NewTA Limited
(trading as UK Finance)

(a company limited by guarantee)

Report and financial statements

for the period from 24 June 2016 to 30 June 2017

Registered number: 10250295

NewTA Limited
(trading as UK Finance)

Report and Financial Statements

Contents

Officers and professional advisers

(as at date of signing the report and financial statements)

Directors

J Bardrick
M Celic
D Duffy
J Elson
J Gadhia
P Gallagher
J Garner
P Hill
J Jenkins
S Jones
R Khalifa
P Lynam
N Macpherson
V Maru
T McDermott
M Sismey-Durrant
S Smith
J Stuart
A Vaswani
R Wigley
C Woodman

Secretary

None appointed

Registered office

5th Floor
1 Angel Court
London
EC2R 7HJ

Registered number

10250295

Auditor

Deloitte LLP

London

NewTA Limited
(trading as UK Finance)

Strategic Report

Review of the business and future developments

NewTA Limited (trading as UK Finance) ('the Company', or 'UK Finance') was created in response to a proposed consolidation of trade associations in the financial services sector set out by The Financial Services Trade Associations Review (FSTAR), which was set up by a steering committee of major UK banks and a building society. The company was incorporated on 24 June 2016, and on 1 July 2017 purchased the trade and/or assets of the following trade associations:

Asset Based Finance Association (ABFA)

British Bankers' Association (BBA)

Council of Mortgage Lenders (CML)

Financial Fraud Action UK (FFA UK)

Payments UK

The UK Cards Association (UKCA)

The integration has allowed UK Finance to harness the expertise and skills of these six existing trade associations (ETAs), drawing them together to provide members with a coordinated single entity for their trade association services. Working at the highest levels with industry, governments, regulators, customers/users and the media, UK Finance helps to facilitate the UK's continued role as a global leader in financial services, advancing the industry's interests and reputation.

Prior to launch on 1 July 2017 UK Finance entered into a 15 year lease for offices and member facilities at Angel Court, London, EC2R 7HF.

The integration costs were funded by certain members prepaying future membership subscriptions (the 'prefunding institutions').

Key performance indicators

The loss before tax for the period to 30 June 2017 of £5,539k comprised planned integration costs.

NewTA Limited
(trading as UK Finance)

Strategic Report

Principal risks and uncertainties

During the period in question risks were monitored by the Interim Main Board and the team responsible for the integration by means of a monthly risk appetite and issues report. As at 30 June 2017, the principal risks were considered to be relating to people and data migration.

Subsequent to the balance sheet date, UK Finance has been developing its risk management framework. As at the date of signing the accounts, the principal risks and uncertainties identified by the directors were:

Principal Risk	Mitigation
Regulatory and legal compliance	• Introduction of an Internal Audit function to monitor controls • Compliance training for all staff • Competition guidelines for committees
Liquidity	• Regular updates to Board • Development of longer-term financial plan • Demonstrate clear budgetary, financial and credit control along with working capital management
Reputation	• Involvement with appropriate activities in line with member objectives and delivery of benefits • Engagement with key stakeholders • Developing a member relationship strategy

Approved by the Board and signed on its behalf by:

Stephen Jones

Chief Executive Officer
22 March 2018

5th Floor
1 Angel Court
London
EC2R 7HJ

NewTA Limited
(trading as UK Finance)

Directors' report

The directors present their first report on the affairs of NewTA Limited (trading as UK Finance) ('the Company', or 'UK Finance') together with the financial statements and auditor's report, for the period starting on 24 June 2016 and ending on 30 June 2017 (the "Period"). This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemptions.

Future developments

Details of future developments can be found in the Strategic Report on p2 and form part of this report by cross-reference.

Events after the balance sheet date

Details of significant events since the balance sheet date can be found in note 13 to the financial statements.

Going concern

As at the balance sheet date UK Finance has net liabilities of £5.5m as a consequence of integration costs incurred. UK Finance was not in operation as a trade association at that time and therefore no subscription income had been recognised.

After considering the following, the directors are satisfied that UK Finance will continue to operate as a going concern:

- UK Finance was created in response to the proposal set out by The Financial Services Trade Associations Review (FSTAR), which was set up by a steering committee of major UK banks and a building society. UK Finance also has the support of its other members who comprise a broad network of around 300 financial institutions,
- six of the prefunding institutions have provided a guarantee to the landlord of Angel Court with assurance that the rent will be paid for the full 15 year term of the lease,
- the Board has reviewed and approved a fully evaluated budget for the second half of 2017 and 2018. It has also reviewed longer term high level projections which demonstrate that UK Finance will generate surpluses to repay the liabilities and, over time, return the company to a net asset position. The projections include an appropriate level of conservatism/prudence. In the intervening period, UK Finance has agreed a £7m revolving credit facility with Barclays which include customary covenants,
- subsequent to the balance sheet date all eight of the prefunding institutions have agreed to waive the right to repayment of 50% of the prepaid future membership subscriptions. In aggregate this will improve the balance sheet position and future cash flows by £7.8m and reduce the time over which the company will be returned to a net asset position.

NewTA Limited
(trading as UK Finance)

Directors' report

Directors

The Directors who served during the period under review and up until the date of signing the financial statements were:

Appointing Member / Institution	Director	
ABFA	M Cooper	(appointed 22 February 2017), (resigned 30 June 2017)
ABN Amro Bank	P Gallagher	(appointed 24 June 2016)
American Express Europe Ltd	T Mason	(appointed 24 June 2016), (resigned 22 February 2017)
Amicus	J Jenkins	(appointed 01 July 2017)
Barclays Bank plc	A Vaswani	(appointed 01 July 2017)
	R Hoyt	(appointed 24 June 2016), (resigned 30 June 2017)
British Bankers' Association	N Doyle	(appointed 24 June 2016), (resigned 30 June 2017)
Blockchain	S Smith	(appointed 01 July 2017)
C Hoare & Co.	N Macpherson	(appointed 11 October 2017)
Citigroup	J Bardrick	(appointed 18 August 2016)
CYBG plc	D Duffy	(appointed 01 July 2017)
Hampshire Trust Bank	M Sismey-Durrant	(appointed 24 June 2016)
HSBC Bank plc	J Stuart	(appointed 01 July 2017)
	F McDonagh	(appointed 24 June 2016), (resigned 30 June 2017)
Leeds Building Society	P Hill	(appointed 24 June 2016)
Lloyds Banking Group plc	V Maru	(appointed 01 July 2017)
MBNA Limited	Ian O'Doherty	(appointed 24 June 2016), (resigned 01 July 2017)
Metro Bank	R Clements	(appointed 22 February 2017), (resigned 30 June 2017)
Money Advice Liaison Group	J Elson	(appointed 01 July 2017)
Morgan Stanley	C Woodman	(appointed 01 July 2017)
Nationwide Building Society	J Garner	(appointed 01 July 2017)
	H Jordan	(appointed 22 February 2017), (resigned 30 June 2017)
	R Napier	(appointed 24 June 2016), (resigned 21 July 2016)
Payments UK	G Lemos	(appointed 24 June 2016), (resigned 01 July 2017)
Santander UK plc	R Attar-Zadeh	(appointed 24 June 2016), (resigned 30 June 2017)
Secure Trust Bank	P Lynam	(appointed 24 June 2016)
Standard Chartered Bank	T McDermott	(appointed 01 July 2017)
The City UK	M Celic	(appointed 01 July 2017)
The Royal Bank of Scotland Group plc	M King	(appointed 24 June 2016), (resigned 01 July 2017)
The UK Cards Association	M Johnson	(appointed 24 June 2016), (resigned 30 June 2017)
UK Finance	S Jones	(appointed 24 May 2016)
	R Wigley	(appointed 01 March 2017)
Virgin Money plc	J Gadhia	(appointed 01 July 2017)
	P Rogerson	(appointed 22 September 2016), (resigned 30 June 2017)
Worldpay UK Limited	R Kalifa	(appointed 01 July 2017)

Directors' report

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Deloitte LLP have expressed` their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

Stephen Jones

Chief Executive Officer
22 March 2018

5th Floor
1 Angel Court
London
EC2R 7HJ

NewTA Limited
(trading as UK Finance)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of UK Finance

Report on the audit of the financial statements

Opinion
In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 30 June 2017 and of its loss for the period 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 of NewTA Limited (the 'company') which comprise:
- the profit and loss account;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 12.

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 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 are required by ISAs (UK) to report in respect of the following matters where:
- the directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

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

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.

Independent auditor's report to the members of UK Finance

Report on the audit of the financial statements (continued)

We have nothing to report in respect of these matters.

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 Financial Reporting Council's website at: 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.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 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; or

Independent auditor’s report to the members of UK Finance

Report on the audit of the financial statements (continued)

- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies’ exemptions in preparing the directors’ report.

We have nothing to report in respect of these matters.

James Polson (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

Date: 22 March 2018

NewTA Limited
(trading as UK Finance)

Profit and loss account
For the period ended 30 June 2017

	Note	Period ended 30-Jun-17 £
Turnover		-
Cost of sales		-
Gross profit		-
Administrative expenses		(5,539,265)
Loss before taxation	**3**	(5,539,265)
Tax on loss	**6**	-
Loss for the period		(5,539,265)

Note: All activities are continuing

NewTA Limited
(trading as UK Finance)
Registered number: 10250295
Balance sheet
As at 30 June 2017

	Note	30-Jun-17 £
Fixed assets		
Tangible assets	**7**	2,559,536
Current assets		
Debtors	**8**	1,244,522
Cash at hand and in bank		8,779,268
		10,023,790
Creditors: Amounts falling due within one year	**9**	(6,289,322)
Net current assets		3,734,468
Total assets less current liabilities		
Creditors: Amounts falling due after more than one year	**10**	(11,833,269)
Net assets		(5,539,265)
Capital and reserves		
Profit and loss account		(5,539,265)
Members' funds		(5,539,265)

The accounts have been prepared in accordance with the special provision applicable to companies subject to the small companies' regime.

The financial statements of NewTA Limited were approved by the board of directors and authorised for issue on 22 March 2018. They were signed on its behalf by:

Stephen Jones

Chief Executive Officer

NewTA Limited
(trading as UK Finance)

Statement of changes in equity

	Profit and loss account	Total
	£	£
At 24 June 2016	-	-
Loss for the financial period	(5,539,265)	(5,539,265)
At 30 June 2017	(5,539,265)	(5,539,265)

Notes to the financial statements

For the period ended 30 June 2017

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the period.

a. General information and basis of accounting

NewTA Limited (the Company) is a private Company limited by guarantee incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The Company trades as UK Finance.

The company was incorporated on 24th June 2016 and this accounting period runs from that date to 30 June 2017.

The principal activities of the Company and the nature of the Company's operations are set out in the Strategic Report on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with section 1A of Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of UK Finance is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

b. Going concern

The financial statements have been prepared using the going concern basis of accounting. As at the balance sheet date UK Finance has net liabilities of £5.5m as a consequence of integration costs incurred. UK Finance was not in operation as a trade association at that time and therefore no subscription income had been received.

After considering the following, the directors are satisfied that UK Finance will continue to operate as a going concern;

- UK Finance was created in response to the proposed consolidation set out by The Financial Services Trade Associations Review (FSTAR), which was set up by a steering committee of major UK banks and a building society. UK Finance also has the support of its other members who comprise a broad network of around 300 financial institutions,
- six of the prefunding institutions have provided a guarantee to the landlord of Angel Court with assurance that the rent will be paid for the full 15 year term of the lease,
- the Board has reviewed and approved a fully evaluated budget for the second half of 2017 and 2018. It has also reviewed longer term high level projections which demonstrate that UK Finance will generate surpluses which will, over time, fully mitigate the net liabilities position and ultimately build up reserves. In the intervening period they demonstrate full compliance with funding covenants,
- subsequent to the balance sheet date all eight of the prefunding institutions have agreed to waive the right to repayment of 50% of the prepaid future membership subscriptions. In aggregate this will improve the balance sheet position and future cash flows by £7.8m and reduce the time over which the company will be returned to a net asset position.

1. Accounting policies (continued)

c. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Leasehold land and buildings	15 years
Fixtures and fittings	5 years
Software systems	5 years
Computer equipment	3 years

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

d. 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. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

(i) Financial assets and liabilities

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

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

Debt instruments which meet the following conditions of being ‘basic’ financial instruments as defined in paragraph 11.9 of FRS 102 are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting conditions of being ‘basic’ financial instruments are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1. Accounting policies (continued)

e. Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised. Where a reversal of impairment occurs in respect of a the cash-generating unit (CGU), the reversal is applied first to the assets of the CGU, except for goodwill, on a pro-rata basis. Impairment of goodwill is never reversed.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

f. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

A provision is recognised for those matters for which the tax determination is uncertain but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

1. Accounting policies (continued)

When the amount that can be deducted for tax for an asset (other than goodwill) that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

g. Employee benefits

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Other long-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

h. Leases

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

i. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

1. Accounting policies (continued)

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about 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 that are considered to be relevant. Actual results may differ from these estimates.
The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

There are no critical judgements relevant to these financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, are those that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

There are no key sources of estimation uncertainty relevant to these financial statements.

Notes to the financial statements

For the period ended 30 June 2017

3. Loss before taxation

Loss before taxation is stated after charging/(crediting):

	30-Jun-17
	£
Depreciation of tangible assets (see note 7)	-
Operating lease rentals	208,269
	208,269

Auditor's remuneration can be analysed as follows:

	£
Audit fees payable	15,000
	15,000

No services were provided pursuant to contingent fee arrangements.

4. Staff numbers and costs

The average monthly number of employees (including executive directors) was 0.2. The number of employees at the end of the period was 2.

Notes to the financial statements
For the period ended 30 June 2017

5. Directors' remuneration and transactions

	30-Jun-17 £
Directors' remuneration	
Emoluments	145,128
	145,128

	Number
The number of directors who:	
Are members of a defined benefit pension scheme	-
Are members of a money purchase pension scheme	-
Exercised options over shares in the Company	-
Had awards receivable in the form of shares under a long-term incentive scheme	-

	30-Jun-17 £
Remuneration of the highest paid director	
Emoluments	78,462
Company contributions to money purchase schemes	-

Directors' advances, credits and guarantees

There were none during the period

Notes to the financial statements

For the period ended 30 June 2017

6. Tax on loss

As at 30 June 2017 the company had unutilised tax losses. The Directors have assessed that at this stage of the life cycle of the company a deferred tax asset should not be recognised.

7. Tangible fixed assets

	Leasehold Improvements £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost or valuation				
At 24 June 2016	-	-	-	-
Additions	1,297,914	642,671	618,951	2,559,536
Disposals	-	-	-	-
At 30 June 2017	1,297,914	642,671	618,951	2,559,536
Depreciation				
At 24 June 2016	-	-	-	-
Charge for the period	-	-	-	-
Disposals	-	-	-	-
At 30 June 2017	-	-	-	-
Net book value				
At 24 June 2016	-	-	-	-
At 30 June 2017	1,297,914	642,671	618,951	2,559,536

No depreciation has been charged because the assets did not come into use until 1 July 2017.

Notes to the financial statements
For the period ended 30 June 2017

8. Debtors

	30-Jun-17
	£
Trade debtors	-
VAT	295,152
Other debtors	397,290
Prepayments and accrued income	552,080
	1,244,522

9. Creditors – amounts falling due within one year

	30-Jun-17
	£
Trade creditors	170,450
Accruals and deferred income	6,118,872
	6,289,322

10. Creditors – amounts falling due after more than one year

	30-Jun-17
	£
Deferred income	11,625,000
Other long term creditors	208,269
	11,833,269

Deferred income represents advance membership subscriptions received.

11. Financial commitments

Capital commitments relate to the completion of the premises fit-out and related furniture and are as follows:

	30-Jun-17
Contracted for but not provided for	**£**
- other	1,680,823
	1,680,823

Total future minimum lease payments under non-cancellable operating leases are as follows:

	30-Jun-17
	£
- within one year	-
- between one and five years	3,432,196
- after five years	14,397,602
	17,829,798

Notes to the financial statements

For the period ended 30 June 2017

12. Post balance sheet events

The transfer agreements between UK Finance and each of the six ETAs and UK Payments Administration Limited were legally completed on 1 July 2017 and all continuing employees were transferred under the Transfer of Undertakings (Protection of Employment) regulations on the same date. UK Finance was responsible for trade association services from that date forward. These agreements put in place the legal backbone for the integration and were supplemented by transfer memoranda that captured the financial implications of the transfer.

On the completion date, ETA assets were acquired by UK Finance at a value of £8.7m based on independent valuations. There were further flows of funds relating to the value of the transferred service obligation to provide trade association services to members in the second half of 2017, materially comprised of member income and commercial income including adjustments for working capital. Consideration was also made in recognition of prepayments made by the ETAs to suppliers of the contracts for which UK Finance assumed economic responsibility, and the benefit of employee loans (e.g. season ticket loans) which became payable to UK Finance instead of the ETAs.

Of the £8.7m capital cost relating to the acquisition of ETA assets, £1.5m was settled on the completion date and the remaining £7.2m was initially funded by agreeing deferred payment terms with certain ETAs. UK Finance subsequently executed an agreement with Barclays on 20 October 2017 to provide a £7.7m term loan (only £7.2m was required) to enable the immediate repayment of the outstanding balances.

The agreement UK Finance executed with Barclays also included a £7m revolving credit facility (RCF) to fund its working capital requirement and repay the £15.5m integration funding raised from the prefunding members. £1.5m of the RCF was drawn down on 20 November 2017 and a further £2.0m on 20 December 2017.

Subsequent to the balance sheet date all eight of the prefunding institutions have agreed to waive the right to repayment of 50% of the prepaid future membership subscriptions. In aggregate this will improve the balance sheet position and future cash flows by £7.8m and reduce the time over which the company will be returned to a net asset position.