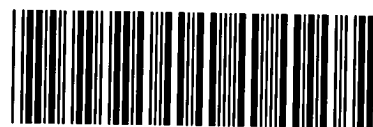


IFG UK HOLDINGS LIMITED

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED
31 December 2020**

Registered in England & Wales No. 06033126

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IFG UK HOLDINGS LIMITED

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IFG UK HOLDINGS LIMITED

GENERAL INFORMATION

DIRECTORS: Gavin Howard
Matthew Taylor

SECRETARY: Alice Dixie

AUDITORS: Deloitte LLP
Statutory Auditor
110 Queen Street
Glasgow
G1 3BX

REGISTERED OFFICE: Dunn's House
St Paul's Road
Salisbury
Wiltshire
SP2 7BF

REGISTERED NUMBER: 06033126

IFG UK HOLDINGS LIMITED

REPORT OF THE DIRECTORS

The directors submit their report together with the audited financial statements for the year ended 31 December 2020.

1. Principal activity

The principal activity of IFG UK Holdings Limited, company number 06033126 (the "Company") is as an intermediate holding company and it does not perform any trade. The Company is a private limited company registered in England and is incorporated and domiciled in England and Wales.

IFG Group Limited (the "Group") is the parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the Company is a member.

2. Results and dividends

The profit for the financial year is £72.8m (2019: £6.1m). A dividend of £nil was paid in the year (2019: £nil).

3. Political donations

There were no political donations in the financial year.

4. Future developments

There are no future developments in the business of the company.

5. Events since the year end

Significant events after the balance sheet date are disclosed in note 20 on page 17 of the financial statements.

6. Independent auditor

Deloitte LLP has expressed their willingness to continue in office as auditor.

7. Principal risks and uncertainties

The principal risks and uncertainties of the Company are discussed in the Strategic Report on page 5.

8. Directors' indemnities

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

9. Statement of Going concern

The company has received confirmation from group undertakings that they will continue to provide support to the company on an ongoing basis. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

The Directors have assessed the potential impact of Covid-19, including considerations of the Company's operational resilience and ability to meet its liquidity and capital requirements. The Directors believe, after taking into account any likely changes in trading performance including the impact of Covid-19 and other risks, that the Company will have sufficient current financial resources to continue to operate and to meet its financial obligations as they fall due, for at least the 12 months from the date of approval of these financial statements.

IFG UK HOLDINGS LIMITED

REPORT OF THE DIRECTORS (continued)

10. Directors

The Directors who served throughout the financial year and to the date of this report unless otherwise indicated were as follows:

G Howard
M Taylor

11. Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the financial statements in accordance with the Companies Act 2006.

Company law requires the directors to prepare financial statements for each financial year. Under that law, the directors have elected to prepare the financial statements in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("relevant financial reporting framework". 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 assets, liabilities and financial position of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

12. Statement of disclosure of information to auditors

The directors confirm that the auditors have been provided with appropriate information and that:

- So far as each director is aware, there is no relevant audit information of which the Company's auditors are unaware. Relevant information is defined as "information needed by the Company's auditors in connection with preparing their report".
- Each director has taken all the steps that he ought to have taken in his duty as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

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

By Order of the Board



G Howard
Director

30 September 2021

Registered Office Address: Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF

IFG UK HOLDINGS LIMITED

STRATEGIC REPORT

1. Business review

The profit for the year attributable to owners amounted to £72,802,655 (2019: £6,141,271). This is due to a gain on the sale of investments of £70,932,906 (2019: £nil).

The results of the Company are included in the financial statements on pages 9 to 17.

The Company has made a profit before tax of £72,920,156 (2019: £6,258,892).

The Group manages its platform operations on a combined basis with other companies within the group. For this reason, the Company's Directors believe that further key performance indicators for the Company are not necessary or appropriate for an understanding of the development, performance, or position of the business. The performance of the Group which includes the Company are discussed in the Group's Annual reports which does not form part of this Report.

The purpose of this Report is to provide information to the members of the Company and as such it is only addressed to those members. The Report may contain certain forward-looking statements with respect to the operations, performance, and financial condition of the Company. By their nature, these statements involve inherent risks and uncertainties since future events, circumstances and other factors can cause results and developments to differ materially from the plans, objectives, expectations, and intentions expressed in such forward-looking statements. Members should consider this when relying on any forward-looking statements. The forward-looking statements reflect knowledge and information available at the date of preparation of this Report and the Company undertakes no obligation to update any forward-looking statement during the year. Nothing in this Report should be construed as a profit forecast.

2. Principal risks and uncertainties

The Company's business is subject to the general risks to which all companies operating in the same market as the Company are subject. The markets in which the Company operates may be affected by numerous factors, many of which are beyond the Company's control and the exact effect of which cannot be accurately predicted. The principal risks and uncertainties facing the Company include adverse developments in the following areas:

- The regulatory, taxation or legislative environment applicable to the Company's activities;
- The intensity of competition in the markets in which the Company operates and changing demand for products and services;
- The economic, technological and other macro factors affecting demand for the Company's products and services;
- The Company's ability to successfully manage its costs and to maintain its profit margins during periods of declining income;
- The Company's ability to successfully manage its capital resources and liquidity;
- The ability to attract and retain highly skilled employees and executives;
- The ability of the Company to avoid disruption to its key information technology systems;
- The maintenance of satisfactory relationships with key customers and intermediaries and the ability to attract and retain customers;
- The ability to contain the level of loss arising from complaints from customers who may have suffered losses as a result of administration errors;
- The impact of the UK not being a member of the EU ("Brexit") and associated changes to regulation and tax legislation in the future, have the potential to fuel ongoing uncertainty which may have an impact on demand for services within the platform and financial planning/investment management markets, which could be positive or negative;
- The impact of a downward movement in interest rates which directly affect the level of interest margin that the company generated;
- The impact of falling victim to cybercrime and criminal activities (e.g. fraud and money laundering);
- The impact of the pandemic events e.g. coronavirus (Covid-19) and associated changes to government legislation;
- The impact of the transfer of activities to FNZ (see note 20); and
- The impact of acquisition activities.

The Directors monitor all of the above risks and take appropriate action to mitigate those risks or address their potential adverse consequences. The company's liquidity and credit risk is additionally monitored and mitigated by the Group's finance function, who ensure that all subsidiaries are sufficiently liquid to be able to meet their liabilities as they fall due. The Company's Board of Directors is responsible for the Company's risk management policies, which are designed to identify, manage and mitigate potential material risks to the achievement of the Company's strategic and business objectives.

IFG UK HOLDINGS LIMITED

STRATEGIC REPORT (continued)

3. COVID-19

The COVID-19 pandemic has had a considerable impact on many businesses, including the Company. The Directors expect these circumstances to be temporary, but their duration is uncertain. Employee welfare continues to be a priority for the Directors, whilst maintaining operational service to its clients. To ensure that a safe and effective control environment is maintained, the Company has implemented mitigating actions and processes.

In assessing business continuity plans, the Company has maintained close communication with critical third-party suppliers and outsourcers. To date, the Company has not suffered any knock-on effects from its supply chain which continues to be monitored closely with emphasis on critical outsource arrangements.

The Board has considered the potential financial impact on the Company and are satisfied that even in a severe stress scenario it will return to profitability albeit at a reduced level. It will also continue to meet its regulatory capital requirements which are monitored daily.

4. Brexit

Some of the uncertainty surrounding Brexit over the last few years has been removed through the exit of the UK from the EU at the end of January 2020. Nonetheless, the impact of Brexit on the Company remains difficult to predict. Any impact on equity markets and interest rates may also impact our revenue linked to market rates. Brexit remains a key potential source of such market fluctuations, which may also give rise to clients delaying their investment decisions or withdrawing funds from the platform, though this is considered a low risk as a large proportion of assets under administration and advice are held within tax-advantage wrappers. Conversely, market fluctuations may also result in significantly increased demand for professional financial advice, with positive impact on revenue.

The Company is well prepared and has undertaken extensive planning in relation to Brexit but it remains a source of uncertainty and a prolonged period of market turmoil or a significant economic downturn could potentially have material adverse consequences for the Company.

5. Corporate Social Responsibility

Corporate Social Responsibility is embedded into our policies and practices for the benefit of our stakeholders and the wider community. The Company is committed to integrating sustainable social, ethical, and environmental considerations into our operations with a long-term view of managing the wider environment and social footprint.

Investing in our community – The Company has a strong social conscience and encourages staff to give something back through charitable and voluntary activities. The Company supports staff through paid time off for volunteering and through a matched fundraising programme.

Investing in our environment – The Company recognizes its responsibility to conserve and protect the environment as far as possible. As a financial services business, the Company's main environmental impacts are primarily through consumption of resources and emissions at our business premises together with the employee travel. The Company is looking into reducing waste where possible and to minimise the environmental impact through sensible policies and initiatives.

Approved by Board of Directors and signed on their behalf by:



G Howard
Director
30 September 2021

Registered Office Address: Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF

Independent auditor's report to the members of IFG UK Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of IFG UK Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 21.

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

We discussed among the audit engagement team including relevant internal specialists such as tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

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

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

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

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

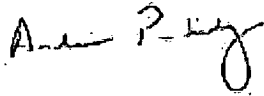
Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

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

We have nothing to report in respect of these matters.

Use of our report

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

A handwritten signature in black ink, appearing to read "Andrew Partridge". The signature is written in a cursive style with a large, looped final letter.

Andrew Partridge CA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Glasgow, United Kingdom
30 September 2021

IFG UK HOLDINGS LIMITED

Statement of Comprehensive Income

For the year ended 31 December 2020 and 31 December 2019

	Note	2020 £'000	2019 £'000
Continuing operations			
Intercompany dividends received	4	2,000	6,250
Administrative expenses	6	(13)	8
Gain on disposal of subsidiary	7	70,932	-
Profit before interest	5	72,919	6,258
Finance income	8	-	1
Profit before tax		72,919	6,259
Taxation expense	9	(117)	(118)
Profit for the financial year		72,802	6,141

There was no other comprehensive income for the year. The total comprehensive loss for the year is wholly attributable to the equity holders of the company.

The accompanying notes 1 to 21 on pages 14 to 20 are part of the financial statements.

IFG UK HOLDINGS LIMITED

Statement of financial position

As at 31 December 2020 and 31 December 2019

	Note	2020 £'000	2019 £'000
Non-current assets			
Investments	10	73,012	93,079
Loans to related parties	17	91,000	-
		164,012	93,079
Current Assets			
Trade and other receivables	11	12,762	12,763
Cash and cash equivalents	12	2,168	168
Total current assets		14,930	12,931
Total assets		178,942	106,010
Current liabilities			
Trade and other payables	13	266	136
Total liabilities		266	136
Net current assets		14,664	12,795
Total assets less current liabilities		178,676	105,874
Net assets		178,676	105,874
Equity			
Share capital	14	67,138	67,138
Other reserves	15	19,537	19,537
Retained earnings	16	92,001	19,199
Total equity		178,676	105,874

The accompanying notes 1 to 21 on pages 14 to 20 form an integral part of the financial statements.

The financial statements were approved by the board of Directors and authorised for issue on 30 September 2021. They were signed on its behalf by:



G Howard
Director

IFG UK HOLDINGS LIMITED

Statement of Changes in Equity

For the year ended 31 December 2020 and 31 December 2019

	Share capital	Other reserves	Retained earnings	Total
	£'000	£'000	£'000	£'000
1 January 2019	67,138	19,537	13,058	99,733
Profit for the financial year	-	-	6,141	6,141
31 December 2019	67,138	19,537	19,199	105,874
1 January 2020	67,138	19,537	19,199	105,874
Profit for the financial year	-	-	72,802	72,802
31 December 2020	67,138	19,537	92,001	178,676

The accompanying notes 1 to 21 on pages 14 to 20 form an integral part of the financial statements.

IFG UK HOLDINGS LIMITED

Notes to the financial statements

For the year ended 31 December 2020

1. General Information

The principal activity of IFG UK Holdings Limited, company number 06033126 (the "Company") is as an intermediate holding company and does not perform any trade. The Company is a private limited company registered in England and is incorporated and domiciled in England and Wales. The address of its registered office is Dunn's House, St Paul's Road, Salisbury, Wiltshire, England SP2 7BF.

2. Summary of significant accounting policies

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

Statement of compliance

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102), and with the Companies Act 2006.

Exemptions for qualifying entities under FRS 102

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its parent, IFG Group plc. Exemptions have been taken in these separate Company financial statements in relation to related party transactions, financial instruments and presentation of a cash flow statement.

FRS 102 allows a qualifying entity certain disclosure exemptions. As the company meets the criteria of a qualifying entity, it has taken advantage of the following exemption:

Statement of Cash flows

FRS 102 1.12(b) preparation of Statement of Cash Flows.

Basis of preparation

The financial statements have been prepared under the historical cost convention and on the going concern basis as disclosed in the Director's statement of going concern set out in the Report of the Directors. The financial statements have also been presented and rounded to the nearest £.

The company has received confirmation from group undertakings that they will continue to provide support to the company on an ongoing basis. Therefore, the directors consider it appropriate to prepare the financial statements on a going concern basis.

The Directors have assessed the potential impact of Covid-19, including considerations of the Company's operational resilience and ability to meet its liquidity and capital requirements. The Directors believe, after taking into account any likely changes in trading performance including the impact of Covid-19 and other risks, that the Company will have sufficient current financial resources to continue to operate and to meet its financial obligations as they fall due, for at least the 12 months from the date of approval of these financial statements.

Consolidated accounts

The Company has taken advantage of the exemption under Section 400 of the Companies Act 2006, not to prepare and file consolidated accounts. The results of the Company are included within the group accounts of IFG Group Limited, the immediate parent undertaking, which is incorporated in the Republic of Ireland.

Functional and presentation currency

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

Revenue recognition

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

IFG UK HOLDINGS LIMITED

Notes to the financial statements

For the year ended 31 December 2020

Investments

Investments in subsidiaries are stated in the Statement of Financial Position at cost unless they have been impaired, in which case they are carried at net realisable value or value in use as appropriate.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost, less any impairment.

Financial Instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial assets and liabilities are only offset when there is a legal right to do so and intends to settle on a net basis.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those classified at fair value through profit or loss, which are initially measured at fair value, unless the arrangement represents a financing transaction. If the arrangement is a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at the market rate of interest for a similar debt instrument.

Financial assets are subsequently measured at amortised cost less impairment.

Financial liabilities are subsequently measured at amortised cost using the effective interest method.

The company has no financial assets or financial liabilities carried at fair value through profit or loss

Income taxes, including deferred income taxes

Income tax payable on profits, based on the applicable tax law in each jurisdiction is recognised as an expense in the period in which profits arise. The tax effects of income tax losses available to carry forward are recognised as an asset when it is probable that future taxable profits will be available, against which these losses can be utilised.

Deferred income 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. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Exceptional items

The company has adopted a profit and loss format, which seeks to highlight significant items within the company results for the year. Such items include restructuring, profit or loss on disposal or termination of operations and litigation settlements. Judgement is used by the company in assessing the particular items, which by virtue of their scale and nature, should be disclosed in the profit and loss and/or notes as exceptional items. These items require separate disclosure in the financial statements to enable a better understanding of the company's financial performance.

3. Critical accounting judgements and key sources of estimation uncertainty

In applying the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions to determine the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

IFG UK HOLDINGS LIMITED

Notes to the financial statements

For the year ended 31 December 2020

3. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key Sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The estimates and associated assumptions are based on the Company's historical experience and other relevant factors. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Due to the uncomplicated nature of the business transactions of the Company, there are no significant estimates, judgements or assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year other than contingencies.

4. Income from investments

An analysis of the Company's income from investments, all generated within the UK, is as follows:

	2020 £'000	2019 £'000
Intercompany dividends received	2,000	6,250

During the year, the Company received dividends from Saunderson House Limited.

5. Operating profit

Operating profit has been arrived at after charging:

	2020 £'000	2019 £'000
Auditors' remuneration for audit services	(2)	(2)
Foreign exchange (loss)/gain	(11)	10

There were no non-audit services received from the companies auditor in the year (2019:£nil)

6. Administrative Expenses

Expenses by nature:

	2020 £'000	2019 £'000
Foreign exchange gain / (loss)	(11)	10
Auditors' remuneration for audit services	(2)	(2)
Total administrative expenses	(13)	8

The average number of persons employed by the Company (including Directors) for the year was nil (2019: nil).

The emoluments of the directors are paid by other companies in the IFG Group. Their services are deemed to be wholly attributable to their services to the UK Operations of IFG Group Ltd as a whole.

7. Gain on sale of subsidiary

	2020 £'000	2019 £'000
Consideration received	91,000	-
Carrying amount of investment in Saunderson House	(20,067)	-
Gain on sale of subsidiary	70,933	-

On 28 August 2020 the Company transferred the entire issued share capital of Saunderson House Limited to CottageCo Limited which it incorporated on 19 December 2019. CottageCo Limited was simultaneously acquired by CabinCo Limited for a cash consideration of £45 million and a loan note consideration of £46 million. This resulted in a gain on sale of investments of £70.9 million. The £91 million was subsequently transferred via intercompany loans to the companies immediate parent company IFG Group Ltd (£85 million) and its wholly owned subsidiary James Hay Holdings (£6m) see note 17.

IFG UK HOLDINGS LIMITED

Notes to the financial statements

For the year ended 31 December 2020

8. Finance income

	2020 £'000	2019 £'000
Interest received	-	1

9. Tax

	2019 £'000	2019 £'000
UK corporation tax		
Current year	(117)	(118)
Prior year	-	-
	(117)	(118)
Deferred tax		
Current year	-	-
Prior year	-	-
	-	-
Tax charge on profit for the financial year	(117)	(118)

Corporation tax is calculated at 19% (2019: 19%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the profit per the income statement as follows:

	2020 £'000	2019 £'000
Profit before tax:	72,919	6,259
Tax at the UK corporation tax rate of 19% (2018: 19%)	13,855	1,189
Expenses not deductible	119	118
Income not taxable	(13,857)	(1,189)
Difference in rates	-	-
Prior year adjustments	-	-
Tax expense for the year	117	118

10. Investments

	2020 £'000	2019 £'000
Cost		
At 1 January	98,114	94,314
Additions	-	3,800
Disposals	(20,067)	-
At 31 December	78,047	98,114
Impairment		
At 1 January	5,035	5,035
Unwind of impairment charge	-	-
At 31 December	5,035	5,035
Net book amount		
At 31 December	73,012	93,079

IFG UK HOLDINGS LIMITED

Notes to the financial statements

For the year ended 31 December 2020

10. Investments (continued)

The following is a list of the principal subsidiary undertakings of the Company.

Subsidiary undertakings	Principal activity	Class & percentage of shares held	Capital and reserves as at 31 December 2020	Profit/(loss) for year ended 31 December 2020
James Hay Holdings Limited	Holding company	Ordinary shares 100%	£22,309,600	£89,920.28
The IPS Partnership plc	Pension scheme Administrator	Ordinary shares 100%	£3,150,362	£451,476
IPS Pensions Limited	Pension scheme Administrator	Ordinary shares 100%	£3,981,986	£31,444
<i>Registered office: Dunn's House, St Paul's Road, Salisbury, Wiltshire, SP2 7BF</i>				

All of the above companies are unlisted.

On 28 August 2020 the Company transferred the entire issued share capital of Saunderson House Limited to CottageCo Limited which was incorporated on 19 December 2019. CottageCo Limited was simultaneously acquired by CabinCo Limited, both companies have the same ultimate beneficial owner as the Company.

11. Trade and other receivables

	2020 £'000	2019 £'000
Amounts owed by group companies	12,762	12,763
At 31 December	12,762	12,763

The carrying value of trade and other receivables approximates their fair value.

The amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

12. Cash and cash equivalents

	2020 £'000	2019 £'000
Cash at bank and in hand	2,168	168

13. Trade and other payables

	2020 £'000	2019 £'000
Amounts due to group companies	29	16
Accruals	2	2
Corporation tax	235	118
At 31 December	266	136

The carrying value of trade and other payables approximates their fair value.

The amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

14. Share capital

	2020 £'000	2019 £'000
Authorised		
100,000,000 ordinary shares of £1 each	100,000	100,000
Issued and fully paid:		
67,138,000 ordinary shares of £1 each	67,138	67,138

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15. Other reserves

	Capital redemption reserve £'000	Other foreign exchange reserve £'000	Total £'000
At 1 January 2020	15,000	4,537	19,537
At 31 December 2020	15,000	4,537	19,537

The capital redemption reserve arose from a buy back of the company's shares in 2015.

Other foreign exchange reserve comprises differences on translation of certain capital balances at historic rates, on change of functional and presentation currencies in 2011.

16. Retained earnings

	2020 £'000	2019 £'000
At 1 January	19,199	13,058
Profit for the financial year	72,802	6,141
At 31 December	92,001	19,199

17. Other financial assets

	2020 £'000	2019 £'000
Loans to related parties	91,000	-
	91,000	-

During the year, the Company entered into a loan agreement with IFG Group Limited £85m and James Hay Holdings Limited £6m, the loans are unsecured, non-interest bearing and repayable on demand. These loans were repaid on 6th August 2021.

18. Related party transactions

IFG UK Holdings Limited is a wholly owned subsidiary of IFG Group Limited.

There were no transactions between the Company and the parent undertaking of the smallest group of undertakings company, IFG Group Limited or the ultimate parent company, MontecarloCo Limited.

19. Ultimate parent company and controlling party

The Company's immediate parent undertaking is IFG Group Limited, a company incorporated and registered in the Republic of Ireland and MonteCarloCo Limited, a company incorporated and registered in Jersey is the ultimate parent company of the group.

IFG Group Limited is the parent undertaking of the smallest group of undertakings for which group financial statements and drawn up and of which the Company is a member. Epiris GP Limited, a company incorporated and registered in Jersey, controls as general partner the following partnerships, Epiris Fund II LP, Epiris Fund II (B) LP, Epiris Fund II FFP LP and Epiris TC LP which hold the shares in MontecarloCo Limited.

Copies of IFG Group financial statements, which include the results of the Company, are available from the Company Secretary, IFG Group Ltd. Registered office: 70 Sir John Rogerson's Quay, Grand Canal Dock, Dublin D02 R296

The registered address of MonteCarloCo Limited is Aztec Group House, 11-15 Seaton Place, St Helier Jersey, JE4 0QH.

IFG UK HOLDINGS LIMITED

Notes to the financial statements

For the year ended 31 December 2020

20. Events since the year end

On 27th January 2021 subsidiaries of the Group, entered into an agreement with FNZ (UK) Limited to outsource part of its operations and information technology services.

On 3rd March 2021 as part of the 2021 Budget statement, the Government announced that Corporation tax would increase to 25% from 1st April 2023. This will have an immaterial impact on deferred tax assets and liabilities of the company.

On 6th August the Company issued 89,151,609 new ordinary shares at the price of £1 per share and subscribed for an additional 10,000,000 ordinary shares in James Hay Holdings at a price of £1 per share.

The Directors have considered the position of the Company at the date of signing these financial statements and do not consider the post balance sheet effect to be material to the assets and liabilities of the company.

21. Approval of financial statements

The directors approved the financial statements on 30 September 2021.