amounts due from Group undertakings' are unsecured, non-interest bearing, and repayable on demand.

'Client collateral' relates to the amounts posted by clients to enter into particular trades and is repayable subject to the conditions of the relevant trade. 'Client collateral' is stated net of provision for impairment £3k (2020: £1k). There were no trade receivables written-off during either year.

'Other receivables' include rental deposits and other receivables arising in the ordinary course of operation. 'Other receivables' are stated net of provision for impairment £17k (2020: £17k). There were no 'Other receivables' written-off during either year.

Due to the short term nature of these receivables, the carrying value is assumed to approximate their fair value.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 17. CASH AND CASH EQUIVALENTS

	2021 £'000	2020 £'000
Cash and cash equivalents	148,273	723,187
	<b>148,273</b>	<b>723,187</b>

*Cash and cash equivalents at 30 April 2021 comprise:*

		2021 £'000	2020 £'000
Cash and cash equivalents	Company	39,903	106,691
	<b>Total Company</b>	<b>39,903</b>	<b>106,691</b>
	Client - Safeguarded	79,326	560,140
	Client – Other	29,044	56,356
	<b>Total Client</b>	<b>108,370</b>	<b>616,496</b>
	<b>Footnotes</b>	<b>148,273</b>	<b>723,187</b>

#### Footnotes

*1 Company:* This comprises 'Cash and cash equivalents' held by the Company, and, legally owned and operated by the entity, without restriction, within bank accounts otherwise referred to as business, office, investment, margin, regulatory and other accounts.

*2 Client - Safeguarded:* This refers to 'Cash and cash equivalents' held on behalf of the Company's clients in Safeguarding accounts which fall within the scope of Electronic Money Regulations. Safeguarding requirements protect funds received for the provision of payment service or e-money that the Company issued to clients.

*3 Client - Other:* This refers to all other clients 'Cash and cash equivalents' which aren't within the EMR regulatory requirements and primarily include collection and settlement accounts.

*4 'Cash and cash equivalents' include all categories aforementioned above; 'Company', 'Client – Safeguarded' and 'Client – Other'. 'Cash and cash equivalents' is stated net of expected credit loss charges totalling £69k (2020: £296k).*

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 18. TRADE AND OTHER PAYABLES

	2021 £'000	2020 £'000
Amounts due to clients	93,628	687,368
Trade payables	1,289	1,652
Amounts due to Group undertakings	189,679	41,777
Other taxation and social security	1,716	2,624
Other payables	121	192
Accruals	14,434	16,238
Deferred income	495	1,316
	<b>301,362</b>	<b>751,167</b>

As at 30 April 2021, the Company held 'Amounts due to clients' in its bank accounts totalling £108,370k (2020: £616,496k) comprising client money safeguarded and client money other, as detailed in Note 17 'Cash and cash equivalents'. The difference between the 'Total client cash' and 'Amounts due to clients' is the balance of £14,742k (2020: £75,702k) relating to the timing difference associated with liquidity providers collateral payable, client collateral due and payable, other amounts due and payable to clients, and settlements between the Group entities included in the 'Amounts due to Group undertakings'.

Due to the short term nature of these payables, the carrying value is assumed to approximate their fair value.

#### 19. DERIVATIVE FINANCIAL INSTRUMENTS - FINANCIAL LIABILITIES

	2021 £'000	2020 £'000
Foreign exchange currency contract liabilities		
- Non-current	9,747	19,807
- Current	72,176	106,557
	<b>81,923</b>	<b>126,364</b>

Based on the IFRS MtM valuation, the Company's forward contracts with clients, and banking liquidity providers are assets or liabilities, depending on whether client contracts and the position with hedging banks (excluding collateralisation) are in-the-money or out-of-the-money.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 20. BORROWINGS

		2021 £'000	2020 £'000
<b>Current borrowings</b>			
Interest-bearing facility	Principal	-	116,915
	Interest payable	-	457
<b>Total current borrowings</b>		<b>-</b>	<b>117,372</b>

In March 2018 the Company refinanced with Alcentra global asset managers signing a seven years facility, attracting a rate of 8.0%.

Refinancing included terminating and repaying the existing facility (€55.0m repaid in April 2018) and increasing the total size of the facility to; i. €121.0m senior facility; and, ii. £5.0m revolving credit facility (permitted super senior tranche).

In July 2019 the Company reached an agreement to increase the facility, by €17.0m to €138.0m. As with the original facility, calculation of the interest payable is based upon various events and financial conditions, and based on the current results is applied at a rate of 8.0% of the drawn-down balance.

Borrowings are secured by fixed and floating charge which exists over the assets of the Company.

Borrowings are initially stated at their fair value plus transaction costs, then subsequently at amortised cost using the effective interest method.

In July 2020 Ebury Partners Limited reached an agreement with Banco Santander S.A. to refinance through a new one-year €250.0m facility agreement. Under the arrangement, the Ebury Partners Limited repaid the Company's facility in full and made additional funds available for investment and working capital requirements.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 20. BORROWINGS (CONTINUED)

##### *Net cash / borrowings*

An analysis of the Company's 'Net cash / borrowings' are shown below:

	At 30 April 2020 £'000	Cash flows £'000	Non-cash charges £'000	At 30 April 2021 £'000
<b>Cash and cash equivalents consisting of:</b>				
Cash and cash equivalents	723,187	(575,141)	227	148,273
<b>Total cash and cash equivalents</b>	<b>723,187</b>	<b>(575,141)</b>	<b>227</b>	<b>148,273</b>
<b>Borrowings consisting of:</b>				
Transaction issuance costs	3,366	70	(3,436)	-
Borrowings due in less than one year	(120,738)	128,079	(7,341)	-
<b>Total borrowings</b>	<b>(117,372)</b>	<b>128,149</b>	<b>(10,777)</b>	<b>-</b>
<b>Net cash / borrowings</b>	<b>605,815</b>	<b>(446,992)</b>	<b>(10,550)</b>	<b>148,273</b>

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 20. BORROWINGS (CONTINUED)

##### *Borrowings currency denomination*

The carrying amounts of the Company's 'Borrowings' are denominated in the following currencies:

	Currency	2021 £'000	2020 £'000
Borrowings	Euro	-	120,738
Transaction issuance costs	Euro	-	(2,831)
	Pound	-	(535)
		-	<b>117,372</b>

(v)

##### *Undrawn borrowing facilities*

The Company has the following undrawn borrowing facilities:

	Currency	Facility	Footnote	2021 £'000	2020 £'000
Expiring within five years					
	Euro	B2	1	-	-
	Pound	RCF	2	-	5,000
				-	<b>5,000</b>

#### Footnotes

1: On 1 July 2020, the parent company entered the facility agreement as original borrower and guarantor. The Company also entered as an original guarantor and at the same time repaid its borrowing facility loan in full. The Company, along with Ebury Partners Limited, and certain other fellow subsidiaries, have granted security over their assets in favour of the finance parties including bank accounts, fixed accounts, insurance policies, intellectual property, receivables, real estate and shares.

2: RCF was terminated together with the repayment of the borrowing facility loan.

#### 21. SHARE CAPITAL

Called up share capital and share premium. Ordinary shares of £0.01 each, issued and fully paid. The ordinary shares have a full voting, dividend and capital distribution (including on winding up) rights and they do not confer any rights of redemption.

	2021		2020	
	Number	£'000	Number	£'000
30 April	1,351,556,634	13,516	51,556,634	516
Shares issued	4,700,000,000	47,000	1,300,000,000	13,000
<b>30 April</b>	<b>6,051,556,634</b>	<b>60,516</b>	<b>1,351,556,634</b>	<b>13,516</b>

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 22. ULTIMATE PARENT UNDERTAKING AND ULTIMATE CONTROLLING PARTY

The immediate and ultimate parent Company is Ebury Partners Limited, a Company incorporated in England and Wales.

The Company is included in the consolidated Financial Statements of Ebury Partners Limited, which are publicly available and can be obtained from Companies House.

Therefore the Company is exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated financial statements.

The address of the ultimate parent's registered office is Third Floor, 80-100 Victoria Street, Cardinal Place, London, United Kingdom, SW1E 5JL.

#### 23. RELATED PARTY TRANSACTIONS

##### *Key Management Personnel*

Details of remuneration paid to key management personnel are set out in Note 8 to the Financial Statements.

##### *The Company's transactions with the Group*

##### *Ebury Partners Limited*

- Ebury Partners Limited, the Company's parent, provides funding for the purpose of implementing the Group's strategic objectives.

The total amount due and payable to Ebury Partners Limited as at year-end is £135,504k (2020: £32,160k). The amount is unsecured, non-interest bearing and repayable on demand. During the year there were no other transactions between the parties.

##### *Ebury Technology Limited*

- The Company is related to Ebury Technology Limited by virtue of being under common control. The Company provides funding to Ebury Technology Limited for the purpose of meeting its daily operational cash requirements.

The total amount receivable from Ebury Technology Limited as at year-end is £45,650k (2020: £38,781k). The amount is unsecured, non-interest bearing and repayable on demand. During the year there were no other transactions between the parties.

##### *Foreign Exchange Solutions S.L*

- The Company is a wholly-owned subsidiary of the Company. The Company purchases software development from Foreign Exchange Solutions S.L and at year-end owed £938k (2020: £1,108k). The amount is unsecured, non-interest bearing, and repayable on demand. During the year the expenses of £511.8K (2020:£6,169k) were incurred for the multipayment platform services provided by Foreign Exchange Solutions S.L.
- On 1 Foreign Exchange Solutions S.L sold its business to the Company for consideration of €1,540k and is now in the process of being wound down (see Note 26).

##### *Ebury Partners Finance Limited*

- The Company is related to Ebury Partners Finance Limited by virtue of being under common control. The Company provides funding to Ebury Partners Finance Limited for the purpose of meeting its daily operational cash requirements, which include funding trade finance agreements issued by the business in its ordinary course of operations.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 23. RELATED PARTY TRANSACTIONS (CONTINUED)

The total amount receivable from Ebury Partners Finance Limited as at year-end is £29,777k (2020: £14,870k). The amount is unsecured, non-interest bearing and repayable on demand. During the year there were no other transactions between the parties.

##### *Ebury Partners Belgium NV.*

- The Company and Ebury Partners Belgium NV are fellow subsidiaries of Ebury Partners Limited. The Company provides funding to Ebury Partners Belgium NV for the purpose of meeting its daily operational cash requirements as well as acting as the company's liquidity provider for FX trades.

The Company is the sole holder of the International Swaps and Derivatives Association ("ISDA") agreements with banking liquidity providers within the Ebury group.

The Company executes trades with market participants on behalf of Ebury Partners Belgium NV and, by creating intra-group, back-to-back flow-through trades, transfers the full economic benefits/costs, risks, and rewards of these trades to Ebury Partners Belgium NV.

The total amount payable to Ebury Partners Belgium NV as at year-end is £10,109k (2020: £7,377k). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

On 15 December 2020 The Company sold its operations within the European Union to Ebury Partners Belgium NV. See Note 26 for further details.

##### *Ebury Partners Canada Limited*

- The Company and Ebury Partners Canada Limited are fellow subsidiaries of Ebury Partners Limited. The Company provides funding to Ebury Partners Canada Limited for the purpose of meeting its daily operational cash requirements as well as acting as the company's liquidity provider for FX trades.

The total amount receivable from Ebury Partners Canada Limited as at year-end is £3,157 (2020: £4,182k). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

##### *Ebury Partners Markets Limited*

- The Company and Ebury Partners Markets Limited are fellow subsidiaries of Ebury Partners Limited. The Company provides funding to Ebury Partners Markets Limited for the purpose of meeting its daily operational cash requirements as well as acting as the company's liquidity provider for MiFiD customer FX trades.

While Ebury Partners Markets has no employees of its own its revenue from MiFiD customers does attract commission costs, which are paid to employees of the Company and re-charged without mark-up to Ebury Partners Markets as a direct cost associated with the trade.

The total amount payable to Ebury Partners Markets Limited as at year-end is £3,495k (2020: £444k). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 23. RELATED PARTY TRANSACTIONS (CONTINUED)

##### *Ebury Partners Hong Kong Limited*

- The Company is related to Ebury Partners Hong Kong Limited by virtue of being under common control. The Company provides funding to Ebury Partners Hong Kong Limited for the purpose of meeting its daily operational cash requirements as well as acting as the company's liquidity provider for FX trades.

The total amount payable to Ebury Partners Hong Kong Limited as at year-end is £718k (2020: £625k receivable). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

##### *Ebury Partners Australia PTY Limited*

- The Company is related to Ebury Partners Australia PTY Limited by virtue of being under common control. The Company provides funding to Ebury Partners Australia PTY Limited for the purpose of meeting its daily operational cash requirements as well as acting as the company's liquidity provider for FX trades.

The total amount payable to Ebury Partners Australia PTY Limited as at year-end is £447k (2020: nil). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

##### *Ebury Partners Switzerland AG*

- The Company is related to Ebury Partners Switzerland AG by virtue of being under common control. The Company provides funding to Ebury Partners Switzerland AG for the purpose of meeting its daily operational cash requirements.

The total amount payable to Ebury Partners Switzerland AG as at year-end is £4,020k (2020: £688k). The amount is unsecured, non-interest bearing, and repayable on demand. During the year the payroll costs were recharged from Ebury Partners Switzerland AG to EPUK Swiss branch in the amount of £2,319k.

In December 2020, as part of a wider Group restructuring, the Company discontinued its Swiss operations and sold these to Ebury Partners Switzerland AG for consideration of €1. See Note 26 for further details.

##### *Ebury Finance Belgium NV*

- The Company is related to Ebury Finance Belgium NV by virtue of being under common control. The Company provides funding to Ebury Finance Belgium NV for the purpose of meeting its daily operational cash requirements.

The total amount receivable from Ebury Finance Belgium NV as at year-end is £6,822k (2020: 8k). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

##### *Ebury Mass Payments Holdco Limited*

- The Company is related to Ebury Mass Payments Holdco Limited by virtue of being under common control. The Company provides funding to Ebury Mass Payments Holdco Limited for the purpose of meeting its daily operational cash requirements.

The total amount receivable from Ebury Finance Belgium NV as at year-end is £1,072k (2020: nil). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

## **EBURY PARTNERS UK LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

#### **23. RELATED PARTY TRANSACTIONS (CONTINUED)**

##### *Special Purpose Vehicle ("SPV")*

Ebury Partners Finance Limited, a fellow subsidiary, has an arrangement with its business partner NIBC, to fund an SPV for the purposes of purchasing trade finance loans of the Group. During the year the Company sold £44.4m of loans to the SPV.

##### *Santander*

Santander has a 50.1% stake in Ebury Partners Limited, the parent of the Company. The Company has bank accounts in the ordinary course of business with Santander as at 30 April 2021, totalling £1.8m in client accounts.

#### **24. EVENTS AFTER THE REPORTING PERIOD**

##### *Covid-19*

Subsequent to 30 April 2021, Covid-19 has continued to impact the global economic environment due to government actions to contain the virus which have affected the economic activity. At this stage, the impact on our business has been minimal and based on our experience so far, we expect this to remain the case. We continue to track any impacts including which sectors are affected and have tailored marketing and sales strategies to take account of the changing conditions. Consequently, the Group and the Company remain cautiously optimistic that any negative impact on the business will be limited.

The Directors have assessed the assets held as at 30 April 2021 and do not consider that the Covid-19 pandemic has resulted in any material impact on the carrying value as at 30 April 2021.

#### **25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

The principal financial assets of the Company are 'Cash and cash equivalents', 'Foreign exchange currency contracts' and 'Trade and other receivables'. The Company detailed these items in the table below, categorising these balances by the valuation methodology.

The Company's principal financial liabilities relate to 'Borrowings', 'Foreign exchange currency contracts' and 'Trade and other payables'. The Company detailed these items in the table below, categorising these balances by the valuation methodology.

The main purpose of these financial instruments is to generate sufficient working capital for the Company to continue its operations.

The Company's operations expose it to a variety of financial risks that include credit risk and liquidity risk. The Company discusses financial instruments and how it manages these financial risks below.

##### *Credit risk*

The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

The policies set out by the Board of Directors are implemented in the Company's Capital Markets, Risk, and Treasury departments jointly under the direct responsibility of the Company Chief Risk Officer and Chief Financial Officer.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

#### *Credit risk (continued)*

The Company's exposure to credit risk is limited to the carrying amount of financial assets recognised as at the Statement of Financial Position date, is summarised below:

#### *(a) Financial assets*

<b>Assets At 30 April 2021</b>	<b>Measured at amortised cost £'000</b>	<b>Assets at fair value through the profit and loss £'000</b>	<b>Total £'000</b>
Trade receivables	2,277	-	2,277
Cash and cash equivalents	148,273	-	148,273
Amounts due by related parties	120,370	-	120,370
Client collateral	2,183	-	2,183
Other receivables	3,660	-	3,660
Short-term loans receivable	2,460	-	2,460
Foreign exchange currency contracts	-	125,069	125,069
	<b>279,223</b>	<b>125,069</b>	<b>404,292</b>

<b>Assets At 30 April 2020</b>	<b>Measured at amortised cost £'000</b>	<b>Assets at fair value through the profit and loss £'000</b>	<b>Total £'000</b>
Trade receivables	4,483	-	4,483
Cash and cash equivalents	723,187	-	723,187
Amounts due from Group undertakings	58,472	-	58,472
Client collateral	1,064	-	1,064
Other receivables	3,019	-	3,019
Foreign exchange currency contracts	-	210,309	210,309
	<b>790,225</b>	<b>210,309</b>	<b>1,000,534</b>

Credit risk is the risk of incurring a financial loss from a counterparty that fails to meet its obligation under contract, which is primarily associated with 'Foreign exchange currency contracts', 'Trade and other receivables' and 'Cash and cash equivalents'.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

#### Credit risk (continued)

The Company undertakes continuous robust credit analysis before setting and varying credit limits and/or accepting trades from new and existing clients. All open positions are monitored in real-time and where assessed steps are taken to mitigate this risk through the use of the credit recovery process.

The credit risk on 'Cash and cash equivalents' is limited due to the correspondent bank's strong credit ratings assigned by external independent rating agencies.

'Investments' relate to the investment in a wholly-owned subsidiary. Credit risk is mitigated by the profitability of the entity.

The credit risk on 'Short Term loans to clients' and Trade Receivables is mitigated by the Risk department conducting a daily analysis of the on-balance sheet balances.

#### Credit risk

The exposure to credit risk is reflected in the tables below which details the gross carrying amounts classified by credit quality. Credit risk arises across all financial assets, though historically losses typically occurred on 'Trade receivables', and, as a result, our disclosures focus primarily on this area.

#### (b) Distribution of financial assets by credit quality:

All financial assets open during the year are considered in-scope except 'Foreign exchange currency contracts' which are measured at fair value through the profit and loss.

The tables below classify the Company's financial assets, into five credit quality categories which are determined using a combination of internally developed credit rating grades and external ratings attributed by rating agencies. Typically lower credit rating grades such as sub-standard and credit-impaired have proportionally higher allowances for ECL and CVAs. The 'rating' categories of 'strong', 'good', 'satisfactory' and 'sub-standard' are all Stage 1, whilst the category of 'credit impaired' encompasses Stage 2 and Stage 3.

As at 30 April 2021	Gross carrying/nominal amount								
	Rated	Rated	Rated	Rated	Rated	Internal risk rating	Total	Allowance for ECL/CVA	Net
	Strong	Good	Satisfactory	Sub-standard	Credit impaired	Satisfactory			
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>In-scope for IFRS 9</b>									
Trade receivables	7	47	42	37	2,695	464	3,292	(1,015)	2,277
Cash and cash equivalents	143,702	2,224	-	1,328	1,019	69	148,342	(69)	148,273
Amounts owed by related parties	-	-	-	-	-	120,370	120,370	-	120,370
Client collateral	2,086	-	-	100	-	-	2,186	(3)	2,183
Other receivables	37	-	-	-	-	3,640	3,677	(17)	3,660
Short-term loans receivable	160	971	326	-	169	934	2,560	(100)	2,460
	<b>145,992</b>	<b>3,242</b>	<b>368</b>	<b>1,465</b>	<b>3,883</b>	<b>125,477</b>	<b>280,427</b>	<b>(1,204)</b>	<b>279,223</b>
<b>Out-of-scope for IFRS 9</b>									
Foreign exchange currency contracts	92,839	11,674	7	10,226	3	10,465	125,214	(145)	125,069
<b>Total gross carrying amount on balance sheet</b>	<b>238,831</b>	<b>14,916</b>	<b>375</b>	<b>11,691</b>	<b>3,886</b>	<b>135,942</b>	<b>405,641</b>	<b>(1,349)</b>	<b>404,292</b>
Percentage of total credit quality	<b>58.8%</b>	<b>3.7%</b>	<b>0.1%</b>	<b>2.9%</b>	<b>1.0%</b>	<b>33.5%</b>	<b>100%</b>		

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

#### Credit risk (continued)

As at 30 April 2020	Gross carrying/nominal amount						Total	Allowance for ECL/CVA £'000	Net £'000
	Rated	Rated	Rated	Rated	Rated	Internal risk rating			
	Strong	Good	Satisfactory	Sub-standard	Credit impaired	Satisfactory			
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>In-scope for IFRS 9</b>									
Trade receivables	897	250	245	1,840	6,263	419	9,914	(5,431)	4,483
Cash and cash equivalents	618,699	101,842	-	2,689	-	253	723,483	(296)	723,187
Amounts due from Group undertakings	-	-	-	-	-	58,472	58,472	0	58,472
Client collateral	739	-	-	100	-	226	1,065	(1)	1,064
Other receivables	108	-	-	-	-	2,928	3,036	(17)	3,019
	<b>620,443</b>	<b>102,092</b>	<b>245</b>	<b>4,629</b>	<b>6,263</b>	<b>62,298</b>	<b>795,970</b>	<b>(5,745)</b>	<b>790,225</b>
<b>Out-of-scope for IFRS 9</b>									
Foreign exchange currency contracts	148,584	31,990	13,355	3,443	2,993	10,481	210,846	(537)	210,309
<b>Total gross carrying amount on balance sheet</b>	<b>769,027</b>	<b>134,082</b>	<b>13,600</b>	<b>8,072</b>	<b>9,256</b>	<b>72,779</b>	<b>1,006,816</b>	<b>(6,282)</b>	<b>1,000,534</b>
Percentage of total credit quality	<b>76.3%</b>	<b>13.4%</b>	<b>1.4%</b>	<b>0.8%</b>	<b>0.9%</b>	<b>7.2%</b>	<b>100.0%</b>		

#### (c) Summary of credit risk by stage distribution and ECL coverage by financial asset at 30 April 2021:

The table below details the financial asset's credit risk by stage distributions and ECL/CVA coverage at 30 April 2021. The financial assets recorded in each stage have the following characteristics:

Stage 1: 12-month expected credit losses are recognised for financial assets that have not deteriorated in credit quality since initial recognition or deterioration in Ebury's Credit Risk Rating ("ECRR").

Stage 2: Lifetime expected credit losses are recognised for financial assets that have deteriorated significantly in credit quality since initial recognition.

Stage 3: Lifetime expected credit losses are recognised for financial assets where there is clear objective evidence of impairment which is either publicly known or observed through our interactions with the client.

In the course of determining the staging, the credit risk team closely monitor the wider macro-economic outlook, to ascertain whether there is any impact on the counterparty Expected Credit Losses, and factor this into their expected credit loss modelling accordingly. The model incorporates the latest externally available information for each counterparty to calculate the probability of default.

As in prior year the Board took consideration of: the overall economic outlook for the markets in which it operates; the risk of adverse impact on the customers of the Company; and our estimates contained within the ECL model. The Board concluded that based on the available information at the reporting date, as well as up to the date of signing of the financial statements, there were insufficient indicators to warrant creation of a portfolio level adjustment, and as such the model continued to provide the optimal and intended credit loss allowances by counterparty.

**EBURY PARTNERS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

**25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)**

*Credit risk (continued)*

As at 30 April 2021	Gross carrying amount				Allowance for ECL				ECL Coverage			
	Stage				Stage				Stage			
	1	2	3	Total	1	2	3	Total	1	2	3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	%	%	%
Trade receivables	596	2,644	52	3,292	(15)	(948)	(52)	(1,015)	2.52	35.85	100.0	30.83
Cash and cash equivalents	147,322	1,020	-	148,342	(48)	(20)	-	(68)	0.03	1.96	0.00	0.05
Amounts due from Group undertakings	120,370	-	-	120,370	-	-	-	-	0.00	0.00	0.00	0.00
Client collateral	2,186	-	-	2,186	(3)	-	-	(3)	0.14	0.00	0.00	0.14
Other receivables	3,677	-	-	3,677	(18)	-	-	(18)	0.49	0.00	0.00	0.49
Short-term loans receivable	2,392	168	-	2,560	(15)	(85)	-	(100)	0.63	50.60	0.00	3.91
<b>Total gross carrying amount on balance sheet</b>	<b>276,543</b>	<b>3,832</b>	<b>52</b>	<b>280,427</b>	<b>(99)</b>	<b>(1,053)</b>	<b>(52)</b>	<b>(1,204)</b>	<b>0.03</b>	<b>27.48</b>	<b>100.0</b>	<b>0.43</b>

As at 30 April 2020	Gross carrying amount				Allowance for ECL				ECL Coverage			
	Stage				Stage				Stage			
	1	2	3	Total	1	2	3	Total	1	2	3	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	%	%	%
Trade receivables	1,879	1,934	6,101	9,914	(22)	(435)	(4,974)	(5,431)	1.17	22.49	81.53	54.78
Cash and cash equivalents	723,483	-	-	723,483	(296)	-	-	(296)	0.04	-	-	0.04
Amounts due from Group undertakings	58,472	-	-	58,472	-	-	-	-	-	-	-	-
Client collateral	1,065	-	-	1,065	(1)	-	-	(1)	0.09	-	-	0.09
Other receivables	3,036	-	-	3,036	(17)	-	-	(17)	0.56	-	-	0.56
<b>Total gross carrying amount on balance sheet</b>	<b>787,935</b>	<b>1,934</b>	<b>6,101</b>	<b>795,970</b>	<b>(336)</b>	<b>(435)</b>	<b>(4,974)</b>	<b>(5,745)</b>	<b>0.04</b>	<b>22.49</b>	<b>81.53</b>	<b>0.72</b>

*Transfers between stages during the year*

There were no significant transfers between stages during the year.

*(d) ECL - Credit risk profile by grade for financial assets measured at amortised cost:*

The table below details the gross carrying amount of the Company's financial assets and the allowance for ECL categorised by Ebury Credit Risk Rating and stage distribution. Higher ECRR ratings reflect a higher PD.

**EBURY PARTNERS UK LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

**25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)**

*Credit risk (continued)*

As at 30 April 2021			Gross carrying amount				Allowance for ECL				ECL Coverage			
Credit risk rating	PD range		Stage				Stage				Stage			
	From	To	1	2	3	Total	1	2	3	Total	1	2	3	Total
	%	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	%	%	%
ECRR 1	0.20	0.28	145,994	-	-	145,994	(38)	-	-	(38)	0.03	-	-	0.03
ECRR 2	0.44	0.62	481	-	-	481	(1)	-	-	(1)	0.21	-	-	0.21
ECRR 3	0.70	1.08	2,761	-	-	2,761	(5)	-	-	(5)	0.18	-	-	0.18
ECRR 4	1.28	2.22	367	-	-	367	(3)	-	-	(3)	0.82	-	-	0.82
ECRR 5	2.64	2.65	125,476	-	-	125,476	(39)	-	-	(39)	0.03	-	-	0.03
ECRR 6	2.83	3.93	34	-	-	34	(2)	-	-	(2)	5.88	-	-	5.88
ECRR 7	7.42	7.50	1,430	-	-	1,430	(11)	-	-	(11)	0.77	0.00	-	0.77
ECRR 8	20.00	99.00	-	3,832	-	3,832	-	(1,053)	-	(1,053)	-	27.48	-	27.48
ECRR 9	100.0	100.0	-	-	52	52	-	-	(52)	(52)	-	-	100.00	100.00
<b>Total gross carrying amount on-balance sheet</b>			<b>276,543</b>	<b>3,832</b>	<b>52</b>	<b>280,427</b>	<b>(99)</b>	<b>(1,053)</b>	<b>(52)</b>	<b>(1,204)</b>	<b>0.04</b>	<b>27.48</b>	<b>100.0</b>	<b>0.43</b>

As at 30 April 2020			Gross carrying amount				Allowance for ECL				ECL Coverage			
Credit risk rating	PD range		Stage				Stage				Stage			
	From	To	1	2	3	Total	1	2	3	Total	1	2	3	Total
	%	%	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%	%	%	%
ECRR 1	0.20	0.28	620,443	-	-	620,443	(156)	-	-	(156)	0.03	-	-	0.03
ECRR 2	0.44	0.62	71	-	-	71	-	-	-	0	0.00	-	-	0.00
ECRR 3	0.70	1.08	102,021	-	-	102,021	(104)	-	-	(104)	0.10	-	-	0.10
ECRR 4	1.28	2.22	245	-	-	245	(5)	-	-	(5)	2.04	-	-	2.04
ECRR 5	2.64	2.64	62,298	-	-	62,298	(30)	-	-	(30)	0.05	-	-	0.05
ECRR 6	2.83	3.93	37	-	-	37	(1)	-	-	(1)	2.70	-	-	2.70
ECRR 7	7.42	7.42	2,799	1,793	-	4,592	(40)	(359)	-	(399)	1.43	20.02	-	8.69
ECRR 8	20.00	99.00	-	141	2,252	2,393	-	(76)	(1,126)	(1,202)	-	53.90	50.00	50.23
ECRR 9	100.0	100.0	21	-	3,849	3,870	-	-	(3,848)	(3,848)	-	-	99.97	99.43
<b>Total gross carrying amount on-balance sheet</b>			<b>787,935</b>	<b>1,934</b>	<b>6,101</b>	<b>795,970</b>	<b>(336)</b>	<b>(435)</b>	<b>(4,974)</b>	<b>(5,745)</b>	<b>0.04</b>	<b>22.49</b>	<b>81.53</b>	<b>0.72</b>

*(e) ECL Scenario analysis*

The Group and the Group adopted the use of three scenarios, representative of our view of forecast economic conditions, sufficient to calculate an unbiased change in expected credit loss charges and other credit impairment charges.

The model includes a 10% deterioration, base case zero movement, and 10% improvement in the credit ratings which, would ordinarily take place as a result of changes in the future economic environment.

These scenarios did not yield a significant impact on the quantum of ECL.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

##### *Liquidity risk*

The Company's long term funding strategy is to generate sufficient working capital to settle liabilities as they fall due. In the short term and whilst the Company continues its branch roll-out, working capital requirements are supported by the loan facility.

Liquidity risk is managed through cash flow forecasting to ensure any additional working capital requirements are identified promptly.

The Company will maintain a sufficient headroom on its undrawn committed borrowing facility at all times so that the Company does not breach borrowing limits or covenants.

The Company's carrying amount of financial liabilities recognised as at the Statement of Financial Position date is summarised below:

<b>Liabilities At 30 April 2021</b>	<b>Financial liabilities at amortised cost £'000</b>	<b>Liabilities at fair value through the profit and loss £'000</b>	<b>Total £'000</b>
Foreign exchange currency contracts	-	81,923	81,923
Amounts due to clients	93,628	-	93,628
Trade payables	1,289	-	1,289
Amounts due to Group undertakings	189,679	-	189,679
Other taxation and social security	1,716	-	1,716
Other payables	121	-	121
Accruals	14,434	-	14,434
Lease liabilities	5,178	-	5,178
	<b>306,045</b>	<b>81,923</b>	<b>387,968</b>

The above contractual maturities reflect the payment obligations which may differ from the carrying value of the liabilities at the Statement of Financial Position date.

**EBURY PARTNERS UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)**

For the year ended 30 April 2021

**25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)***Liquidity risk (continued)*

<b>Liabilities At 30 April 2020</b>	<b>Financial liabilities at amortised cost £'000</b>	<b>Liabilities at fair value through the profit and loss £'000</b>	<b>Total £'000</b>
Borrowings	117,372	-	117,372
Foreign exchange currency contracts	-	126,364	126,364
Amounts due to clients	687,368	-	687,368
Trade payables	1,652	-	1,652
Amounts due to Group undertakings	41,777	-	41,777
Other taxation and social security	2,624	-	2,624
Other payables	192	-	192
Accruals	16,238	-	16,238
Lease liabilities	12,138	-	12,138
	<b>879,361</b>	<b>126,364</b>	<b>1,005,725</b>

The above contractual maturities reflect the payment obligations which may differ from the carrying value of the liabilities at the Statement of Financial Position date.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

#### Liquidity risk (continued)

The Company's financial liabilities recognised as at the Statement of Financial Position date have contractual maturities as follows:

<b>30 April 2021</b>	<b>Up to one year £'000</b>	<b>After one year £'000</b>	<b>Total £'000</b>
<b>Financial liabilities at amortised cost</b>			
Amounts due to clients	93,628	-	93,628
Trade payables	1,289	-	1,289
Amounts due to Group undertakings	189,679	-	189,679
Other taxation and social security	1,716	-	1,716
Other payables	121	-	121
Accruals	14,434	-	14,434
Lease liabilities	1,141	4,037	5,178
	<b>302,008</b>	<b>4,037</b>	<b>306,045</b>

#### Financial liabilities at fair value through the profit or loss

Foreign exchange currency contracts	72,176	9,747	81,923
	<b>72,176</b>	<b>9,747</b>	<b>81,923</b>
	<b>374,184</b>	<b>13,784</b>	<b>387,968</b>

#### At 30 April 2020

	<b>Up to one year £'000</b>	<b>After one year £'000</b>	<b>Total £'000</b>
<b>Financial liabilities at amortised cost</b>			
Borrowings	117,372	-	117,372
Amounts due to clients	687,368	-	687,368
Trade payables	1,652	-	1,652
Amounts due to Group undertakings	41,777	-	41,777
Other taxation and social security	2,624	-	2,624
Other payables	192	-	192
Accruals	16,238	-	16,238
Lease liabilities	3,449	8,689	12,138
	<b>870,672</b>	<b>8,689</b>	<b>879,361</b>

#### Financial liabilities at fair value through the profit or loss

Foreign exchange currency contracts	106,557	19,807	126,364
	<b>106,557</b>	<b>19,807</b>	<b>126,364</b>
	<b>977,229</b>	<b>28,496</b>	<b>1,005,725</b>

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 25. FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (CONTINUED)

##### *Foreign exchange risk*

Assets and liabilities are measured at the transaction price agreed with the customer or counterparty with any assets or liabilities in a foreign currency being revalued at the Statement of Financial Position date. The potential impact of foreign exchange rate movements is considered to be immaterial as substantially all of the Company's positions are fully hedged with a number of counterparty banks. No undue counterparty risk is considered to result from this activity.

##### *Market risk*

The Company provides its clients with foreign exchange risk management services which expose the Company to market risk, mainly in the form of foreign exchange risk from various currency exposures, and primarily with the respect to the USD and EUR. The Company's exposures to different currencies are monitored by the Treasury department on a daily basis.

No sensitivity analysis for market risk has been disclosed as such risk is substantially eliminated through the use of hedging instruments as described below.

Market risk is mitigated through the use of hedging instruments in the form of foreign exchange forwards contracts and foreign exchange options, contracted by the Company's Treasury department. These contracts mitigate the risk arising from movements in foreign exchange rates, from commercial transactions, or recognised assets or liabilities, denominated in a currency that is not the Company's functional currency, between the date of contract inception and completion. Mitigation of this risk provides greater certainty over future cash flows.

No sensitivity analysis for market risk has been disclosed as such risk is substantially eliminated through the aforementioned hedging instruments and strategies.

#### 26. BUSINESS REORGANISATIONS

As a result of Brexit and other factors arising from the rapid growth of the Ebury Group, there have been certain transfers of business between the Company and other legal entities in the Group, summarised below:

	Note	Gain on sale	Results of discontinued operations	Total	Results of discontinued operations
		2021	2021	2021	2020
		£'000	£'000	£'000	£'000
Net gain arising on transfer of business to the Company	i	27	-	27	-
Loss for the year relating to the sale of branches to Ebury Partners Belgium NV	ii	3,783	(7,854)	(4,071)	29,523
Loss for the year relating to the sale of Swiss branch to Ebury Partners Switzerland AG	iii	(300)	(1,129)	(1,429)	65
<b>Discontinued operations</b>		<b>3,483</b>	<b>(8,983)</b>	<b>(5,500)</b>	<b>29,588</b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 26. BUSINESS REORGANISATIONS (CONTINUED)

#### *Comparative information*

As required by IFRS, comparative information in the 'Statement of profit or loss and other comprehensive income' and in the related notes has been represented to show the discontinued operations separately from continuing operations.

#### i) Transfer of business to the Company

On 1 June 2020 the Company acquired the business of its wholly owned subsidiary, Foreign Exchange Solutions S.L., for cash consideration of £1,384k. The cash consideration represents the book value of the net assets transferred by Foreign Exchange Solutions S.L., which reports under Spanish GAAP.

The Company subsequently integrated the business into its Spanish operations and recognised the net assets transferred at their value under IFRS. This resulted in a gain on recognition under IFRS of £27k, being the net impact of recognising leases on the balance sheet in accordance with IFRS 16, originally acquired at a net value of £nil under Spanish GAAP.

#### *Material net assets acquired and consideration paid*

	<b>2021</b>
	<b>£'000</b>
<b>NON-CURRENT ASSETS</b>	
Property, plant & equipment	<b>405</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>405</b>
<b>CURRENT ASSETS</b>	
Trade and other receivables	1,158
Cash and cash equivalents	337
Total other current assets	155
<b>TOTAL CURRENT ASSETS</b>	<b>1,650</b>
<b>TOTAL ASSETS</b>	<b>2,055</b>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	<b>(671)</b>
<b>TOTAL LIABILITIES</b>	<b>(671)</b>
<b>NET LIABILITIES ACQUIRED</b>	<b>(1,384)</b>
<b>CASH CONSIDERATION PAID</b>	<b>1,384</b>
<b>NET RESULT ON TRANSFER</b>	<b>-</b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 26. BUSINESS REORGANISATIONS (CONTINUED)

In addition, under the terms of the transfer agreement, the Company acquired a number of intangibles for €1 euro each, being their book value under Spanish GAAP, at a total cost of €5.

*Impact of recognising assets acquired under Spanish GAAP, being the book value of the transferring company, under IFRS on Balance Sheet*

2021  
£'000

*Leases under IFRS 16:*

Right-of-use assets	1,976
Lease liabilities due after one year	(1,442)
Lease liabilities due within one year	(507)

**Net gain arising on transfer of business to the company**

**27**

*Discontinued operations*

*ii) Sale to Ebury Partners Belgium NV*

On December 2020, the Company discontinued its operations based in countries that are members of the European Union, selling these operations to Ebury Partners Belgium NV. Consideration for the sale comprised five euro and nine €1 shares in Ebury Partners Belgium NV. Ebury Partners Belgium NV is regulated by the NBB and is an authorised payment institution, and transferring the European Union based operations to an entity regulated directly within the European Union minimises the risk of continuity of service issues post the Brexit transition phase.

*Results of discontinued operation*

	2021 £'000	2020 £'000
Revenue	21,427	69,345
Cost of sales	(4,439)	(13,189)
Gross profit	16,988	56,156
Administrative and other expenses	(24,033)	(26,345)
Income tax	(809)	(288)
(Loss) / profit for the year, net of tax	(7,854)	29,523
Gain on sale of discontinued operations	3,783	-
<b>(Loss) / profit for the year</b>	<b>(4,071)</b>	<b>29,523</b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 26. BUSINESS REORGANISATIONS (CONTINUED)

*Gain on disposal*

	<b>2021</b>
	<b>£'000</b>
<b>NON-CURRENT ASSETS</b>	
Intangible assets	2
Property, plant & equipment	1,273
Right-of-use assets	6,713
<b>TOTAL NON-CURRENT ASSETS</b>	<b><u>7,988</u></b>
<b>CURRENT ASSETS</b>	
Trade and other receivables	1,685
Cash and cash equivalents	204,188
<b>TOTAL CURRENT ASSETS</b>	<b><u>205,873</u></b>
<b>TOTAL ASSETS</b>	<b><u>213,861</u></b>
<b>NON-CURRENT LIABILITIES</b>	
Lease liabilities due after one year	(6,772)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b><u>(6,772)</u></b>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	(210,365)
Lease liabilities due within one year	(507)
<b>TOTAL CURRENT LIABILITIES</b>	<b><u>(210,872)</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>(217,644)</u></b>
<b>NET LIABILITIES</b>	<b><u>(3,783)</u></b>
<b>CONSIDERATION RECEIVED</b>	
9 shares of €1	-
Cash of €5	-
<b>GAIN ON DISPOSAL</b>	<b><u>(3,783)</u></b>

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

#### 26. BUSINESS REORGANISATIONS (CONTINUED)

##### *iii) Sale to Ebury Partners Switzerland AG*

In December 2020, as part of a wider Group restructuring, the Company discontinued its Swiss operations and sold these to Ebury Partners Switzerland AG for consideration of €1.

##### *Results of discontinued operation*

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Revenue and gross profit	1,088	3,181
Administrative expenses	(2,209)	(3,104)
	<u>(1,121)</u>	<u>77</u>
Income tax	(8)	(12)
(Loss) / profit for the year, net of tax	<u>(1,129)</u>	<u>65</u>
Loss on sale of discontinued operations	(300)	-
<b>(Loss) / profit for the year</b>	<b><u>(1,429)</u></b>	<b><u>65</u></b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2021

### 26. BUSINESS REORGANISATIONS (CONTINUED)

*Gain on disposal*

	<b>2021</b> <b>£'000</b>
<b>NON-CURRENT ASSETS</b>	
Property, plant & equipment	31
Right-of-use assets	487
<b>TOTAL NON-CURRENT ASSETS</b>	<u><b>518</b></u>
<b>CURRENT ASSETS</b>	
Trade and other receivables	291
<b>TOTAL CURRENT ASSETS</b>	<u><b>291</b></u>
<b>TOTAL ASSETS</b>	<u><b>809</b></u>
<b>NON-CURRENT LIABILITIES</b>	
Lease liabilities due after one year	(500)
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u><b>(500)</b></u>
<b>CURRENT LIABILITIES</b>	
Trade and other payables	(9)
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>(9)</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>(509)</b></u>
<b>NET ASSETS</b>	<u><b>300</b></u>
<b>CONSIDERATION RECEIVED</b>	
Cash of €1	-
<b>LOSS ON DISPOSAL</b>	<u><b>300</b></u>