

EBURY PARTNERS UK LIMITED  
REGISTERED NUMBER: 07088713



STRATEGIC REPORT, DIRECTORS' REPORT AND  
FINANCIAL STATEMENTS  
For the year ended 30 April 2020

**Ebury**

# **EBURY PARTNERS UK LIMITED**

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

for the year ended 30 April 2020

---

### **CONTENTS**

	Page
COMPANY INFORMATION	1
STRATEGIC REPORT	2
DIRECTORS' REPORT	18
INDEPENDENT AUDITORS' REPORT	22
STATEMENT OF COMPREHENSIVE INCOME	25
STATEMENT OF FINANCIAL POSITION	26
STATEMENT OF CHANGES IN EQUITY	27
STATEMENT OF CASH FLOWS	28
NOTES TO THE FINANCIAL STATEMENTS	29

# **EBURY PARTNERS UK LIMITED**

## **COMPANY INFORMATION**

---

**DIRECTORS** Salvador Garcia Andres  
Juan Manuel Fernández Lobato

**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 2020. The Company is a wholly-owned subsidiary of Ebury Partners Limited ("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.

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 extended its global Branch and Trade Representative office network, opening three new branches during the year. The Company's network includes offices in the following locations:

Branch, Trade Representative 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<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	
	Austria (Now closed)	Vienna	
	<i>Opened during the year</i>		
Republic of Ireland ("Ireland")	Dublin		
Bulgaria	Sofia		
Cyprus	Nicosia		

<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'.

**EBURY PARTNERS UK LIMITED**  
**STRATEGIC REPORT (continued)**

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

<b>Region</b>	<b>Country</b>	<b>Cities</b>	<b>Activities</b>
<b>Middle East</b>	United Arab Emirates ("UAE")	Abu Dhabi	Provides commercial and deliverable foreign exchange and cash management solutions, primarily for SMEs in the UAE.
		Dubai	Trade Representative Office operated and controlled by a representative person on behalf of the Company and only practicing promotional business for the products and services provided by the Company in Dubai.
<b>Oceania</b>	Australia	Sydney/Melbourne	Provides commercial and deliverable foreign exchange and cash management solutions, primarily for SMEs in Australia.

<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**

For the year ended 30 April 2020, the Company continued to develop its growth strategy which included the opening of new offices and the addition of headcount. The Company's multi-currency and multi-jurisdiction cash management solutions have resulted in strong customer, transaction, and revenue growth.

The Company continued its branch roll-out during the year opening new locations in Ireland and Bulgaria as well as developing its presence in existing locations through hiring new staff and creating further depth and expertise in a product range and offerings.

The continued growth of the business resulted in the corporate client base increasing by eleven thousand (2019: ten thousand) customers, the number of payments increasing by 41% to 526k (2019: 373k) and the volume of booked trades increasing by 43% to £16.7bn (2019: £11.7bn).

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.

Liquidity remains robust with cash balances of £106.7m (excluding client balances) (2019: £24.5m). The debt facility has a headroom of £5.0m (2019: £29.8m), including a £5.0m undrawn revolving credit facility. Post-year-end (July 2020) the Group reached an agreement with Banco Santander, S.A. to refinance its borrowings whereby €250.0m would be made available to repay the outstanding balance of the Alcentra loan facility as well as providing a buffer for the Group and the Company to continue targeting its strategic objectives as well as meeting its obligations as they fall due.

The new financing arrangement involved Ebury Partners Limited, the Company's parent, entering into the new facility on behalf of the Group as well as being facility co-guarantors with the Company.

## **EBURY PARTNERS UK LIMITED**

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

---

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

The total comprehensive loss for the year amounted to £4.0m, a significant improvement from the prior year's loss of £18.7m. The change reflects the growth in revenues brought about by new offices being fully operational, growth in the local markets presence through a higher headcount, and the competitive advantage our platform and solutions provide to our customers. Our growth strategy is expected to generate higher revenues and profitability in the medium to longer term.

On 15 April 2020 the Company's parent, Ebury Partners Limited, injected £13m in additional share capital to the business. The latest investment further underpins the Groups 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 £9 m to £10.7m (2019: £1.7m). This is partially offset by the Company's loss for the year.

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 (2019: £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 grew by over 37% year-on-year ("YoY"), fuelled by customer growth, branch roll-out, and a wider product offering.

The total number of payments grew by over 40% YoY, largely as a result of a new and existing customers using our services more frequently, in particular our online platform which experienced an increase in transaction activity of 65% 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 66% (2019: 56%). Ebury remains committed to continuous improvements and the digitisation of all operational processes.

#### **STRATEGY UPDATE**

The Company's strategy is to provide global transactional banking services for internationally trading SMEs with limited access or 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 the 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 resulted in strong growth both in underlying revenues and operational metrics.

## **EBURY PARTNERS UK LIMITED**

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

---

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

On 23 June 2016, the UK electorate voted to leave the EU, otherwise referred to as Brexit. The agreement for the UK to leave the EU known as the Withdrawal Agreement was voted for and ratified by Parliament on 23 January 2020.

On 29 January 2020 the European Parliament gave its consent to the Withdrawal Agreement, and on 30 January 2020, the agreement was ratified by the Council of the European Union, resulting in the UK formally exiting the EU on 31 January 2020.

Discussions on the terms of the future UK-EU relationship are yet to be agreed upon and ratified. The transition period as it stands is expected to end in December 2020. While an extension of the transition period is possible, it remains unknown at this stage.

Brexit has resulted in a period of uncertainty for the UK economy with financial markets showing increased volatility. We have considered this as at the date of signing the Financial Statements and do not deem this impacts the fair value of assets and liabilities reported at the balance sheet date of 30 April 2020.

To mitigate some of the potential risks associated with Brexit, we have worked on several contingency plans including but not limited to the setting up of a Belgium trading entity, with a European branch network, and obtaining an Authorised Payment Institution ("API") licence to cover contractual obligation throughout Europe.

The Company continues to focus on its geographical roll-out, product development, and enhancing the customer experience. We believe the following year will sustain current growth through:

- growing presence in our current geographical footprint and offering solutions to mid-size corporations;
- expanding our geographical footprint in a number of European and selected non-European countries;
- improving liquidity and cash management offerings for SMEs, deepening the cross-border lending offering; and
- developing segment and channel-specific solutions for our clients.

## **EBURY PARTNERS UK LIMITED**

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

---

#### **COVID-19**

The global economic situation has been severely impacted by the outbreak of Covid-19. Economic activity has been and is expected to be severely curtailed by Governments' actions to contain the virus, including lockdowns and closure of non-essential businesses.

The Company has enacted its business continuity plan to ensure it can minimise the potential impact of the Covid-19 crises. Whilst this plan has been enacted, thus far there has been no negative impact on the business. Remote working is functioning across the Company and volatility has led to much stronger client activity and higher revenues in the short term.

In March 2020, as a matter of precaution, the Company has drawn-down its remaining borrowings and obtained additional facilities. The drawdown comprised the Facility B2 and FTP additional facility (the drawdowns for the year includes £91.3m, of which £51.4m was settled during the year) and £5m RCF facility which was also repaid before year-end. Alcentra agreed to provide the Company with an additional B2 facility totalling €59.0m, on comparable terms to the original tranche, which has been fully drawn-down.

In December 2020, the Medicines and Healthcare Products Regulatory Agency ("MHRA"), the UK's regulator of medicines and medical devices, granted the regulatory approval to use the first COVID-19 vaccine. This was made available across the UK. These actions were mirrored by other governments across the geographical territories in which Ebury operates. Consequently, Ebury remains cautiously optimistic about the growth of the UK and the global economy.

The Company currently has £110.3m of excess liquidity (2019: £24.5m) to withstand additional severe market events that may impact the Company and the wider global economy.

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 19 and in note 2(b) 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 on 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.

##### *International Financial Reporting Standards ("IFRS") reporting versus Adjusted Performance*

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 an 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 (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	2020 performance
<b>IFRS</b>  <b>+79%</b>	<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 growth for 2020 under IFRS was 79% versus 55% under the Adjusted Performance measure.</p> <p>Both performance indicators reflect the impact of higher volumes as well as an increased value we continue to bring to our clients.</p> <p>From an IFRS perspective, a 79% growth in net revenues reflects a solid increase in revenues which provides favourable signals to our branch roll-out and product development strategy.</p> <p>From an Adjusted Performance perspective, a 55% growth in net revenues is the result of strong client retention as well as client acquisition in new and existing geographical locations.</p> <p>Clients are increasingly attracted to our product offerings, risk management solutions, and tailored currency services which help eliminate borders.</p>
<b>Adjusted Performance</b>  <b>+55%</b>		

(\*) 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 (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	
IFRS	Adjusted Performance	EBITDA is the adjusted operating profit and profitability measure of the Company.	Under IFRS the Company reported an EBITDA operating profit in the current year of £17.1m versus an operating loss of £10.4m in the prior year.
£17.1m	£13.7m	To derive EBITDA Adjusted Performance we adjust IFRS operating loss for:	Management's Adjusted Performance EBITDA for the current year reported a profit of £13.7m, compared to a loss of £10.4m in the previous year.
15%	13%	<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>	Both IFRS and management's Adjusted Performance reported an improvement largely as a result of higher revenues which were partially offset by higher costs associated with branch roll-out as well as the commitment to innovation through research and development efforts, which enhance the capabilities of the sales and trading platforms.
		Adjusted Performance EBITDA provides an alternative measure incorporating revenue eliminated under the IFRS fair value adjustment related to open window forwards' valuation.	The branch roll-out gathered pace in the current year with the Company's international footprint growing significantly, bringing with it increased costs and a revenue lag; whilst the process of setting up the legal and regulatory frameworks within multiple jurisdictions takes place.
		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.	The Company continued to invest in the future through its research and development programs which represent an investment in future revenue growth.

(\*) 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 (CONTINUED)

Reconciliation between reported IFRS to management's Adjusted Performance measure - (Loss)/Profit for the financial year ended 30 April 2020

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	2020			2019		
		IFRS	Adj.(*)	Adjusted Performance	IFRS	Adj.(*)	Adjusted Performance
		£m	£m	£m	£m	£m	£m
Revenue	(i)	111.8	(4.2)	107.6	62.3	7.2	69.5
Costs of sales	(ii)	(31.1)	0.8	(30.3)	(22.7)	1.1	(21.6)
<b>Gross profit</b>		<b>80.7</b>	<b>(3.4)</b>	<b>77.3</b>	<b>39.6</b>	<b>8.3</b>	<b>47.9</b>
<b>Gross margin (%)</b>	(iii)	<b>72%</b>	-	<b>72%</b>	<b>64%</b>	-	<b>69%</b>
Overheads	(iv)	(63.6)	-	(63.6)	(50.0)	-	(50.0)
<b>EBITDA</b>		<b>17.1</b>	<b>(3.4)</b>	<b>13.7</b>	<b>(10.4)</b>	<b>8.3</b>	<b>(2.1)</b>
<b>EBITDA margin (%)</b>		<b>15%</b>	-	<b>13%</b>	<b>(17%)</b>	-	<b>(2%)</b>
Depreciation & Amortisation		(5.4)	-	(5.4)	(1.1)	-	(1.1)
<b>EBIT</b>		<b>11.7</b>	<b>(3.4)</b>	<b>8.3</b>	<b>(11.5)</b>	<b>8.3</b>	<b>(3.2)</b>
Net finance costs	(v)	(15.8)	1.0	(14.8)	(7.3)	-	(7.3)
<b>Loss before tax</b>		<b>(4.1)</b>	<b>(2.4)</b>	<b>(6.5)</b>	<b>(18.8)</b>	<b>8.3</b>	<b>(10.5)</b>
Tax on ordinary activities		(0.2)	-	(0.2)	(0.8)	-	(0.8)
Foreign exchange translation differences		0.2	-	0.2	-	-	-
<b>Total comprehensive loss for the year</b>		<b>(4.1)</b>	<b>(2.4)</b>	<b>(6.5)</b>	<b>(19.6)</b>	<b>8.3</b>	<b>(11.3)</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, £4.2m, and less in the prior year £7.2m, and, will align over the trade life-cycle.

- (ii) 'Cost of sales' adjustment of £0.8m (2019: £1.1m), reflects the lower commission costs associated with the lower 'Revenue'.

Prior years 'Cost of sales' adjustment included a once-off change to commission methodologies which offset the higher commission costs associated with higher Adjusted Performance 'Revenue'.

## EBURY PARTNERS UK LIMITED

### STRATEGIC REPORT (continued)

---

#### FINANCIAL KEY PERFORMANCE INDICATORS (CONTINUED)

##### Footnotes (continued)

- (iii) 'Gross margin' is calculated by taking the percentage of 'Gross profit' divided by 'Revenue'. IFRS 'Gross margin' totals 72% (2019: 63%) compared to the Adjusted Performance of 71% (2019: 69%). The 'Gross margin' percentage reflects changes in the Company's product profile, market conditions as well as commission pay-out rates.
  - (iv) 'Overheads' relates to administrative expenses as disclosed in the 'Statement of Comprehensive Income', adjusted for 'Depreciation and amortisation'.
  - (v) 'Net finance costs' incorporate 'Finance income', 'Finance expense' and 'Net income from fair value financial instruments'. The 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 (CONTINUED)

Reconciliation between reported IFRS to management's Adjusted Performance measure -  
Summarised Statement of Financial Position as at 30 April 2020

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	2020			2019		
		IFRS	Adj. (*)	Adjusted Performance	IFRS	Adj. (*)	Adjusted Performance
		£m	£m	£m	£m	£m	£m
<b>Total non-current assets</b>		<b>62.8</b>	-	<b>62.8</b>	<b>29.8</b>	-	<b>29.8</b>
Financial assets <1 year	(vi)	163.5	(4.2)	159.3	94.6	7.2	101.8
Total other current assets	(vii)	791.5	1.0	792.5	292.3	-	292.3
<b>Total current assets</b>		<b>955.0</b>	<b>(3.2)</b>	<b>951.8</b>	<b>386.9</b>	<b>7.2</b>	<b>394.1</b>
Trade and other payables	(viii)	(751.2)	0.8	(750.4)	(262.2)	1.1	(261.1)
Total other current liabilities		(227.4)	-	(227.4)	(65.8)	-	(65.8)
<b>Total current liabilities</b>		<b>(978.6)</b>	<b>0.8</b>	<b>(977.8)</b>	<b>(328.0)</b>	<b>1.1</b>	<b>(326.9)</b>
<b>Total non-current liabilities</b>		<b>(28.5)</b>	-	<b>(28.5)</b>	<b>(87.0)</b>	-	<b>(87.0)</b>
<b>Net assets</b>	(ix)	<b>10.7</b>	<b>(2.4)</b>	<b>8.3</b>	<b>1.7</b>	<b>8.3</b>	<b>10.0</b>
<b>Total equity</b>	(ix)	<b>10.7</b>	<b>(2.4)</b>	<b>8.3</b>	<b>1.7</b>	<b>8.3</b>	<b>10.0</b>

#### Footnotes

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

- (vi) '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 (£4.2m) (2019: £7.2m) difference reflects the gross gains from contracts open at year-end.
- (vii) '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.
- (viii) 'Statement of Financial Position' impact of measuring the 'Cost of sales' using the Adjusted Performance measure, £0.8m (2019: £1.1m).
- (ix) The IFRS change in equity for the current year totalling £9.0m, comprises 'Total comprehensive loss for the year' £4.0m, plus the issue of equity totalling £13.0m shares

## EBURY PARTNERS UK LIMITED

### STRATEGIC REPORT (continued)

#### FINANCIAL KEY PERFORMANCE INDICATORS (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	2020	2019	2018	2020 vs 2019	
				Change	(%)
Booked volume (£m)	16,737	11,688	6,945	5,049	43%
Number of new clients	11,367	10,429	8,171	938	9%
Number of transactions	463,730	337,191	222,224	126,539	38%
Number of payments	526,289	373,298	236,462	152,991	41%
Number of online payments	344,376	210,150	114,316	134,226	64%
Percentage of payments made online	65%	56%	48%	9 p.p.	9 p.p.
Percentage of drawdowns made online	52%	48%	38%	4 p.p.	4 p.p.

The Company continued to experience record growth in both volumes, clients, transactions, and payments. Booked volume which relates to the Company's forward and spot trades reached a record £16.7bn (2019: £11.7bn), an increase of 43% over the prior year. This was largely the result of attracting new clients as well as retaining and cultivating existing relationships with our loyal customer base.

The Company added 11,367 new clients (2019: 10,429), 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 the number of customers continues to grow, so does the number of transactions, which increased to a new record of 463.7k, a 38% YoY increase. The average transaction size remains comparable at just over £30k.

We continue to see significant growth in the use of our online payment facility which increased to 344k (2019: 210k), an increase of 64% and is the result of the greater transaction volume as well as a trend for our clients to utilise the online platform, which saw the proportion of online payments and drawdowns increase by double-digit percentages.

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

The strategic plan to expand geographically has resulted in strong revenue growth in the financial year to 30 April 2020, with revenues ahead of plan.

##### *Santander investment*

In October 2019 Ebury Partners Limited signed an agreement with Banco Santander the multinational bank and financial services provider, whereby Banco Santander will invest a total amount of £357m (of which £77m in primary capital increase) for a 50.1% stake in the business. The first tranche was finalised on 3 October 2019 for a consideration of £40m. The deal was completed in April 2020, after Santander made an additional £37m capital injection.

This partnership will enable 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 will be used for general corporate purposes of Group and 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 further increase profitability, which includes:

- In May 2020 Ebury announced that in collaboration with Form 3 and Barclays Bank it now offers its client's access to the Single Euro Payment Area ("SEPA"). SEPA allows customers to send transfers throughout Europe in real-time. The prospect of faster payments provides our clients with a simple and flexible solution for their local and international payment requirements.
- In May 2020 Ebury announced a new feature on its portal known as 'Ebury Instant', which allows for real-time settlement of payments and transfers between Ebury accounts located anywhere in the world. This makes payments and transfers between Ebury clients easier, faster and more flexible, and is at the heart of the Company and the Group's value proposition. By using the Ebury global ecosystem our clients can enhance the relationships they have with their own buyers and suppliers.
- In September 2020 Ebury announced a partnership with Nexi, the leading Italian payment technology provider. Nexi's partner credit institutions will be able to offer their clients the full suite of Ebury services, including international cash management, FX risk management, and import/export lending. Ebury's services will be offered to businesses via an advanced technology platform, integrating within its partner's infrastructure, enabling efficient access to the services, and strengthening the relationship between Nexi's partners and their own clients.

##### *Brexit*

Preparations for the UK's departure from the EU continue and we have planned for a range of scenarios associated with the UK leaving the EU in order to maintain our "What borders?" solutions for our clients. The Belgium entity and its associated branches are operational and are capable of supporting our business in the EU if required. We have taken a prudent approach given the uncertainty which will allow us to continue to serve our clients in Europe.

## **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.

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



Juan Manuel Fernández Lobato  
Director  
1 July 2021

## **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 2020.

#### **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  
                          Juan Manuel Fernández Lobato

#### **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 (2019: £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 signing these Financial Statements.

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

The Company and the Group's ability to attract external or internal funding and raise equity or debt remains strong. On 1 October 2019, Ebury Partners Limited signed an agreement with Banco Santander who has agreed to invest in Ebury Partners Limited. The first tranche was completed on 3 October 2019 for a consideration of £40m with an overall strategic investment of £350m, of which £70m was a capital injection in the Group. This investment provides the Group and Company with a strategic partner and significant long-term funding.

The Company's parent stands ready to provide support on an ongoing basis. In April 2020 Ebury Partners Limited injected £13m in new equity in the Company which is being used to meet regulatory capital requirements as well as working capital requirements.

The 2021/2022 budget/forecast has been prepared on the basis of a £35m capital injection in April 2021. The equity injection was already approved by the Board. Santander has also approved the extension of the existing credit line to 30 June 2022. We have a strong track record and the ability to forecast the business and the budget. This is primarily due to the strong visibility we have on repeat revenues, world-class structured outbound sales model and continued product improvement to deliver value to SMEs across and outside Europe.

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 crises. As of date, the management believes that the negative impacts of Covid-19 begin to dissipate but the Company is cautiously positive about the recovery of the economy.

We have 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. We have also carried out a sensitivity analysis on the forecasting process 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 business is 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 and the Group, 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 and the Group are 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 and Group believe that there is a reasonable expectation that the Company and Group have adequate resources to continue trading for the foreseeable future.

The Directors are of the opinion that the Company and the Group's 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

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 IFRS as adopted by the EU. 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 ifrs as adopted by the eu 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.

#### **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.

**EBURY PARTNERS UK LIMITED**

**DIRECTORS' REPORT (continued)**

---

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



Juan Manuel Fernández Lobato  
Director  
1 July 2021

## **EBURY PARTNERS UK LIMITED**

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

---

#### **Opinion**

We have audited the financial statements of Ebury Partners UK Limited ("the Company") for the year ended 30 April 2020 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, and the 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 international accounting standards in conformity with the requirements of the Companies Act 2006.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Strategic report and Directors 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.

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

We have nothing to report in this regard.

## **EBURY PARTNERS UK LIMITED**

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

---

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

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

#### **Responsibilities of Directors**

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

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

#### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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

**EBURY PARTNERS UK LIMITED**

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

---

DocuSigned by:  
*Peter Smith*  
0F308806BCF046B...

Peter Smith (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
London, UK  
1 July 2021

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

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

For the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
Revenue	5	111,820	62,285
Cost of sales		(31,071)	(22,736)
<b>Gross profit</b>		<b>80,749</b>	<b>39,549</b>
Administrative expenses		(69,033)	(50,128)
<b>Operating loss</b>	6	<b>11,716</b>	<b>(10,579)</b>
Finance income	9	1,025	115
Finance charges	9	(11,654)	(7,472)
Net loss on financial instruments held at fair value through profit and loss		(5,139)	-
<b>Loss before income tax</b>		<b>(4,052)</b>	<b>(17,936)</b>
Income tax expense	10	(189)	(788)
<b>Loss after income tax</b>		<b>(4,241)</b>	<b>(18,724)</b>
<b>Other comprehensive income/(expense)</b>			
Exchange differences on translation of foreign operations		249	13
<b>Other comprehensive income/(expense) for the period, net of tax</b>		<b>249</b>	<b>13</b>
<b>Loss for the year and total comprehensive (expense)/income for the year</b>		<b>(3,992)</b>	<b>(18,711)</b>

The Statement of Comprehensive Income has been prepared on the basis that all operations are continuing operations.

The Notes on pages 29 to 75 form part of these Financial Statements.

**EBURY PARTNERS UK LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
As at 30 April 2020

	Note	30 Apr 2020 £'000	30 Apr 2019 £'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	11	2,172	2,501
Right-of-use assets	12	10,254	-
Intangible assets	13	3,110	1,102
Investments	14	386	386
Derivative financial instruments	15	46,839	25,775
<b>TOTAL NON-CURRENT ASSETS</b>		<b>62,761</b>	<b>29,764</b>
<b>CURRENT ASSETS</b>			
Derivative financial instruments	15	163,470	94,581
Trade and other receivables	16	68,336	58,898
Cash and cash equivalents	17	723,187	233,434
<b>TOTAL CURRENT ASSETS</b>		<b>954,993</b>	<b>386,913</b>
<b>TOTAL ASSETS</b>		<b>1,017,754</b>	<b>416,677</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	(751,167)	(261,652)
Derivative financial instruments	19	(106,557)	(65,823)
Lease liabilities	12	(3,449)	-
Borrowings	20	(117,372)	(514)
<b>TOTAL CURRENT LIABILITIES</b>		<b>(978,545)</b>	<b>(327,989)</b>
<b>NON-CURRENT LIABILITIES</b>			
Derivative financial instruments	19	(19,807)	(10,754)
Lease liabilities	12	(8,689)	-
Borrowings	20	-	(76,229)
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>(28,496)</b>	<b>(86,983)</b>
<b>TOTAL LIABILITIES</b>		<b>(1,007,041)</b>	<b>(414,972)</b>
<b>NET ASSETS</b>		<b>10,713</b>	<b>1,705</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT</b>			
Share capital	21	13,516	516
Share premium		51,041	51,041
Accumulated losses		(54,106)	(49,865)
Foreign exchange translation reserve		262	13
<b>TOTAL EQUITY</b>		<b>10,713</b>	<b>1,705</b>

The Financial Statements on pages 25 to 75 were approved by the Board of Directors on 1 July 2021 and signed on its behalf by:



Juan Manuel Fernández Lobato  
Director  
Ebury Partners UK Limited, Registered number: 07088713  
The Notes on pages 29 to 75 form part of these Financial Statements

**EBURY PARTNERS UK LIMITED**

**STATEMENT OF CHANGES IN EQUITY**

As at 30 April 2020

	Share capital	Share premium	Retained earnings	Foreign exchange translation reserve	Total equity
	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 30 April 2018</b>	<b>516</b>	<b>51,041</b>	<b>(31,060)</b>	-	<b>20,497</b>
Impact on transition to IFRS 9	-	-	(81)	-	(81)
<b>At 1 May 2018</b>	<b>516</b>	<b>51,041</b>	<b>(31,141)</b>	-	<b>20,416</b>
Loss for the financial year	-	-	(18,724)	-	(18,724)
Currency translation differences	-	-	-	13	13
<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>

The Notes on pages 29 to 75 form part of these Financial Statements.

**EBURY PARTNERS UK LIMITED**  
**STATEMENT OF CASH FLOWS**  
For the year ended 30 April 2020

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Loss before taxation		(4,052)	(17,936)
<b>Adjustments for:</b>			
Finance income	9	(1,025)	(115)
Finance charges	9	11,654	6,299
Depreciation of property, plant and equipment	6	911	806
Depreciation of right-of-use assets	6	3,621	-
Amortisation of intangible assets	6	902	280
Borrowings – differences in foreign exchange		649	-
Impact of the transition to IFRS 16		1,677	-
Other non-cash items included in loss before taxation		257	4
<b>Net cash generated from / (used in) operating activities before working capital changes</b>		<b>14,594</b>	<b>(10,662)</b>
(Increase)/decrease in trade and other receivables		(88,708)	25,417
Increase in trade and other payables		528,129	134,917
(Increase)/decrease in amounts due from Group undertakings		623	13,952
<b>Cash generated from operations</b>		<b>454,638</b>	<b>163,624</b>
Finance income received	9	1,025	115
Finance charges paid		(8,435)	(6,143)
Corporation taxes paid	10	(333)	(8)
<b>Net cash generated from operating activities</b>		<b>446,895</b>	<b>157,588</b>
<b>Cash flows from investing activities</b>			
Acquisition of property, plant and equipment	11	(582)	(617)
Capitalisation of development costs	13	(2,910)	(923)
<b>Net cash used in investing activities</b>		<b>(3,492)</b>	<b>(1,540)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue of share capital	21	13,000	-
Proceeds from borrowings	20	39,832	9,939
Payment of borrowing transaction costs	20	(2,005)	(1,128)
Payment of lease liabilities	12	(4,477)	-
<b>Net cash generated from financing activities</b>		<b>46,350</b>	<b>8,811</b>
<b>Net increase in cash and cash equivalents</b>		<b>489,753</b>	<b>164,859</b>
<b>Cash and cash equivalents at the beginning of the financial year</b>		<b>233,434</b>	<b>68,622</b>
Impact of the transition to IFRS 9		-	(47)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<b>233,434</b>	<b>68,575</b>
<b>Cash and cash equivalents at the end of the financial year</b>	17	<b>723,187</b>	<b>233,434</b>

The Notes on pages 29 to 75 form part of these Financial Statements.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 April 2020

---

### 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 international accounting standards ("IFRS") 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) Standards adopted during the year ended 30 April 2020

On 1 May 2019, the Company adopted the requirements of IFRS 16 'Leases' (replacing IAS 17 'Leases', IFRIC 4, 'Determining whether an arrangement contains a lease', SIC-15 'Operating leases-incentives', and SIC-27 'Evaluating the substance of transactions involving the legal form of a lease'). The impact of the adoption of these standards on the Company's results is discussed below.

On adoption of IFRS 16, the Company recognised lease liabilities in relation to leases that had previously been classified in accordance with IAS 17 'Leases', as 'operating leases'. These liabilities have been recognised in 'Lease liabilities' and measured at the present value of the remaining minimum lease payments, discounted at the Company's incremental borrowing rate at 1 May 2019, adjusted for a previously recognised rent-free accrual. The associated right-of-use ('ROU') assets were recognised in 'Right-of-uses' and measured at the present value of the remaining minimum lease payments, discounted at the Company's incremental borrowing rate at 1 May 2019. The Company did not have any onerous leases as at year-end.

The Company adopted the requirements of IFRS 16 using a modified retrospective approach where the cumulative effect of initially applying the standard is recognised as an adjustment to the opening balance of retained earnings and comparatives are not restated. The adoption of the standard increased assets by £12.6m and increased financial liabilities by £14.3m with no effect on net assets or retained earnings. The difference between the assets and liabilities relates to a previously recognised rent-free accrual, which is netted off against the financial liability.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

##### (b) Going concern

The Company and the Group's 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 Group, to provide continued financial and operational 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 signing these Financial Statements.

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

To maintain the Groups expansion plans and implement its strategic objectives, the Group obtained a £77.1m capital injection from Santander during the year, in addition to an additional £6.7m reinvestment following the acquisition of the FrontierPay Group. Ebury has also extended its credit line for a further year to July 2022 with Santander. 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 Groups 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 test. 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 accounts.

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.

##### (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.

##### *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. Where market prices are not readily available, fair value is based either on estimates obtained from independent experts or quoted market prices of comparable instruments.

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).

##### *Impairment of financial assets measured at amortised cost (refer to note 2(o))*

Judgement is required when determining the impairment of financial assets measured at amortised cost. Impairment is measured using ECL which is recognised for trade and other receivables, cash and cash equivalents, and amounts due from group undertakings.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

##### (c) Accounting judgements and estimates (continued)

The company's ECL model calculates an impairment value by taking the product of the Probability of Default ("PD"), the Loss Given Default ("LGD"), and the Exposure At Default ("EAD"). 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, different scenarios, forecasts of future events, and economic conditions at the reporting date.

Initially, the Company recognises ECL for default events possible in the next 12 months, otherwise known as 'Stage 1'. Where the financial asset experiences a significant increase in credit risk, a lifetime ECL is recognised, otherwise referred to as 'Stage 2'. Where the Company identifies objective evidence that a financial asset is impaired and otherwise is deemed to be in default a lifetime ECL is recognised, referred to as 'Stage 3'.

In determining the classification of financial assets between stages management exercises judgement in defining what events and conditions trigger changes.

For further details on the judgements included within the impairment of financial assets measured at amortised costs see Note 2(o).

##### *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 incremental rate of borrowing is used as the discount rate if the implicit rate is not determinable from the lease terms. The Group determines its incremental borrowing rate by assessing the Group's external financing sources and relevant interest rates. Leases were recognised and disclosed in line with IFRS 16 detailed in Note 2 'Significant Accounting Policies'.

##### *Expected credit loss*

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'.

##### *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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

##### *Impairment reviews*

Judgment is 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 which may indicate a contraction in expected demand for the associated services supported by the platforms.

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 25 – measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the credit quality of financial assets;

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

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

On 1 May 2018 the Company adopted the requirements of two new standards which cover the revenue earned by the Company, IFRS 9 'Financial instruments' and IFRS 15 'Revenue from contracts with customers', otherwise referred to as IFRS 9 and IFRS 15.

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 Group 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

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.

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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

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.

#### (f) Leases

IFRS 16 'Leases' is effective for annual reporting periods beginning on or after 1 January 2019.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Finance leases are recognised as a right-of-use ("ROU") asset at the commencement date when the leased asset is made available to use. A corresponding liability is measured at the same commencement date. 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 incremental rate of borrowing is used as the discount rate if the implicit rate is not determinable from the lease terms.

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. The difference between the assets and liabilities relates to a previously recognised rent-free accrual, which is netted off against the financial liability.

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (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.

#### (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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

##### (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.

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:

<b>Asset category</b>	<b>Estimated useful life</b>
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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

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

##### (l) 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:

<b>Asset category</b>	<b>Useful life</b>
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.

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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

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

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.

##### (o) Financial instruments (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 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 and the Group 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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

##### *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.

###### *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").

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

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

From 1 May 2018, the Company adopted IFRS 9 'Financial Instruments', which 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.

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.

##### *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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

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

##### *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
PD	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.
LGD	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.
EAD	The exposures at default represent the net exposure when default occurs, which takes into account any additional commitments to counterparties for further drawdown, 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, different scenarios, forecasts of future events, and economic conditions at the reporting date.

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

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 may not receive its 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 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.

##### *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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

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; and,
- Retained earnings represent accumulated profits and losses from incorporation and the credit arising under share-based payments.

#### **(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) New Standards, Amendments and Interpretations**

At the date of authorisation of these Financial Statements, certain new standards, amendments, and interpretations to existing standards have been published but are not yet effective and have not been adopted early by the Company.

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. Information on new standards, amendments, and interpretations that are expected to be relevant to the Company's Financial Statements are discussed within Note 2(f), which details the impact of IFRS 16 'Leases' on annual reporting periods beginning on or after 1 January 2019.

Certain other new standards and interpretations have been issued but are not expected to have a material impact on the Company's Financial Statements.

#### **(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.

## **EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

---

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

These financial statements have been prepared in accordance with IFRS and International Financial Reporting Interpretations Committee ("IFRIC") Interpretations as issued by the International Accounting Standards Board and adopted by the EU, and in conformity with the requirements of the Companies Act 2006 applicable to companies reporting under IFRS.

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.

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 signed an agreement with Santander who has agreed to invest in Ebury Partners Limited. 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 2020

---

#### 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.

The revenue from contracts with customers is generated from the following four lines of business as detailed in Note 2 (d):

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

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 A 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 2020

**5. REVENUE (CONTINUED)**

**A. Disaggregation of revenue from contracts with customers**

<b>For the year ended 30 April:</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Measured and recognised under IFRS 9:</b>		
Foreign exchange	109,240	61,546
Trade finance	119	52
	<b>109,359</b>	<b>61,598</b>
<b>Measured and recognised under IFRS 15:</b>		
Payment fees	250	205
Account fees	2,211	482
	<b>2,461</b>	<b>687</b>
<b>Total revenue from contracts with customers</b>	<b>111,820</b>	<b>62,285</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 below includes the disaggregated revenue from contracts with customers disaggregated based on the time of the fulfillment of services following the nature of contracts with customers.

**B. Timing of revenue recognition**

<b>For the year ended 30 April:</b>	<b>Services transferred at a point in time</b>		<b>Services transferred over time</b>		<b>Total</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Measured and recognised under IFRS 9:</b>						
Foreign exchange	109,240	61,546	-	-	109,240	61,546
Trade finance	-	-	119	52	119	52
	<b>109,240</b>	<b>61,546</b>	<b>119</b>	<b>52</b>	<b>109,359</b>	<b>61,598</b>
<b>Measured and recognised under IFRS 15:</b>						
Payment fees	250	205	-	-	250	205
Account fees	-	-	2,211	482	2,211	482
	<b>250</b>	<b>205</b>	<b>2,211</b>	<b>482</b>	<b>2,461</b>	<b>687</b>
<b>Total revenue from contracts with customers</b>	<b>109,490</b>	<b>61,751</b>	<b>2,330</b>	<b>534</b>	<b>111,820</b>	<b>62,285</b>

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

For the year ended 30 April 2020

**6. OPERATING LOSS**

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Fees payable to the Company's auditors and its associates:		
- For the audit of the Company	182	150
- For non-audit services (Taxation services)	54	-
Lease rentals		
- Effect of electing to account for short-term and low-value leases off-balance-sheet	253	-
- Other operating lease rentals	-	3,337
Differences on foreign exchange	684	1,316
Depreciation of property, plant, and equipment		
- Owned by the Company	911	806
- Right-of-use assets	3,621	-
Amortisation of intangible assets	902	280
Change in expected credit loss charges and other credit impairment charges	5,826	762

**7. STAFF COSTS****(a) Staff costs**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	40,041	31,052
Social security costs	4,602	4,337
	<b>44,643</b>	<b>35,389</b>

**(b) Average employee numbers**

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

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Sales and marketing	443	309
Operations	145	22
Management and administration	179	77
	<b>767</b>	<b>490</b>

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

For the year ended 30 April 2020

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

## (a) Directors' remuneration

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments	1,624	1,576
	<b>1,624</b>	<b>1,576</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 £822k (2019: £815k).

## (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>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Salaries and other short-term employee benefits	3,894	3,330
	<b>3,894</b>	<b>3,330</b>

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

For the year ended 30 April 2020

**9. FINANCE CHARGES AND INCOME****i. Interest payable and similar charges consists of the following:**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Interest expense on borrowing facilities and short-term arrangements	7,900	6,299
Interest expense on leasing arrangements	1,066	-
Amortisation of transaction issuance costs	2,210	449
Other finance charges	478	724
	<b>11,654</b>	<b>7,472</b>

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

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
<b>Borrowing facility</b>		
Interest expense	7,547	6,186
Facility charges	478	724
Amortisation of transaction issuance costs <sup>1</sup>	2,210	449
	<b>10,235</b>	<b>7,359</b>
<b>Overdraft facilities</b>		
Interest expense	352	113
Other	1	-
	<b>353</b>	<b>113</b>
<b>Lease liabilities</b>		
Interest on lease liabilities	1,066	-
	<b>1,066</b>	<b>-</b>
	<b>11,654</b>	<b>7,472</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.

**ii. Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Interest income	1,025	115
	<b>1,025</b>	<b>115</b>

**EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

**10. INCOME TAX EXPENSE**

(a) Taxation charge

	Footnote	2020 £'000	2019 £'000
<b>Current tax</b>			
- for this year	1	189	788
<b>Deferred tax</b>			
Origination and reversal of timing differences		-	-
<b>Total tax charge for the financial year</b>		<b>189</b>	<b>788</b>

**Footnote**

1 Current tax includes Branch profits across the Company applied at the rates based on the location of each particular branch.

(Loss) / profit before taxation

	2020 £'000	2019 £'000
<b>Factors affecting the total tax charge for the financial year</b>		
(Loss)/profit before taxation	(4,052)	(17,936)
(Loss)/profit before taxation multiplied by the standard rate of UK corporation tax of 19% (2019: 19%).	(770)	(3,408)
Impact of differently taxed overseas profits in overseas locations	403	256
Non-deductible expenses	1,529	1,101
Adjustment in respect of prior period liabilities	(203)	532
Utilisation of previously unrecognised tax losses		(15)
Impact of deferred tax not recognised in respect of losses and other timing differences	(1,463)	2,322
Utilisation of group relief	693	-
<b>Total tax charge / (credit) for the financial year</b>	<b>189</b>	<b>788</b>

(b) Tax losses

As at the date of the Statement of Financial Position, the Company has estimated tax losses and other timing differences of £35,870k (2019: £23,723k). Deferred tax assets have not been recognised due to the uncertainty of recoverability.

(c) Factors that affect tax rates

At Budget 2020, the government announced that the Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2020 and 2021 would remain at 19%.

**EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

**11. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements £'000	Furniture and fittings £'000	Office equipment £'000	Total £'000
<b>Cost</b>				
<b>At 1 May 2018</b>	<b>2,155</b>	<b>231</b>	<b>1,141</b>	<b>3,527</b>
Additions	21	98	498	617
<b>At 30 April 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>
<b>Accumulated depreciation</b>				
<b>At 1 May 2018</b>	<b>376</b>	<b>56</b>	<b>405</b>	<b>837</b>
Charge for the year	407	74	325	806
<b>At 30 April 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>
<b>Net book value</b>				
<b>As at 30 April 2019</b>	<b>1,393</b>	<b>199</b>	<b>909</b>	<b>2,501</b>
<b>As at 30 April 2020</b>	<b>1,165</b>	<b>180</b>	<b>827</b>	<b>2,172</b>

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

For the year ended 30 April 2020

**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**

	<b>Leasehold property £'000</b>	<b>Motor vehicles £'000</b>	<b>Total £'000</b>
<b>Cost</b>			
Recognition of right-of-use asset on initial application of IFRS 16	12,348	231	12,579
<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>
<b>Accumulated depreciation</b>			
<b>At 1 May 2019</b>	-	-	-
Charge for the year	3,489	132	3,621
<b>At 30 April 2020</b>	<b>3,489</b>	<b>132</b>	<b>3,621</b>
<b>Net book value</b>			
<b>At 1 May 2019</b>	<b>12,348</b>	<b>231</b>	<b>12,579</b>
<b>At 30 April 2020</b>	<b>10,125</b>	<b>129</b>	<b>10,254</b>

**EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

**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 1 May 2019 is 8.00%. The aggregate lease liability recognised in the Statement of Financial Position at 1 May 2019 and the Company's operating lease commitment as at 30 April 2019 can be reconciled as follows:

	Leasehold property £'000	Motor vehicles £'000	Total £'000
<b>Operating lease commitment at 30 April 2019</b>	17,704	251	17,955
Effect of discounting those lease commitments at an annual rate of 8.00%	(3,679)	(20)	(3,699)
Effect of electing to account for short-term and low-value leases off-balance-sheet	-	-	-
<b>Aggregate lease liability recognised in the Statement of Financial Position as at 1 May 2019</b>	<b>14,025</b>	<b>231</b>	<b>14,256</b>

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
Recognition of lease liability on initial application of IFRS 16	14,025	231	14,256
<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>

**EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

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

**iv. Lease liabilities - Maturity analysis**

	30 April 2020		
	Leasehold property £'000	Motor vehicles £'000	Total £'000
Maturity analysis - contracted undiscounted cash flows			
Less than one year	3,536	104	3,640
One to five years	9,037	38	9,075
More than five year	2,066	-	2,066
<b>Total undiscounted lease liabilities</b>	<b>14,639</b>	<b>142</b>	<b>14,781</b>
Lease liabilities included in the Statement of Financial Position calculated by taking the present value of contracted cash flows and applying the discount rate detailed in part (ii) of this note:			
Current	3,360	89	3,449
Non-current	8,658	31	8,689
	<b>12,018</b>	<b>120</b>	<b>12,138</b>

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

	Total £'000
<b>30 April 2020</b>	
<b>Leases under IFRS 16</b>	
Interest on lease liabilities	1,066
Depreciation of right-of-use assets	3,621
Expenses relating to leases of low-value assets	253
	<b>4,940</b>
<b>30 April 2019</b>	
<b>Operating leases under IAS 17</b>	
Lease expense	3,337
	<b>3,337</b>

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

For the year ended 30 April 2020

**13. INTANGIBLE ASSETS**

	<b>Internally generated software development costs £'000</b>
<b>Cost or valuation</b>	
<b>At 1 May 2018</b>	<b>542</b>
Additions	923
<b>At 30 April 2019</b>	<b>1,465</b>
Additions	2,910
<b>At 30 April 2020</b>	<b>4,375</b>
<b>Accumulated depreciation</b>	
<b>At 1 May 2018</b>	<b>83</b>
Amortisation charged for the year	280
<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>
<b>Net book value</b>	
<b>As at 30 April 2019</b>	<b>1,102</b>
<b>As at 30 April 2020</b>	<b>3,110</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 2020

**14. INVESTMENTS**

	<b>Investments in subsidiaries £'000</b>
<b>Cost or valuation</b>	
<b>At 1 May 2018</b>	<b>386</b>
Disposals	-
<b>At 30 April 2019</b>	<b>386</b>
Disposals	-
<b>At 30 April 2020</b>	<b>386</b>
<b>Carrying value of investments</b>	
<b>As at 30 April 2019</b>	<b>386</b>
<b>As at 30 April 2020</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.

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.	1,265	386

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

#### 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:

##### **Branch and Trade Representative offices opened during the year ended 30 April 2020<sup>(1)</sup>**

Country	Office type	Name	Registered address	Business	Registration date
Spain	1	Ebury Partners UK Sucursal en Espana	(a)	FX brokerage	26 Feb 14
Netherlands	1	Ebury Partners UK Limited	(b)	FX brokerage	1 Jun 14
Switzerland	1	Ebury Partners UK Limited - Zweigniederlassung Zurich	(m)	FX brokerage	17 Oct 16
France	1	Ebury Partners UK Limited	(c)	FX brokerage	7 Apr 17
Italy	1	Ebury Partners UK Limited	(d)	FX brokerage	11 Aug 17
Germany	1	Ebury Partners UK Limited - Zweigniederlassung Deutschland	(e)	FX brokerage	11 Aug 17
Greece	1	Ebury Partners UK Limited - Greece	(f)	FX brokerage	31 Aug 17
UK	4	Foreign Exchange Solutions SL, UK Branch	(s)	Inactive	20 Oct 17
Poland	1	Ebury Partners UK Limited Spółka z Ograniczoną Odpowiedzialnością Oddział w Polsce	(g)	FX brokerage	23 Oct 17
Portugal	1	Ebury Partners UK Limited - Sucursal em Portugal	(h)	FX brokerage	23 Oct 17
UAE	2	Ebury Partners UK Limited (Dubai International Financial Centre Representative Office)	(l)	FX brokerage	4 Mar 18
Australia	1	Ebury Partners UK Limited	(k)	FX brokerage	15 Mar 18
Romania	1	Ebury Partners UK Limited Londra Sucursala Bucuresti	(i)	FX brokerage	16 Mar 18
Czechia	1	Ebury Partners UK Limited - Odštěpný Závod	(j)	FX brokerage	20 Mar 18
Austria	3	Ebury Partners UK Limited	(n)	FX brokerage	3 Jan 19
Luxembourg	1	Ebury Partners UK - Luxembourg Branch	(o)	FX brokerage	22 Jan 19
UAE	1	Ebury Partners UK Limited	(p)	FX brokerage	18 Apr 19
Ireland	1	Ebury Partners UK Limited	(r)	FX brokerage	7 May 19
Bulgaria	1	Ebury Partners UK Limited - Branch Bulgaria	(q)	FX brokerage	4 Oct 19
Cyprus	1	Ebury Partners UK Limited	(t)	FX brokerage	20 Nov 19

<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.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

#### 14. INVESTMENTS (CONTINUED)

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

##### *Office type*

- 1: Branch office of Ebury Partners UK Limited. See the subsidiary table within this Note for further detail on this entity and its activities.
- 2: Trade Representative Office of Ebury Partners UK Limited. See the subsidiary table contained within this Note for further detail on the office owner and its activities.
- 3: Branch office of Ebury Partners UK Limited, closed during the reporting period.
- 4: Branch office of Foreign Exchange Solutions S.L. The entity is inactive for both the current year, prior year, and up to and including the date of filing the Financial Statements.

##### *Registered address*

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

- (a) Paseo de la Castellana, 202 Edificio Castellana 200, Planta 5, 28046 Madrid, Spain
- (b) Claude Debussylaan, 261082MD, Amsterdam, Netherlands
- (c) 52-56, 52B Rue De La Victoire, 75009, Paris, France
- (d) Via Filippo Sasseti, n. 32, 20142, Milano, Italy
- (e) 5th Floor, Georg-Glock-Strasse 3, 40474, Düsseldorf, Germany
- (f) 4th Floor, 50 Agiou Konstantinou, Marousi, 151 24, Greece
- (g) ul. Królewska 18, 00-103 Warszawa, Poland
- (h) Av. Da Liberdade, nº 225, 4º dtº, 1250-142, Lisboa, Portugal
- (i) 19 - 21 Primaverii Boulevard, 2nd Floor, Room 2, Bucharest, District 1, Romania
- (j) Stodolni 1428/9, Ostrava, 702 00, Czechia
- (k) Level 6, 580 George Street Sydney, NSW 2000, Australia.
- (l) Office 108, Al Fattan Currency House, DIFC, PO BOX 507062, Dubai, UAE
- (m) Bahnhofstrasse 61, 8001 Zürich, Switzerland
- (n) Albert Hall, Albertgasse 35, 1080 Wien, Austria
- (o) 45, avenue de la liberté, L - 1931 Luxembourg
- (p) Al Kathem Tower, Office 614, Abu Dhabi Global Market, Sowwah Square, Al Maryah Island, Abu Dhabi, UAE
- (q) 8, Iskar Str., Fl. 3, Sofia 1000, Bulgaria
- (r) Alexandra House The Sweepstakes, Ballsbridge, Dublin, D04 C7H2, Ireland
- (s) Third floor, 80-100 Victoria Street Cardinal Place, London, SW1E 5JL, United Kingdom
- (t) Kyriakou Matsi 16, Eagle House, 6th Floor, Agioi Omologites, 1082 Nicosia, Republic of Cyprus

**EBURY PARTNERS UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)**For the year ended 30 April 2020

---

**15. DERIVATIVE FINANCIAL INSTRUMENTS - FINANCIAL ASSETS**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Foreign exchange currency contract assets		
- Non-current	46,839	25,775
- Current	163,470	94,581
	<b>210,309</b>	<b>120,356</b>

Based on the IFRS Market to Market ("MtM") valuation, the Group's forward contracts with clients, and banking liquidity providers are current or non-current 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.

**16. TRADE AND OTHER RECEIVABLES**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade receivables	4,483	2,167
Amounts due from Group undertakings	58,472	47,789
Client collateral	1,064	4,949
Other receivables	3,019	2,772
Prepayments	1,298	1,221
	<b>68,336</b>	<b>58,898</b>

'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 £5,431k (2019: £2,490k). 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 £1k (2019: £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 (2019: £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 2020

**17. CASH AND CASH EQUIVALENTS**

		<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents		723,187	233,434
		<b>723,187</b>	<b>233,434</b>
<i>Cash and cash equivalents at 30 April 2020 comprise:</i>			
	<b>Footnotes</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	Company	1 106,691	24,534
	<b>Total Company</b>	<b>106,691</b>	<b>24,534</b>
	Client - Safeguarded	2 560,140	164,616
	Client - Other	3 56,356	44,284
	<b>Total Client</b>	<b>616,496</b>	<b>208,900</b>
		<b>4 723,187</b>	<b>233,434</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 £296k (2019: £81k).*

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

For the year ended 30 April 2020

**18. TRADE AND OTHER PAYABLES**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Amounts due to clients	687,368	217,131
Trade payables	1,652	465
Amounts due to Group undertakings	41,777	30,471
Other taxation and social security	2,624	1,499
Other payables	192	611
Accruals	16,238	11,176
Deferred income	1,316	299
	<b>751,167</b>	<b>261,652</b>

As at 30 April 2020, the Company held 'Amounts due to clients' in its bank accounts totalling £616,496k (2019: £208,900k) comprising client money safeguarded and client money other, as detailed in Note 17 'Cash and cash equivalents'. The remainder of 'Amounts due to clients' balance £75,702k (2019: £8,231k) relates to liquidity providers collateral payable, client collateral due and payable, and other amounts due and payable to clients.

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**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Foreign exchange currency contract liabilities		
- Non-current	19,807	10,754
- Current	106,557	65,823
	<b>126,364</b>	<b>76,577</b>

Based on the IFRS MtM valuation, the Group's forward contracts with clients, and banking liquidity providers are current or non-current 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 2020

#### 20. BORROWINGS

		2020 £'000	2019 £'000
<b>Current borrowings</b>			
Interest-bearing facility	Principal	116,915	-
	Interest payable	457	514
<b>Total current borrowings</b>		<b>117,372</b>	<b>514</b>
<b>Non-current borrowings</b>			
Interest-bearing facility	Principal	-	76,229
<b>Total non-current borrowings</b>		<b>-</b>	<b>76,229</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 Group 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 2020

**20. BORROWINGS (CONTINUED)***Net borrowings*

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

	At 1 May 2019 £'000	Cash flows £'000	Non-cash charges £'000	Transfers £'000	At 30 April 2020 £'000
<b>Cash and cash equivalents consisting of:</b>					
Cash and cash equivalents	233,434	489,938	(185)	-	723,174
<b>Total cash and cash equivalents</b>	<b>233,434</b>	<b>489,938</b>	<b>(185)</b>	<b>-</b>	<b>723,187</b>
<b>Borrowings consisting of:</b>					
Transaction issuance costs	3,546	2,005	(2,185)	-	3,366
Borrowings due in less than one year	(514)	57	-	(120,281)	(120,738)
Borrowings due in more than one year	(79,775)	(39,832)	(674)	120,281	-
<b>Total borrowings</b>	<b>(76,743)</b>	<b>(37,770)</b>	<b>(2,859)</b>	<b>-</b>	<b>(117,372)</b>
<b>Net borrowings</b>	<b>156,691</b>	<b>452,168</b>	<b>(3,044)</b>	<b>-</b>	<b>605,815</b>

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

### 20. BORROWINGS (CONTINUED)

#### *Borrowings currency denomination*

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

	<b>Currency</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Borrowings	Euro	120,738	79,775
Transaction issuance costs	Euro	(2,831)	(2,913)
	Pound	(535)	(633)
		<b>117,372</b>	<b>76,229</b>

#### *Undrawn borrowing facilities*

The Company has the following undrawn borrowing facilities:

	<b>Currency</b>	<b>Facility</b>	<b>Footnote</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Expiring within five years					
	Euro	B2	1	-	24,805
	Pound	RCF	2	5,000	5,000
				<b>5,000</b>	<b>29,805</b>

### Footnotes

1: During the year the Company utilised all its available facilities. Prior to year-end the Company repaid €59.0m of those facilities which upon repayment are no longer available.

2: During the year the company made a drawdown on the Original Revolving Facility, otherwise referred to as RCF, totalling £5.0m. Prior to year-end, the Company repaid the RCF in full. Due to the nature of the RCF, the amount remains available and undrawn at year-end.

### 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.

	<b>2020</b>		<b>2019</b>	
	<b>Number</b>	<b>£'000</b>	<b>Number</b>	<b>£'000</b>
01 May	51,556,634	516	51,556,634	516
Shares issued	1,300,000,000	13,000	-	-
<b>30 April</b>	<b>1,351,556,634</b>	<b>13,516</b>	<b>51,556,634</b>	<b>516</b>

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

#### 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 Groups strategic objectives.

The total amount due and payable to Ebury Partners Limited as at year-end is £32,160k (2019: £22,543k). 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 £38,781k (2019: £30,857k). The amount is unsecured, non-interest bearing and repayable on demand. During the year there were no other transactions between the parties.

##### *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.

The total amount receivable from Ebury Partners Finance Limited as at year-end is £14,870k (2019: £10,807k). 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 2020

---

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

##### *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 £7,377k (2019: £7,728k). The amount is unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

##### *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 £4,182k (2019: £2,535k). 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)/receivable from Ebury Partners Markets Limited as at year-end is (£444k) payable (2019: £1,065k 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 UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

##### *Ebury Partners US LLC (Group divestment December 2019)*

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

In December 2019 the Group divested its entire stake in Ebury Partners US LLC to an unrelated party. The total amount receivable from Ebury Partners US LLC as at year-end is now disclosed in trade receivables as a third party supplier totalling Nil (2019: £1,535k). The amount was unsecured, non-interest bearing, and repayable on demand. During the year there were no other transactions between the parties.

##### *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 receivable from Ebury Partners Hong Kong Limited as at year-end is £625k (2019: £736k). 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)/receivable from Ebury Partners Switzerland AG as at year-end is (£688k payable (2019: £54k receivable)). 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.

##### *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 £8k (2019: Nil). 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 £1,102k (2019: Nil). The amount is unsecured, non-interest bearing, and repayable on demand. During the year the expenses of £6,169k were incurred for the multipayment platform services provided by Foreign Exchange Solutions S.L.

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

#### 24. EVENTS AFTER THE REPORTING PERIOD

##### *Covid-19*

Subsequent to 30 April 2020, COVID-19 has continued to impact the global economic environment due to government actions to contain the virus, including national lockdowns. In December 2020, the UK government authorized the first vaccine which was made available across the UK. These actions have been mirrored by other governments across the geographies in which Ebury operate. Consequently, Ebury remains cautiously optimistic that any negative impact on the business will be limited.

##### *Repayment of borrowings facility*

In July 2020 the Group took out a new borrowing facility, using the funds the repay the Company's facility in full. See Note 20 'Borrowings', for further details.

##### *Loan Facility*

The Group is renewing its existing debt facility with Santander for another year and this will be completed in Quarter 1 of the financial year ending on 30 April 2022. The facility totalling €250m will attract a rate of 3.0%.

##### *Brexit*

As part of our Brexit planning and strategy we have moved the back office and IT to the Ebury Partners Belgium NV ("EPBE") Spanish branch and this involved the following:

- In June 2020 transferring FX Solutions business to EPUK Spain, and in December 2020 it was further transferred to EPBE Spain.
- In December 2020 the Company's European Clients and revenue generating activities were transferred to the Belgium equivalent branches.

##### *Client remediation*

As part of its Brexit planning process, Ebury Partners Limited ("EPL", "Ebury" or "Group") is migrating its EU business from its UK subsidiary, Ebury Partners UK Limited or the Company, to its Belgian subsidiary EPBE. This will ensure the Group's EU clients continue to benefit from the products and services Ebury has provided since its formation in 2009.

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

The principal financial assets of the Company are 'Cash and cash equivalents', 'Foreign exchange currency contracts', 'Trade and other receivables' and 'Investments'. 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 2020

**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 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>

<b>Assets At 30 April 2019</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	2,167	-	2,167
Cash and cash equivalents	233,434	-	233,434
Amounts due from Group undertakings	47,789	-	47,789
Client collateral	4,949	-	4,949
Other receivables	2,772	-	2,772
Foreign exchange currency contracts	-	120,356	120,356
	<b>291,111</b>	<b>120,356</b>	<b>411,467</b>

## EBURY PARTNERS UK LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

---

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

##### *Credit risk (continued)*

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', 'Investments' and 'Cash and cash equivalents'.

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.

##### *Credit risk - IFRS 9 adoption*

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.

**EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

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

*Credit risk (continued)*

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

Prior to the adoption of IFRS 9, the Company reviewed the methodology applied in measuring each financial asset. From our review of the financial assets during the year the Company determined that all assets were in-scope for IFRS 9 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.

As at 30 April 2020	Gross carrying/nominal amount						Total £'000	Allowance for ECL £'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			
<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>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	76.3%	13.4%	1.4%	0.8%	0.9%	7.2%	100.0%		

As at 30 April 2019	Gross carrying/nominal amount						Total £'000	Allowance for ECL £'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			
<b>In-scope for IFRS 9</b>									
Trade receivables	60	672	105	66	3,249	505	4,657	(2,490)	2,167
Cash and cash equivalents	221,228	4,677	-	2,234	-	5,406	233,545	(111)	233,434
Amounts due from Group undertakings	-	-	-	-	-	47,789	47,789	-	47,789
Client collateral	4,850	100	-	-	-	-	4,950	(1)	4,949
Other receivables	108	-	-	-	-	2,681	2,789	(17)	2,772
<b>Out-of-scope for IFRS 9</b>									
Foreign exchange currency contracts	68,764	37,851	7,431	2,053	-	4,712	120,811	(455)	120,356
<b>Total gross carrying amount on balance sheet</b>	<b>295,010</b>	<b>43,300</b>	<b>7,536</b>	<b>4,353</b>	<b>3,249</b>	<b>61,093</b>	<b>414,541</b>	<b>(3,074)</b>	<b>411,467</b>
Percentage of total credit quality	71.2%	10.4%	1.8%	1.0%	0.8%	14.7%	100.0%		

# EBURY PARTNERS UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (continued)

For the year ended 30 April 2020

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

*Credit risk (continued)*

(c) *Summary of credit risk by stage distribution and ECL coverage by financial asset at 30 April 2020:*

The table below details the financial asset's credit risk by stage distributions and ECL coverage at 30 April 2020. 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.

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>

As at 30 April 2019	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	1,408	142	3,107	4,657	(24)	(28)	(2,438)	(2,490)	1.70	19.72	78.47	53.47
Cash and cash equivalents	233,545	-	-	233,545	(111)	-	-	(111)	0.05	-	-	0.05
Amounts due from Group undertakings	47,789	-	-	47,789	-	-	-	-	-	-	-	-
Client collateral	4,950	-	-	4,950	(1)	-	-	(1)	0.02	-	-	0.02
Other receivables	2,789	-	-	2,789	(17)	-	-	(17)	0.61	-	-	0.61
<b>Total gross carrying amount on balance sheet</b>	<b>290,481</b>	<b>142</b>	<b>3,107</b>	<b>293,730</b>	<b>(153)</b>	<b>(28)</b>	<b>(2,438)</b>	<b>(2,619)</b>	<b>0.05</b>	<b>19.72</b>	<b>78.47</b>	<b>0.89</b>

**EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

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

*Credit risk (continued)*

*(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.

As at 30 April 2020			Gross carrying amount				Allowance for ECL				ECL Coverage			
Credit risk rating	PD range From %	To %	Stage				Stage				Stage			
			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	7.50	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	100.00	100.00	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>

As at 30 April 2019			Gross carrying amount				Allowance for ECL				ECL Coverage			
Credit risk rating	PD range From %	To %	Stage				Stage				Stage			
			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	226,248	-	-	226,248	(57)	-	-	(57)	0.03	-	-	0.03
ECRR 2	0.44	0.62	538	-	-	538	(4)	-	-	(4)	0.74	-	-	0.74
ECRR 3	0.70	1.08	4,912	-	-	4,912	(6)	-	-	(6)	0.12	-	-	0.12
ECRR 4	1.28	2.22	104	-	-	104	(3)	-	-	(3)	2.88	-	-	2.88
ECRR 5	2.64	2.64	56,379	-	-	56,379	(44)	-	-	(44)	0.08	-	-	0.08
ECRR 6	2.83	3.93	61	-	-	61	(2)	-	-	(2)	3.28	-	-	3.28
ECRR 7	7.42	7.42	2,239	-	-	2,239	(37)	-	-	(37)	1.65	-	-	1.65
ECRR 8	20.00	99.00	-	142	1,338	1,480	-	(28)	(669)	(697)	-	19.72	50.00	47.09
ECRR 9	100.00	100.00	-	-	1,769	1,769	-	-	(1,769)	(1,769)	-	-	100.00	100.00
<b>Total gross carrying amount on-balance sheet</b>			<b>290,481</b>	<b>142</b>	<b>3,107</b>	<b>293,730</b>	<b>(153)</b>	<b>(28)</b>	<b>(2,438)</b>	<b>(2,619)</b>	<b>0.05</b>	<b>19.72</b>	<b>78.47</b>	<b>0.89</b>

*(e) ECL Scenario analysis*

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 2020

#### 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 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 2020

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

<b>Liabilities At 30 April 2019</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	76,743	-	76,743
Foreign exchange currency contracts	-	76,577	76,577
Amounts due to clients	217,131	-	217,131
Trade payables	465	-	465
Amounts due to Group undertakings	30,471	-	30,471
Other taxation and social security	1,499	-	1,499
Other payables	611	-	611
Accruals	11,176	-	11,176
	<b>338,096</b>	<b>76,577</b>	<b>414,673</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 2020

**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 2020</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>			
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>

**At 30 April 2019**

	<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	514	76,229	76,743
Amounts due to clients	217,131	-	217,131
Trade payables	465	-	465
Amounts due to Group undertakings	30,471	-	30,471
Other taxation and social security	1,499	-	1,499
Other payables	611	-	611
Accruals	11,176	-	11,176
	<b>261,867</b>	<b>76,229</b>	<b>338,096</b>

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

Foreign exchange currency contracts	65,823	10,754	76,577
	<b>65,823</b>	<b>10,754</b>	<b>76,577</b>
	<b>327,690</b>	<b>86,983</b>	<b>414,673</b>

## **EBURY PARTNERS UK LIMITED**

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

For the year ended 30 April 2020

---

#### **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.

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. CONTINGENCIES**

As at year-end, fixed and floating charges exist over the assets of the Company, in respect of a loan made to the Company by Alcentra.