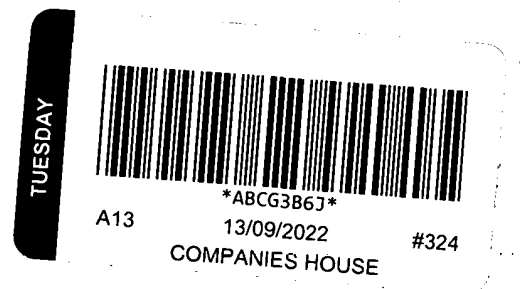


**ARTIS FINANCE LIMITED**  
**Report of the Directors and Financial Statements**

**For the year ended 31 December 2021**



**Company Registration Number: 12535605 (England & Wales)**

**ARTIS FINANCE LIMITED**  
**Contents of the Financial Statements**  
**for the year ended 31 December 2021**

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**COMPANY DIRECTORS:** W De Vleeschauwer (appointed on 26 March 2020)  
I Henderson (appointed on 4 November 2020)

**REGISTERED OFFICE:** Artis Finance Limited  
13.01 One Lyric Square  
London  
W6 0NB  
United Kingdom

**REGISTERED NUMBER:** 12535605 (England and Wales)

**INDEPENDENT AUDITORS:** MHA MacIntyre Hudson  
6th Floor  
2 London Wall Place  
London  
EC2Y 5AU  
United Kingdom

**LEGAL ADVISOR:** Linklaters LLP  
One Silk Street  
London  
EC2Y 8HQ  
United Kingdom

The Directors present their report for Artis Finance Limited ("the Company") together with the audited financial statements for the year ended 31 December 2021.

**Principal Activity**

The principal activity of the company is to provide origination and general services to its subsidiary, Artis Loanco 1 PLC. The company was incorporated on 26th March 2020.

**Events after the reporting date**

There were no significant events after the reporting year.

**Dividends**

The Company has not declared any dividend during the year (2020 - £Nil) and the Directors do not recommend the payment of a dividend.

**Political Contribution**

The Company made no political contribution or incurred any political expenditures during the year (2020 - £Nil).

**Directors**

The Directors who have held office during the year are as follows:

- W De Vleeschauwer (appointed on 26 March 2020)
- I Henderson (appointed on 4 November 2020)

Both Directors who are eligible offer themselves for election at the forthcoming first Annual General Meeting.

**Directors Indemnities**

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Company. The indemnities, which constitute a qualifying third-party indemnity provision as defined by section 234 of the Companies Act 2006, were in force during the 2021 financial year and remain in force for all current Directors of the Company.

**Ultimate Controlling Party**

Artis Finance Group Holdings Limited is the immediate parent of Artis Finance Limited and the ultimate parent of the Group including Artis Finance Limited and Artis LoanCo 1 PLC. Hephaestus L.P is the ultimate controlling party of Artis Finance Group Holdings Limited as its majority shareholder.

**Statement of Directors' Responsibilities**

The directors are responsible for preparing the Report of the Directors 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 International Financial Reporting Standards in conformity with the Companies Act 2006. 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 UK adopted IFRS 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.

**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 he ought to have taken 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.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

**On behalf of the Board:**

  
I Henderson  
Director

01 July 2022

Date

**Independent auditor's report to the members of Artis Finance Ltd**

**Opinion**

We have audited the financial statements of Artis Finance Ltd (the "Company") for the year ended 31 December 2021, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is the International Financial Reporting Standards (IFRS).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021, and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS); 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**

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.

**Independent auditor's report to the members of Artis Finance Ltd (continued)**

**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.

We have nothing to report in this regard.

**Opinions on 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and director's report has been prepared in accordance with applicable legal requirements.

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

In the light of our 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Independent auditor's report to the members of Artis Finance Ltd (continued)**

**Responsibilities of the directors**

As explained more fully in the statement of director's responsibilities set out on page 4, 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 director's determines 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.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- enquiry of management, those charged with governance, around actual and potential litigation and claims;
- enquiry of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations;
- performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- reviewing minutes of meetings of those charged with governance;
- reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

**Independent auditor's report to the members of Artis Finance Ltd (continued)**

**Auditor's responsibilities for the audit of the financial statements (continued)**

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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](http://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.



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**Rakesh Shaunak**  
**Senior Statutory Auditor**

01 July 2022

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**Date:**

For and on behalf of:

**MHA MacIntyre Hudson**  
Chartered Accountants and Statutory Auditors  
London, United Kingdom

**Statement of Profit or Loss and Other Comprehensive Income  
for the year ended 31 December 2021**

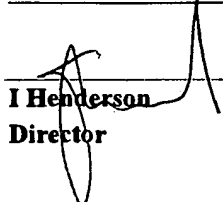
	Notes	2021 USD	2020 USD
<b>Continuing Operations</b>			
Revenue	18	6,087,921	135,833
Other operating income	19	73,326	42,089
Administrative expenses	20	(4,330,962)	(6,225,608)
<b>Profit/(Loss) before income tax</b>		<u>1,830,285</u>	<u>(6,047,686)</u>
Income Tax	7	-	-
<b>Profit/(Loss) for the year</b>		<u>1,830,285</u>	<u>(6,047,686)</u>
Other comprehensive income		-	-
<b>Total comprehensive profit/(loss) for the year</b>		<u><u>1,830,285</u></u>	<u><u>(6,047,686)</u></u>

**ARTIS FINANCE LIMITED**  
**Statement of Financial Position**  
**for the year ended 31 December 2021**

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	Notes	2021 USD	2020 USD
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	8	17,278	17,988
Investments	9	20,200,000	20,200,000
Trade and other receivables	10	29,093	29,408
		<u>20,246,371</u>	<u>20,247,396</u>
<b>Current Assets</b>			
Trade and other receivables	10	5,796,326	118,753
Cash and cash equivalents	11	140,752	583,728
		<u>5,937,078</u>	<u>702,481</u>
<b>TOTAL ASSETS</b>		<u>26,183,449</u>	<u>20,949,877</u>
<b>EQUITY</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Called up share capital	12	23,415,003	23,415,003
Retained deficit		(4,217,401)	(6,047,686)
<b>TOTAL EQUITY</b>		<u>19,197,602</u>	<u>17,367,317</u>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Borrowings	14	5,229,619	2,169,961
<b>CURRENT LIABILITIES</b>			
Trade and other payables	13	1,756,228	1,412,599
<b>TOTAL LIABILITIES</b>		<u>6,985,847</u>	<u>3,582,560</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>26,183,449</u>	<u>20,949,877</u>

The financial statements were approved by the Board of Directors and authorised for issue on  
27 June 2022 and were signed on its behalf by:

  
 I Henderson  
 Director

01 July 2022  
 Date

**ARTIS FINANCE LIMITED**  
**Statement of Changes in Equity**  
**for the year ended 31 December 2021**

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	<b>Called up share capital USD</b>	<b>Retained Earnings / Deficit USD</b>	<b>Total Equity USD</b>
<b>Changes in equity</b>			
Opening Balance	-	-	-
Issue of share capital	23,415,003	-	23,415,003
Total comprehensive loss	-	(6,047,686)	(6,047,686)
<b>Balance at 31st December 2020</b>	<u>23,415,003</u>	<u>(6,047,686)</u>	<u>17,367,317</u>
Issue of share capital	-	-	-
Total comprehensive profit	-	1,830,285	1,830,285
<b>Balance at 31st December 2021</b>	<u>23,415,003</u>	<u>(4,217,401)</u>	<u>19,197,602</u>

**ARTIS FINANCE LIMITED**  
**Statement of Cash Flows**  
**for the year ended 31 December 2021**

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	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities</b>		
Cash outflow from operations	(3,497,138)	(4,782,426)
<b>Net cash from operating activities</b>	<b><u>(3,497,138)</u></b>	<b><u>(4,782,426)</u></b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(5,496)	(19,284)
Purchase of fixed assets investments	-	(20,200,000)
<b>Net cash from investing activities</b>	<b><u>(5,496)</u></b>	<b><u>(20,219,284)</u></b>
<b>Cash flows from financing activities</b>		
Amount introduced by directors	-	474
Share issue	-	23,415,003
Inter-company loans	3,059,658	2,169,961
<b>Net cash from financing activities</b>	<b><u>3,059,658</u></b>	<b><u>25,585,438</u></b>
<b>Increase/(Decrease) in cash and cash equivalents</b>	<b>(442,976)</b>	<b>583,728</b>
Cash and cash equivalents at beginning of year	583,728	-
<b>Cash and cash equivalents at end of year</b>	<b><u>140,752</u></b>	<b><u>583,728</u></b>

**1 Reconciliation of loss before income tax to cash generated from operations:**

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
Profit/(Loss) before income tax	1,830,285	(6,047,686)
Depreciation charges	5,691	1,296
Asset written off	515	-
	<u>1,836,491</u>	<u>(6,046,390)</u>
Decrease in trade and other receivables	(5,677,258)	(148,161)
Increase in trade and other payables	343,629	1,412,125
Cash outflow from operations	<u>(3,497,138)</u>	<u>(4,782,426)</u>

**2 Cash and cash equivalents**

The closing cash and cash equivalents balance on the Statement of Cash Flows and the Statement of Financial Position as at 31 December 2021 was as follows:

Cash and cash equivalents	<u>140,752</u>	<u>583,728</u>
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**1 Statutory Information**

Artis Finance Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2 Presentation Currency**

The presentation currency of the financial statements is US Dollar (\$).

**3 Principal Activity**

The principal activity of the Company is to provide origination and general services to its subsidiary, Artis LoanCo 1 Plc.

**4 Accounting Policies**

**4.1 Basis of preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards and IFRIC interpretations in conformity with the Companies Act 2006 and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis as modified for the revaluation of certain financial instruments under IFRS 9 Financial Instruments. The financial statement have been prepared on a going concern basis.

The principal accounting policies applied in the preparation of the financial statements have been consistently applied, unless otherwise stated.

**4.2 Going concern basis**

The directors have continued to adopt the going concern basis in preparing the accounts as there is an expectation that the company will continue in operational existence for the foreseeable future.

**4.3 Preparation of consolidated financial statements**

The financial statement contain information about Artis Finance Limited as an individual Company and do not contain consolidated financial information as the parent of a Group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included in the consolidated financial statements of its parent, Artis Finance Group Holdings Limited (Reg Number 12873457), One Lyric Square, London, England, W6 0NB.

**4 Accounting Policies (continued)**

**4.4 Investment in subsidiary**

Acquisitions of subsidiaries are accounted for using the acquisition method. The considerations for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Company to the former owners of the acquiree, and equity interests issued by the Company in exchange for control of the acquiree. Acquisition related costs are recognised in profit or loss as incurred.

**4.5 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily available from other sources. 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 years if the revision affects both current and future years.

**4.6 Changes in accounting policies**

(i) New standards, amendments and interpretations issued effective as of 01 January 2021:

<b>Description</b>	<b>Effective date</b>
Amended by Covid-19-Related Rent Concessions (Amendment to IFRS 16)	1 June 2020
Interest rate benchmark reform - Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	1 January 2021
Amendments to IFRS 4 Insurance Contracts	1 January 2021

The Directors have considered the impact of the new standards, amendments and interpretations and do not consider there to be a significant impact from these newly effective standards, amendments and interpretations.

**4 Accounting Policies (continued)**

**4.6 Changes in accounting policies (continued)**

(ii) Standards not yet effective, but available for early adoption.

Description	Effective date
Amendments to IFRS 16 Leases: Covid-19 Related Rent Concessions beyond 30 June	1 April 2021*
Amendments to IFRS 3 Business Combinations	1 January 2022*
IFRS 17: Insurance contracts	1 January 2023*
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies	1 January 2023**
IAS 1 Presentation of Financial Statements: Amendments regarding the classification of liabilities	1 January 2024**
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023**
Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023**
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information	1 January 2023**

\*Where new requirements are yet to be adopted in the UK, the effective date is disclosed.

\*\* Not adopted in the United Kingdom.

The Company has not adopted any other new standards or interpretations that are not mandatory. The Directors anticipate that the adoption of those standards or interpretations will have no material impact on the financial statements of the Company in the year of initial application.

**4.7 Revenue recognition**

All forms of revenue are recognised when the services associated with them have been rendered, using the percentage of completion method based on the actual service provided as a proportion of the total services to be performed.

**4.8 Property, plant and equipment**

Computers and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciations is provided at the following annual rates to write off each asset over its estimated useful life:

Fixtures & Fittings:	25% on costs
Computer Equipment:	25% on costs

**4 Accounting Policies (continued)**

**4.9 Financial Instruments**

Financial instruments comprise of trade and other receivables, cash and cash equivalents and trade and other payables.

All financial instruments are initially measured at fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit and loss, transaction costs.

**Financial assets**

Assets are subsequently measured either at amortised cost using the effective interest method or at fair value through either profit or loss or through other comprehensive income.

Financial assets are classified into one of four categories:

- Amortised costs
- Fair value through profit or loss
- Fair value through other comprehensive income for debt
- Fair value through other comprehensive income for equity

**Financial Liabilities**

Financial Liabilities held for trading are subsequently measured at fair value with all gains or losses recognised in profit or loss, and all other financial liabilities are measured at amortised costs, unless the fair value option is applied.

**Impairment of financial assets**

*General concepts within IFRS 9 expected loss approach*

Under IFRS 9 an entity is required to track and assess changes in credit risk on financial instruments since origination and determine whether the credit risk on those financial instruments has increased significantly since initial recognition. Under the IFRS 9 ECL model, the change in credit risk should be based on the risk of default and not changes in the amount of ECL which may be expected on a financial instrument. The standard introduces a 3-stage model for impairment, based on changes in credit risk quality since initial recognition:

**4 Accounting Policies (continued)**

**4.9 Financial Instruments (continued)**

**Impairment of financial assets (continued)**

Stage 1- includes financial instruments that have not had a significant increase in credit risk since initial recognition. For these assets, 12-month ECL is recognised. A 12-month ECL is the expected credit losses that result from default events that are possible within 12 months of the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months. Therefore, all financial assets in scope will have an impairment provision equal to at least 12-month ECL.

Stage 2 - includes financial instruments that have had a significant increase in credit risk since initial recognition but that does not have objective evidence of impairment. For these assets, lifetime ECL is recognised, being the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3 - includes financial assets that have objective evidence of impairment at the reporting date, i.e. are credit-impaired. For these assets, lifetime ECL is recognised.

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss, including deposits and trade and other receivables. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

***ECL framework***

IFRS 9 introduces an expected credit loss impairment model that recognises impairment losses on a forward-looking basis. In order to implement ECL models, the Company has leveraged the systems and data used to originate and underwrite its loans and also developed statistical models tailored to the requirements of IFRS 9.

**4 Accounting Policies (continued)**

**4.9 Financial Instruments (continued)**

*ECL framework (continued)*

*Measurement*

For all material portfolios, the Company will adopt an ECL framework that takes into consideration industry best practice, and reflects a component approach using PD, EAD and LGD components calibrated for IFRS 9 purposes. Because all financial assets within the scope of the IFRS 9 impairment model will be assessed for at least 12-months of expected credit losses, and that underperforming assets will attract full lifetime expected credit losses, loss allowances are generally expected to be higher under IFRS 9 relative to IAS 39. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

*Key drivers of ECL*

The following concepts introduce significant judgment to impairment accounting and will have a significant impact on the level of ECL allowances:

- "Assessing both 12 month and lifetime ECL"
- Determining when a significant increase in credit risk has occurred; and
- Incorporating forward looking information including forecast macro-economic factors through probability weighted scenarios.

**Definition of default**

IFRS 9 does not define default but contains a rebuttable presumption that default has occurred when an exposure is greater than 90 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The Company provides for ECL by multiplying the carrying value of the Loans exposed by its expected default rate and a loss given default rate.

**4 Accounting Policies (continued)**

**4.10 Taxation**

Income tax payable on profits is based on applicable tax law and is calculated at rates of tax enacted or substantively enacted at the reporting date. Income tax payable is recognised as an expense in the year in which the profits arise. The tax effects of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available which these losses can be utilised against. The standard rate of Corporation Tax in the UK is 19% for the current tax year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the reporting date. All deferred tax assets or liabilities are calculated using the standard rate of Corporation Tax in the UK which is 19% for the current tax year. The amounts of deferred tax related to changes in tax rates is disclosed within the accounts.

**4.11 Employee benefit costs**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the year to which they relate.

**4.12 Cash and cash equivalents**

Cash and cash equivalents in the statement of financial position comprise cash at banks.

**4.13 Client monies held on account**

The company holds client money on account to make payments on their behalf. The arrangement is solely to settle obligations of the client and there is no potential that economic benefit will be produced for the company from the arrangement.

The client balances are maintained in an individual ledger.

**4.14 Functional and presentation currency**

The financial statements of the company are presented in US Dollars because that is the primary functional currency of the company. All values are rounded to the nearest dollars (USD), except where otherwise indicated.

Transactions in currencies other than USD are recorded at the rate prevailing at the date of the transaction. At each reporting date, monetary items and non-monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rate prevailing on the reporting date. Gains and losses arising on retranslation are recognised in profit or loss.

**4 Accounting Policies (continued)**

**4.15 Principal risks and uncertainties**

The principal risks and uncertainties facing the Company are financial instrument risks comprising: credit risk, liquidity risk and interest rate risks.

The principal nature of these risks are summarised below.

**Credit Risk**

Credit risk is the risk of financial loss to the Company if the counterparty to a financial instrument fails to meet its contractual obligations.

The principal credit risk to the Company is that the Borrowers in Artis LoanCo 1 PLC ("the Issuer") will not be able to meet its obligations under the Loans advanced to them as they fall due. The Loans in Artis LoanCo 1 Plc are secured over certain of the Borrower's trade receivables, among other things, bills of exchange, promissory notes, irrevocable payment undertakings and other negotiable instruments. Also refer to Note 17.

**Liquidity Risk**

Liquidity risk reflects the risk that the Company will encounter difficulty in raising funds to meet commitments associated with its financial instruments, should the actual cash flows from its assets differ from those expected.

The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

**Interest rate Risk**

Interest rate risk exists where assets and liabilities have interest rates set under a different basis or which reset at different times.

	2021 USD	2020 USD
<b>5 Employees and Directors</b>		
Wages and salaries	1,119,521	200,510
National Insurance Contributions	128,501	20,101
Other pension costs	14,304	16,603
	<u>1,262,326</u>	<u>237,214</u>
Average Headcount	<u>15</u>	<u>4</u>
Directors' salaries	467,586	97,957
National Insurance Contributions	61,061	7,416
Directors' pension costs	6,973	41,448
	<u>535,620</u>	<u>146,821</u>
Average Headcount	<u>2</u>	<u>2</u>
<b>6 Profit/(Loss) before income Tax</b>		
The loss before income tax is stated after charging/(crediting):		
Depreciation	5,691	1,296
Asset written off	515	-
Audit fees	16,283	15,730
	<u>22,489</u>	<u>17,026</u>
<b>7 Income Tax</b>		
The Company is required to pay corporation tax on its accounting profit or loss. The standard rate of Corporation Tax in the UK is 19% for the current reporting year.		
Tax expenses comprises:		
- Current tax expense	-	-
Total Charge for the year	<u>-</u>	<u>-</u>
Profit/(Loss) before tax	1,830,285	(6,047,686)
The total charge for the year can be reconciled to the accounting loss as follows:		
Income tax charge calculated at the rate of 19%	347,754	-
Utilisation of tax losses	(347,754)	-
Income tax expense recognised in the Statement of Comprehensive Income	<u>-</u>	<u>-</u>

The Directors are not aware of any factors that will have a significant effect on the future tax charge of the Company.

8	Property, plant and equipment	Furniture and Fittings USD	Computer Equipment USD	Total USD
	<b>Costs</b>			
	Additions	1,032	18,252	19,284
	<b>As at 31 December 2020</b>	<b>1,032</b>	<b>18,252</b>	<b>19,284</b>
	Additions	-	5,495	5,495
	Disposals	-	(772)	(772)
	<b>As at 31 December 2021</b>	<b>1,032</b>	<b>22,975</b>	<b>24,007</b>
	<b>Depreciation</b>			
	Charge for the period	(43)	(1,253)	(1,296)
	<b>As at 31 December 2020</b>	<b>(43)</b>	<b>(1,253)</b>	<b>(1,296)</b>
	Charge for the year	(258)	(5,432)	(5,690)
	Disposals		257	257
	<b>As at 31 December 2021</b>	<b>(301)</b>	<b>(6,428)</b>	<b>(6,729)</b>
	<b>Net Book Value</b>			
	As at 31 December 2020	989	16,999	17,988
	As at 31 December 2021	731	16,547	17,278
			<b>2021</b>	<b>2020</b>
			<b>USD</b>	<b>USD</b>
9	<b>Investments</b>			
	Opening Balance		20,200,000	-
	Additions		-	20,200,000
	<b>At end of the year</b>		<b>20,200,000</b>	<b>20,200,000</b>
	<b>Net Book Value</b>		<b>20,200,000</b>	<b>20,200,000</b>

The company's investment in share capital includes the following:

**Artis Loanco 1 PLC**

Registered office: Suite 2, 3rd Floor 11-12 St. James's Square, London, United Kingdom, SW1Y 4LB

Nature of business: Financial services

*Class of shares:* Ordinary

% Shareholding 100%

Aggregate capital and reserves 14,426,434 19,994,374

Loss for the year (5,567,940) (205,626)

Artis Finance Limited acquired the entire share capital of Artis Loanco 1 PLC on 5 November 2020 and Artis Loanco 1 PLC is a wholly owned subsidiary of the Company. The Company has accounted for the unconsolidated subsidiary at fair value through profit or loss in accordance with IFRS 10.

	2021 USD	2020 USD
<b>10 Trade and other receivables</b>		
<b>Non-Current</b>		
Rental deposit	<u>29,093</u>	<u>29,408</u>
<b>Current</b>		
Trade debtors	6,000	10,000
Intercompany: Other debtor	4,026,388	-
Intercompany: Accrued income	1,284,126	67,486
Deposits	50,000	-
Prepayments	179,939	41,267
Intercompany Loan: Artis Technologies Limited	249,141	-
Intercompany Loan: Fidem Insurance	732	-
	<u>5,796,326</u>	<u>118,753</u>
<b>Total trade and other receivables</b>	<u>5,825,419</u>	<u>148,161</u>

During the current year, Artis Finance Limited (as the Originator) recharge professional fees totalling USD 4,026,388 back to its subsidiary, Artis LoanCo 1 Plc. This professional fees consist mainly of legal fees in connection with the entry into and in the performance of its obligations under the Origination Agreement (as per clause 6.2 in the Origination Agreement).

**11 Cash and Cash Equivalents**

Cash and cash equivalents comprise of cash at banks. The cash is held in the following currencies:

USD Dollar	61,524	232,467
British Pound Sterling	79,113	343,241
Euro	115	8,020
	<u>140,752</u>	<u>583,728</u>

**12 Called up share capital**

During the previous year, 234,150,033 shares were issued during the year at a par value of 10c. The total issue, valued at \$23,415,003, represents the entire share capital of the company. Each share carries the right to one vote and the entire share capital of the company is owned by Artis Finance Group Holdings Limited.

All dividends are paid in accordance to the amounts paid up on the shares. The shares are not redeemable.

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>13 Trade and other payables</b>		
<b>Current</b>		
Trade creditors	1,488,082	1,082,324
Unpaid pension contributions	4,925	57,280
Holiday accrual	123,211	-
Client monies on account	-	31,935
Unpaid PAYE / NIC	63,982	-
Accrued expenses	75,706	240,586
Directors' current account	322	474
	<u><u>1,756,228</u></u>	<u><u>1,412,599</u></u>
<b>14 Borrowings</b>		
<i>Non-current:</i>		
<i>Artis Finance Group Holdings Ltd</i>		
Opening balance	2,169,961	-
Drawdown	3,254,858	2,169,961
Repayments	(195,200)	-
Closing balance end of the year	<u><u>5,229,619</u></u>	<u><u>2,169,961</u></u>
Terms and debt repayment schedule:		
- Current	-	-
- More than 1 Year	5,229,619	2,169,961
Closing balance end of the year	<u><u>5,229,619</u></u>	<u><u>2,169,961</u></u>
<b>15 Ultimate Parent Company</b>		
<p>Artis Finance Group Holdings Limited is the ultimate parent of Artis Finance Limited and holds the entirety of the company's issued share capital. The results of the company appear in the Artis Finance Group Holdings consolidated accounts. These are the only consolidated group accounts that it appears in.</p>		

**16 Related Party Disclosures**

Artis Finance Limited subscribed to the entire share capital of Artis Loanco 1 PLC of 2,020,000,000 shares with a par value of USD 0.01 for USD 20,200,000.

Artis Finance Limited provides Artis Loanco 1 PLC with servicing and origination services and the fees for these services totalled USD 1,625,797 in the current year (2020: USD 67,486). Artis Finance also recharge professional fees totalling USD 4,026,388 (2020: Nil) to Artis LoanCo 1 Plc. Servicing and origination services and recharges accrued but not yet paid as at year-end was USD 6,388,621 (2020: USD 67,486).

As at 31 December 2021 the company owed its parent, Artis Finance Group Holdings Limited, USD 5,230,274 (2020: USD 2,169,961).

Artis Finance Limited also provide general services to Artis Technologies Limited, a 100% subsidiary of Artis Finance Group Holdings Limited. Artis Finance Limited recharged USD 380,735 to Artis Technologies Ltd and this full amount was accrued but not yet paid as at year-end (2020:Nil).

At the reporting date the company owed its director, W De Vleeschauer, USD 324 (2020: USD 474).

**17 Charges**

The company has one charge outstanding at the year-end which was created on 3 November 2020. This is a fixed charge against the interest the company has in Artis Loanco 1 PLC in order to guarantee the loan notes secured by Artis Loanco 1 PLC.

	<b>2021</b>	<b>2020</b>
	<b>USD</b>	<b>USD</b>
<b>18 Revenue</b>		
Engagement fees	55,000	68,346
Origination fees	1,176,940	50,615
Servicing fees	448,857	16,872
Intercompany back charges	4,407,124	-
	<u><b>6,087,921</b></u>	<u><b>135,833</b></u>
<b>19 Other operating income</b>		
Exchange gains	<u><b>73,326</b></u>	<u><b>42,089</b></u>
<b>20 Administrative expenses</b>		
Salaries and related expenses	2,160,086	747,316
Rent & Office related expenses	163,043	38,667
Professional Services	1,085,453	3,817,474
Data Analysis & Subscriptions	54,711	67,704
IT & Communication	32,638	6,097
Travelling & Entertainment	96,619	6,178
Marketing & Web-design	16,889	3,220
Finance Charges	3,292	58,660
Insurance	49,774	4,648
Depreciation	5,691	1,296
Asset written off	515	-
Unrecoverable VAT	283,836	740,309
Listing Fees	-	6,483
Due Diligence	28,415	27,556
Closing Fees	350,000	700,000
	<u><b>4,330,962</b></u>	<u><b>6,225,608</b></u>