

Wyelands Bank Plc

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Annual Report 2020

Company registered number 01536428

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CHAIRMAN'S REVIEW

The financial year to April 2020 was very difficult for the Bank. During this time, some of the Bank's customers began to come under significant liquidity pressure and this resulted in an increase in late payments. In addition, concerns arose that certain financing facilities were not operating as intended. In light of these issues, the Bank's Board of Directors took the formal decision to undertake a solvent wind-down of the bank's balance sheet in the first quarter of 2020, with the goal of being in a position to repay all its deposits. The bank kept its regulators, the PRA and FCA, fully informed prior to and during the solvent wind down process.

After this decision, and in the face of severe headwinds relating to the COVID-19 pandemic, the Bank took multiple recovery and remediation actions during the 2020 calendar year and subsequently. These included selling the Maddox Street property and reducing the net loan book by a further £130 million (in the period since 1 May 2020). These actions, coupled with the assistance of the shareholder, who provided £75 million of cash support through a loan agreement (which is subordinated to all other creditors) commencing in May 2020, meant that by the first quarter of 2021 the Bank was in its intended position of having more liquid assets than outstanding deposits and was therefore able to repay all deposits. After consultation with the regulator, this action was implemented at their direction in March 2021.

Having received indications that its shareholder will not provide the incremental capital necessary to take forward a new strategy, and following several enquiries from independent third parties, the Board has authorised CEO Stephen Rose to engage with potential new investors to assess the potential to take Wyelands forward under new ownership. Any sale to investors would be subject to approval by the Bank's regulators. In the absence of a sale to new investors, the board expects that the Bank will be wound up on a solvent basis.

Performance for the year to 30 April 2020: responding to challenging circumstances

The early part of the year saw investment being made in people, systems and processes to support the ongoing execution of the Bank's strategy. Of particular note, and reflecting the Board's desire to strengthen the Executive Management team, during the course of the year Stephen Rose joined the Bank as Deputy CEO and COO, and Rachelle Frewer joined as CFO.

During the year market conditions became difficult, with a large number of the Bank's customers facing liquidity pressure. This was particularly apparent in international commodities and metals trading, an area where the Bank had meaningful concentration risk at this early stage in its development. The Bank had started to diversify its portfolio as planned, however it had not yet achieved the scale necessary to reduce the concentration risk to the desired level.

In addition, the Bank became concerned that some facilities provided to customers introduced to the Bank by members of the GFG Alliance¹ were not operating as intended, and that this was placing the Bank at risk by creating direct exposures to GFG Alliance entities. After attempting to remediate these problems, in October 2019 the Bank delivered notice to the operators of these facilities, requiring repayment by the end of the year. In the first quarter of 2020, continued delays in these repayments and ongoing concerns about the bank's other exposures led the Bank to take steps to protect the interests of its depositors through the solvent wind-down of its balance sheet, with a view to releasing sufficient funds to allow all deposits to be repaid. This task

¹ The GFG Alliance is a collection of global businesses owned by Sanjeev Gupta and his family. Sanjeev Gupta is one of the ultimate beneficial owners of the Bank. The Directors Report and Note 26 Related Parties contain further detail on the GFG Alliance and its relationship with the Bank.

was made considerably more difficult by the COVID-19 pandemic, the impact of which was starting to be seen towards the end of the Bank's financial year.

The reported financial performance of the Bank for the year to 30 April 2020 is reflective of the challenges faced. Delays in loan repayments resulted in an increase in loan impairment provision that totalled £66 million by the end of the financial year, at which point £191 million of £234 million loan portfolio was classed as non-performing.

The focus on collecting in overdue and non-performing loans resulted in a lower need for funding and the Bank reduced its deposit taking activity. The level of deposits held as at 30 April 2020 was therefore significantly lower than the prior year at £459 million (30 April 2019: £727 million).

During the latter part of the year the Bank also sold its investment property as this was no longer considered a strategic asset. The loss on sale of £6 million was disappointing but appeared to be in line with how the market for comparable properties had moved in the period since the building was acquired.

The Bank's approach to liquidity management remained prudent and the Bank was highly liquid throughout the year, reflecting the Bank's goal of being in a position to repay its deposits. As at 30 April 2020 over two thirds of the Bank's assets of £519 million were in cash or highly liquid assets. The capital position of the Bank started to come under some pressure as a result of the increase in loan impairment, offset in part by loan repayment and asset sales; the total capital ratio of the Bank as at 30 April 2020 was 19.1%.

Business performance in the period since April 2020

The focus of the Bank since April 2020 has remained on asset collection and strengthening the business.

Whilst good progress has been made on collecting in non-performing loans, there have been delays as customers continue to be impacted by the global pandemic. The timing of recoveries has also been impacted by COVID-19 driven restrictions put on the enforcement actions available to the Bank in many legal jurisdictions, including the United Kingdom.

During this difficult period for the Bank the shareholder has provided significant support. In May 2020 the Bank entered into an agreement with the shareholder for the provision of a subordinated loan, with drawings based upon the rate of repayment receipts. Under this agreement, which has now been completed, £75 million has been drawn down, of which £43 million has been converted to equity.

In late 2020 the Bank also saw further changes in senior management with Iain Hunter stepping down as CEO. Iain had led the Bank from its first day as Wyelands Bank and on behalf of the Board and staff we thank Iain for all his dedication and commitment to building the business. The Bank welcomed Stephen Rose as CEO and the Board would like to acknowledge the excellent work that Stephen, Rachelle and their team have been doing under very challenging circumstances.

In early 2021 the Bank met its target of having sufficient cash to pay down its deposits, and in March at the direction of its regulator implemented the repayment of all deposits (except for related party deposits), with interest paid in full to term. By mid April, only £1.0 million of deposits remained in place, due to issues such as accounts being under probate. Cash is being held at the Bank of England to cover these sums until repayment can be effected.

As at the end of March 2021, the business is much reduced compared with April 2020. Overall the focus on collecting in has resulted in a reduction in customer loans to less than £40 million, net of impairment provisions.

Preparing for the future

The last 18 months have been difficult for the Bank. With the support of the shareholder and through actions taken by management and the Board, the Bank has ensured that its depositors' interests were fully protected and that it remains solvent. Asset collection activity will continue; however the shareholder has indicated that he will not finance the new strategy which the Bank had been developing. The Bank is therefore planning to engage with new investors in order to take the Bank forward under new ownership and should that not be achieved in the short term the Bank will be wound up. Any sale to new investors would be subject to approval by the Bank's regulators.

STRATEGIC REPORT

The Directors present their Strategic Report on Wyelands Bank Plc and its subsidiaries (“the Bank”) for the year ended 30 April 2020.

1. Review of the business

The business experienced a turbulent year. In the first part of the year the Bank continued to build on its foundations to become a specialist provider of financial solutions. The Bank had invested in people, enhanced its systems to support external new business and to make its service offering as seamless as possible culminating in the opening of new offices in Leeds and Cardiff to create regional presence.

In the middle of the financial year it became evident that some of the markets in which the Bank’s customers operate were facing liquidity challenges. Businesses that had previously repaid on a timely basis began to delay payments as they themselves experienced delays from their customers.

Towards the end of the financial year it became clear that the credit quality of some of the Bank’s assets had deteriorated. At this point in time the Board and management, in close consultation with the regulator, took a decision to undertake a solvent wind down of the Bank’s balance sheet.

After this decision, and in the early stages of the COVID-19 pandemic, the bank took multiple recovery and remediation actions. A dedicated team was established to lead collection activities and external subject matter expert advice was sought where needed. In addition to actions taken on non-performing loans, the Bank also sold its investment property, which was no longer considered a strategic asset. The activity to collect in non-performing assets has continued post financial year end.

In accordance with IFRS 9, the significant increase in credit risk observed resulted in an increase in loan impairment provisions.

The business overall was therefore significantly smaller than it was at the end of the prior year; and the balance sheet continued to reduce post 30 April 2020 as the execution of the solvent wind down plan remained in progress.

The full year’s financial performance has seen the Group make a loss before tax of £63.0 million, which excludes the impact of the disposal of the investment property. This reflects the increase in loan impairment provisions following the significant increase in credit risk in the second half of the year.

The Bank has identified a number of KPIs by which it measures its performance over time and against other similar bracket banks.

Lending Book - £168 million (£434 million - 2019) – whilst lending continued to grow in the first half, the decision to implement the solvent wind down plan resulted in an overall reduction in lending balances.

Group Profit Before Tax – £63.0m loss (£109k profit - 2019) – the loss before tax reflects the increase in loan impairments following the significant increase in credit risk in the second half of the year.

Managing customer deposit base - £459 million (£727 million - 2019) – the reduction in deposits is due to the reduced need for funding following the decision to execute the solvent wind down plan.

Common Equity Tier 1 (CET1) to RWAs ratio – 19.1% (23.6% - 2019) – the reduction in the CET1 ratio reflects the loss before tax incurred in the year, the impact of which has been mitigated to some extent by the reduction in Risk Weighted Assets due to the reduction in the lending book in the period.

Credit Quality – Expected credit losses held on stage 3 loans of £64.5m (£533k - 2019) – the increase in provisions reflects the significant increase in credit risk in the second half of the year.

2. How we do business

The Directors consider, both individually and collectively, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its shareholder, but with regard to all its stakeholders and matters set out in s172 (a-f) of the UK Companies Act 2006:

- the likely consequences of any decision in the long term;
- the interests of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and the environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the company.

The Bank has identified its key stakeholders as customers, colleagues, regulators, shareholder, suppliers and the wider community in which the Bank operates.

Customers

The Bank offers lending and deposit taking services. It provides its customers with business financing solutions intended to free up working capital and fund growth. The Bank also offers a range of deposit products to help customer grow their savings. The Bank engages directly with borrowing customers and works to build a strong and lasting relationship through understanding the funding need and then develops a tailored solution. The Bank's relationship with depositors is provided with the support of third party outsourcing providers who operate under Service Level Agreements dictated by the Bank and drives the expected quality in the Bank's customer service and customer experience.

The Board is presented with updates on operational matters and reviews customer metrics including levels of new business for both deposits and lending, as well as retention rates and additionally for borrowing customers information is provided on levels of repayment including any delays to repayment and the reasons for such delay.

A key decision taken by the Board during the year was to cease new lending business and focus on collecting in non-performing exposures. This decision was taken with the objective of protecting depositors and other creditors.

Colleagues

People strategy and employee engagement are discussed at the Board. Colleagues are encouraged to share their views with the Executive Committee through engagement surveys, 'Town Halls', regular communications and focus groups. Further information can be found in the Directors' report.

Employees are invited to attend Board meetings from time-to-time in order to engage with the Board and present on their area of specialist knowledge, for example representatives from IT and Treasury attended Board level meetings to provide briefings as well as engage in discussion. The results of employee opinion surveys provide input into various matters including staff training and development, remuneration and workplace environment.

The Bank has an appointed non-executive director as whistleblowing champion and the Board is provided with updates on whistleblowing activity.

Non-executive Directors also consider compensation and employee related matters in their capacity as members of the Remuneration and Nomination Committee.

Regulators

The Bank is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Additionally, the Bank engages with the Information Commissioner's Office and HMRC. The Bank's approach is to conduct business, including tax affairs, in a transparent manner, complying with all relevant legislation including submitting reports and making payments on time.

The Board is provided with regulatory correspondence and updates on the activity undertaken by management with the regulators. These updates included broader regulatory developments and compliance considerations. In addition there is regular direct engagement between individual directors and regulators. The Bank also engages with its regulators on appointment of senior executives. Directors also attend wider industry events with regulators.

Shareholder

The Bank's ultimate beneficial owner is the Wyelands Trust which was established through an irrevocable settlement for the benefit of family members and dependants of Mr Sanjeev Gupta. Mr Sanjeev Gupta has a representative on the Board who provides a conduit for communication between him and the business.

Suppliers

The Bank engages in outsourcing where there are financial or operational benefits in doing so. It is recognised that outsourcing introduces risks that must be effectively mitigated and monitored. The Bank has controls in place to manage these risks, including building and maintaining good relationships with key suppliers.

The Board considers and approves material contracts as required by matters reserved for the Board. Updates on supplier considerations are provided as necessary in senior management updates to the

Board as well as when operational matters are discussed at Board, for example IT, Marketing or deposit taking matters where in each of these the Bank has suppliers providing service.

3. Principal risks and uncertainties

The Board has ultimate responsibility for identifying and managing the Bank's principal risks in order to achieve its strategic objectives. The following section sets out the principal risks and uncertainties to which the Bank is exposed and how these risks are mitigated:

(a) Credit risk and concentration risk

The Bank is primarily exposed to credit risk, such as default and concentration risk. Experience through previous downturns shows that the failure of a single borrower, a loss from poor decision making and being overly exposed to one counterparty or industry sector can lead to a significant write off or provision. These can therefore have a material effect on the Bank's profitability. The Bank reviews its exposures on a daily basis and is currently reducing credit risk following the decision to cease new lending.

(b) Liquidity and funding risk

Liquidity risk is the risk that the Bank is not able to meet its liabilities as and when they fall due or is unable to obtain funding other than by paying a premium. This risk arises from mismatches in the timing of cashflows. Funding risk is the risk that the Bank does not have sufficient funding in the medium and longer term to fund customer lending and illiquid assets. The Bank reviews liquidity data on a daily basis to monitor mismatches as deposits decrease following the decision to pause accepting new deposits.

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates and credit spreads will impact the Bank's future cashflows or the fair value of its holdings of financial instruments. The Bank manages these risks within predefined limits including dynamic hedging of foreign exchange exposure within intra-day limits. Interest rate risk is managed principally through the use of exchange traded short term interest rate futures and over the counter interest rate swaps.

(d) Operational risk

This is the risk that failures in internal procedures, people or systems, including cyber threats, cause the Bank monetary loss, reputational damage, service disruption or customer detriment. Furthermore, operational risk includes outsourcing risk and key man risk. The possibility of significant disruption to the Bank's services and customers because of a crystallised operational risk event is one reason why it is considered key. The Group maintains a framework of internal controls to manage and report on operational risks. In addition, it undertakes compliance monitoring to manage its regulatory risks and internal audit to assess business risks.

(e) Legal and Regulatory risk

Failure to comply with existing legal, regulatory and tax requirements, or to respond to changes in those requirements, will have negative consequences for the business. The Group undertakes compliance monitoring to manage its legal and regulatory risks.

(f) COVID-19

The impact of the COVID-19 pandemic and associated restrictions on movement has had a profound effect on global supply chains, many of which remain slow and challenging. Targeted action was taken to 'collect in' on what had become non-performing assets. A dedicated team was established to lead collection activities and external subject matter expert advice was sought where needed. The activity to collect in non-performing assets has continued post financial year end.

COVID-19 has also impacted the day-to-day operation of the business in many fundamental ways, the most notable of which being a swift transition to full remote working. Due to the IT functionality in place all of our people have been able to continue carrying out their roles as before, with no discernible impact to stakeholders.

(g) UK withdrawal from the EU

The withdrawal from the EU has had an immediate impact on some customers, notably where delays in the supply chain have impacted cashflow and therefore the ability to make timely repayments.

The Bank has recently wound up its deposit taking from Germany, partly due to uncertainty around passporting.

4. Outlook for the future

Asset collection activity will continue; however the Bank's shareholder has indicated that he is unlikely to finance a new strategy which the Bank had been developing. The Bank is therefore planning to engage with new investors in order to take the Bank forward under new ownership and should that not be achieved in the short term the Bank will be wound up. Any sale to new investors would be subject to approval by the Bank's regulators. Given this position, the Directors have concluded that the basis of preparation of the financial statements should be a basis other than going concern.

Approved by the Board and signed on its behalf on 12 May 2021



Stephen Rose
Director

GOVERNANCE

The Board

The Board is the forum where all key strategic decisions are tabled and approved.

The Board's terms of reference define the powers of the Board and set out its primary responsibilities, along with its governance arrangements, control of affairs, standing agenda items, specific monitoring and its overall composition.

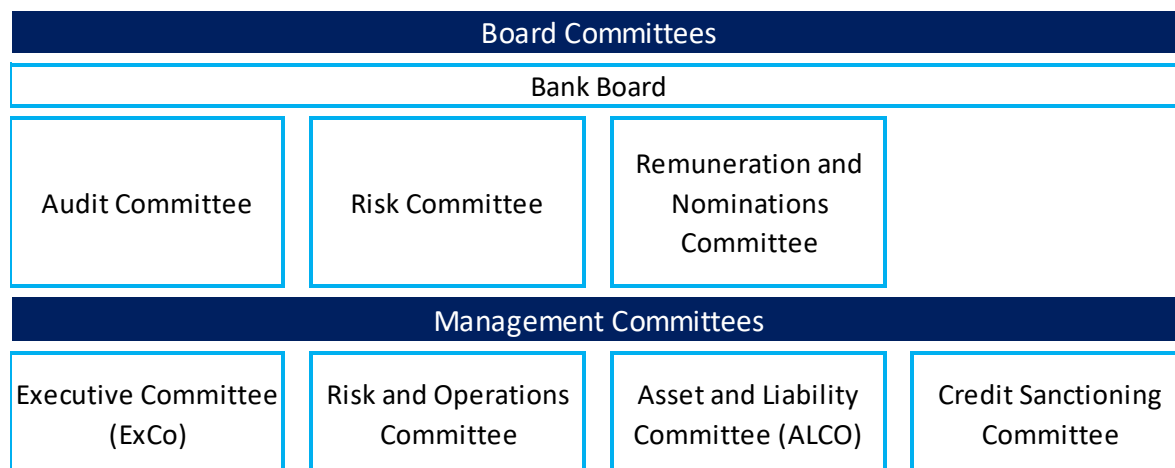
The Chairman is appointed to run the Board in a manner which supports and challenges the CEO whereas the CEO is appointed to run the business and deliver the agreed strategy. This separation of function is codified in the terms of reference, which state that the Chairman shall not be a member of the executive management team and shall not be the CEO, in accordance with CRD IV Art 88(1) (e).

Against the backdrop of delivering on the Group's strategic objectives, the Board oversees the CEO's establishment of a robust organisation in terms of management experience, product expertise, operational system knowledge and human resource capabilities.

Collectively the Board has sufficient expertise. The composition of the Board is periodically reviewed to ensure that there is the right balance of competency to allow effective governance of the Group and notably it undertakes such reviews at significant points in the business life cycle, for example a change in strategy. An example of a recent assessment of the Board was a Board effectiveness review, which was carried out in 2019.

The Board met 17 times during the year.

Attendee	Possible Attendance	Actual Attendance
John Crompton (Chairman)	17	17
Ian Gomes	17	17
David Smith	17	17
Steve Reid	17	15
Jay Hambro	17	13
Iain Hunter	17	17
John Howland Jackson	1	1
Neil Sawbridge	3	2
Rachelle Frewer	3	3



Board Committees

There are three main Board committees, which operate directly under the delegated authority of the Board, the Audit Committee, the Risk Committee and the Remuneration and Nominations Committee. In addition, for a limited period from August 2019 to April 2020, the Board established an ad hoc sub-committee to cover matters between scheduled board and other committee meetings.

On a day-to-day basis, the Board delegates its risk management responsibilities to the CEO and through him to the Chief Risk Officer (CRO). The chair of each Board committee is charged with reporting to the Board on updates, findings and recommendations.

Audit Committee

The Audit Committee is comprised of the independent non-executive directors and all members have significant experience on matters relating to financial probity and internal control. The Board has determined that the Committee Chair, Ian Gomes, has the required recent and relevant financial experience.

The responsibilities of the Committee include:

- Monitoring the effectiveness of the Bank's internal control, risk management systems and internal audit without breaching its independence;
- The integrity of the financial statements, any formal announcements relating to financial performance and significant financial reporting judgements contained in them;
- Oversight of the internal and external audit processes;
- Recommendations concerning the appointment, re-appointment and removal of the external auditors and the periodic review of their performance and independence;
- The policy on the use of external auditors for non-audit work; and
- Reporting to the PRA on bank matters, as required

The Audit Committee meetings are attended by the members and, by standing invitation, the Chief Executive Officer, the Chief Financial Officer, the Chief Risk Officer and the Chief Compliance Officer. The outsourced internal auditor, KPMG LLP, and the external auditor, Mazars LLP (from February 2020, PricewaterhouseCoopers prior to that), are also invited to each meeting. Following each committee meeting, the minutes of the meeting are distributed to all attendees and the Board and the Committee Chair provides a regular update to the Board on key matters discussed by the Committee. The Chair also meets the external audit partner and internal audit leader outside of the formal committee process during the year.

The following table summarises the number of meetings each member was eligible to attend and how many they did attend.

Attendee	Possible Attendance	Actual Attendance
Ian Gomes (Chairman)	6	6
Steve Reid	6	5
David Smith	6	5
John Crompton ¹	5	5

¹no longer a member of the Audit Committee from March 2020

The Committee's key deliberations during the financial year included:

- Approval of the rolling work plan, coverage and recommendations of the Internal Auditor arising from reviews completed during the year. The internal audit function is managed and resourced via a third-party relationship with KPMG LLP: this enables the Bank to leverage the skills and expertise of an external specialist provider that has extensive depth of resources. Besides, the independence of the function helps to ensure that the reporting is without undue management influence on the audit and its processes. Matters covered by Internal Audit included the risk management framework, IT governance and controls and governance and controls of outsourced functions.
- Control reports from the external auditor in relation to financial reporting processes arising from the external audit.
- The status of findings and thematic issues raised by the internal and external auditors were considered by the Committee as well as management's response and the tracking and implementation of recommendations.
- Review of the Annual Report prior to Board approval. It reviewed and challenged relevant accounting policies connected with revenue recognition and loan loss provisioning. The Committee sought and received detailed briefings and explanations on all material financial judgments and accounting matters.

Remuneration and Nominations Committee (RNC)

The RNC is comprised of the independent non-executive directors and all members have significant experience on matters relating to appointment, assessment and remuneration of senior professionals. The Board has determined that the Committee Chair, Steve Reid, has the required recent and relevant financial experience.

The responsibilities of the Committee include:

- Appointments of directors and senior managers;
- Composition, skills and experience of the Board;
- Remuneration policy and compensation packages;
- Recommendations on rewards and remuneration;
- Oversight of the senior management performance appraisal process; and
- Advice on succession planning.

Attendee	Possible Attendance	Actual Attendance
Steve Reid (Chairman)	4	4
Ian Gomes	4	4
David Smith	4	4
John Crompton	4	4

Risk Committee

The Risk Committee is comprised of the independent non-executive directors and all members have significant experience on matters relating to risk management. The Board has determined that the Committee Chair, David Smith, has the required recent and relevant financial experience.

The responsibilities of the Committee include:

- overseeing the Bank's overall risk management framework and its risk appetite, risk strategy, principles and policies;
- Reviewing the risk profile of the Bank through review and approval of the Risk Register;
- Ensuring that the risk management function has adequate resources;
- Monitoring adherence to liquidity risk tolerance parameters;
- Recommending for Board approval the Bank's ICAAP and ILAAP;
- Recommending for Board approval the Bank's Recovery and Resolution Plans and Liquidity Contingency Plan;
- Approving delegations of authority with regard to exercise of discretion and/or setting risk limits within the Bank's overall Risk Appetite;
- Approving on an annual basis the Bank's Risk Management Framework; and
- Reviewing on an annual basis the appropriateness of the Bank's risk measurement systems.

The Risk Committee met eight times during the year and the following table summarises the number of meetings each member was eligible to attend and how many they did attend.

Attendee	Possible Attendance	Actual Attendance
David Smith (Chairman)	8	8
Steve Reid	8	7
Ian Gomes	8	8
John Crompton ¹	7	7

¹no longer a member of the Risk Committee from March 2020

The Committee's key deliberations during the financial year included:

- Review and assessment of the Credit Risk Portfolio, Liquidity Risk Profile, Compliance, Operational Risk, Cyber Risk and the Risk Dashboard in each Committee meeting;
- Recommendation for Board approval of the ICAAP and ILAAP;
- Approval of the Risk Management Framework; and
- Approval of delegated credit approval authorities.

Ad-hoc Sub-Committee

A Board sub-committee was established to oversee matters as deemed necessary in between main Board meetings. Members of the Committee comprised the non-executive directors and the Chief Executive Officer. The committee was chaired by the Chairman, John Crompton, and met 13 times in the period August 2019 to April 2020.

Attendee	Possible Attendance	Actual Attendance
John Crompton (Chairman)	13	13
Ian Gomes	13	13
David Smith	13	10
Steve Reid	13	12
Jay Hambro	13	8
Iain Hunter	13	8

The Committee's key deliberations during the period in which it met included:

- Capital management;
- Asset quality; and
- Prudential matters

Management Committees

Executive Committee (EXCO)

The Board appoints the CEO to manage the execution and delivery of the Board's strategy, along with day-to-day management of the Group. The CEO maintains an EXCO to allocate responsibilities, liaise with and co-ordinate the leadership team, projects and delivery of the business strategy.

The frequency of meetings, membership and quorum are at the discretion of the CEO according to the business needs. In practice though, the Committee meets at least monthly.

In addition to receiving all recommendations from the respective ALCO, Risk and Operations and Credit Committees, the EXCO is also responsible for the final review and recommendation to the Board of any updates to the Group's business plan and the annual update of the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP).

The EXCO is chaired by the CEO.

Assets and Liabilities Committee (ALCO)

The ALCO is responsible for the appropriate oversight and input into the risk measurement, monitoring and management of financial risks impacting assets, capital and liquidity.

Market risk and liquidity risk are monitored by the ALCO. The Committee makes regular assessments of the UK macroeconomic environment and the potential impacts of such risks.

The ALCO is also responsible for all the treasury-related policies inclusive of the Investment Policy and the Liquidity Contingency Plan.

The ALCO is chaired by the CFO.

Risk and Operations Committee (ROC)

The ROC is responsible for the oversight of risk related matters and the enterprise risks impacting the Bank.

The ROC manages risks arising from activities impacting on the business systems, process, operations and people. This includes assessments of the conduct, financial crime, project and legal risks and the potential impact on the business delivery, customer experience, business performance and operational loss exposure to the Bank's capital.

ROC reviews, oversights and challenges are central to the development of appropriate risk assessment, monitoring and management processes as well as deploying appropriate operational management approaches that are consistent with robust business delivery and operational performance.

The Credit Sanctioning Committee is a sub-Committee of the ROC and reports to ROC on all credit risk related matters, including credit sanctioning, credit reviews and loan impairment assessment.

The ROC is chaired by the Chief Compliance Officer.

DIRECTORS' REPORT

The directors of the Group who were in office during the year and up to the date of signing the financial statements are set out on page 21.

Ownership Structure

The Bank was acquired by Sanjeev Gupta through an irrevocable family trust on 21 December 2016. In consultation with the Bank's regulators, this trust has set up a governance structure to allow the Bank to run independently.

While Wyelands Bank is operationally independent of Mr. Gupta, it is part of the informal family of businesses that comprise GFG Alliance (www.gfgalliance.com).

These accounts cover the individual entity Wyelands Bank Plc together with its two trading subsidiaries, and one non-trading subsidiary as detailed in Note 32.

Share Capital and Rights Attaching To Shares

The Bank had 132,998,000 ordinary shares of £1 each in issue as at 30 April 2020. Further details relating to share capital can be found in the statement of changes in equity on page 33.

Results and Dividends

The results for the year are set out in the statement of comprehensive income on page 30. The directors do not recommend the payment of a dividend (2019 no dividend paid).

During the year the Group disposed of a commercial property in central London for £56.0 million.

Directors' Interests

The directors did not hold any beneficial interest in the ordinary shares of the Bank at any time during the year.

Going Concern

In preparing the financial statements, the Directors carry out an assessment of whether it is possible to adopt the going concern basis of accounting, taking into consideration all available information about the future and factors likely to affect the future position of the Bank.

As noted in the Chairman's Review and the Strategic Report, the Bank's shareholder has decided not to invest further in the Bank. The Bank will therefore require an alternative investor or will need to be wound up. The Bank's forecast and projections under a number of scenarios and stresses show that the bank will be able to meet its obligations for the foreseeable future. Should it not be possible to identify a new investor(s), it will be the intention of the Directors to liquidate the company, and fully expect this to be achieved in a solvent manner.

At this stage, with the number of uncertainties around timing and possibility of identifying a new investor, the Directors consider that the financial statements should be prepared on a basis other than going concern. No material adjustments have been made as a result of applying this basis.

Charitable and Political Donations

No charitable or political donations were made during the year ended 30 April 2020 (2019 £nil).

Independent External Auditors

PricewaterhouseCoopers LLP ceased to hold office as auditors as their appointment ceased at the end of its term, at the AGM on 30 October 2019. PricewaterhouseCoopers LLP did not seek reappointment due to the existence of a relationship with GFG Alliance which, whilst compliant with the relevant independence requirements, was developing in nature and could have been perfected to introduce a conflict of interest with GFG Alliance.

Mazars LLP was appointed as auditor in February 2020.

Disclosure of Information to Auditors

Each of the persons who are directors at the time the report is approved confirms that:

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

This confirmation should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

Directors Indemnity

The Bank provides that in certain circumstances the directors are entitled to be indemnified out of assets of the Bank against claims from third parties in respect of certain liabilities arising in connection with the performance of their functions, in accordance with the provisions of the Companies Act 2006. Indemnity provisions have been in force during the financial year and also at the date of approval of the annual report and accounts.

Equal Opportunities

The Bank is committed to applying its equality and diversity policy at all stages of recruitment and selection. Shortlisting, interviewing and selection will always be carried out without regard to gender, gender reassignment, sexual orientation, marital or civil partnership status, colour, race, nationality, ethnic or national origins, religion or belief, age, pregnancy or maternity leave or trade union membership. Any candidate with a disability will not be excluded unless it is clear that the candidate is unable to perform a duty that is intrinsic to the role, having taken into account reasonable adjustments.

Reasonable adjustments to the recruitment process will be made to ensure that no applicant is disadvantaged because of their disability. Line managers conducting recruitment interviews will ensure that the questions that they ask job applicants are not in any way discriminatory or unnecessarily intrusive. This commitment also applies to existing employees.

Employee Engagement

Employees are kept informed of developments within the business and in respect of their employment through a variety of means, such as staff meetings and briefings. Employee involvement is encouraged and views and suggestions are taken into account when planning new products and projects.

Creditors Policy

The Bank's standard settlement terms are thirty days, although these terms may vary subject to agreement.

Events after the Balance Sheet Date

In the period since 1 May 2020 the Bank has experienced a significant deterioration in the overall credit quality of its lending assets. This has been reflected in further delays in asset repayments, which has in turn driven an increase in loan impairment. Information and events that have developed since 30 April 2020, and that were unforeseen at year end, have resulted in an increase in the expected credit loss provision, which has broadly doubled since year end. Whilst there have been some recoveries achieved, the impact was to place the Bank's capital position under pressure.

In order to provide support to the Bank in this challenging period, the shareholder provided the bank with a subordinated loan. The loan facility, entered into in May 2020, enabled the Bank to draw down at regular intervals and a total of £75.3 million was lent to the Bank under the facility. In order to provide additional support to the Bank's regulatory capital position £42.9 million of the loan has been converted to equity. The balance of the loan of £32.4 million is due for repayment in September 2021, subject to subordination terms contained within the agreement.

In March 2021, as a result of regulatory requirements applied to it by the PRA, the Bank closed its customer savings accounts. The vast majority of customers (excluding related parties) were repaid on 17th March, with only a small amount remaining due to issues such as probate. The value of deposits remaining as at 25 March was £1.4 million and the funds were placed at the Bank of England.

Also in March 2021 the shareholder indicated to the Board that he would not be providing the investment required to re-launch the bank following the solvent wind down of the balance sheet. The Board is therefore planning to engage with new investors, and failing that will take action to complete a solvent liquidation of the Bank. Any sale to investors would be subject to approval by the Bank's regulators.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 Bank and its subsidiaries and of the profit or loss of the Bank and its subsidiaries for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether IFRS as adopted by the European Union have been followed subject to any material departures disclosed and explained in the financial statements

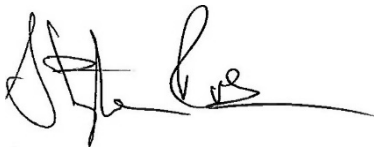
- provide additional disclosures when compliance with specific requirements in IFRS is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are also responsible for safeguarding the assets of the Bank and its subsidiaries and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by the Board and signed on its behalf on 12 May 2021

A handwritten signature in black ink, appearing to read 'Stephen Rose', with a long horizontal flourish extending to the right.

Stephen Rose

Director

COMPANY INFORMATION

Board of Directors:

John Crompton	* Non-Executive Director and Chairman
John Howland Jackson	* Non-Executive Director (resigned 31 May 2019)
Ian Gomes	* Deputy Chairman, Non-Executive Director and Chairman of the Audit Committee
David Smith	* Non-Executive Director and Chair of the Risk Committee
Stephen Reid	* Non-Executive Director and Chair of the Remuneration and Nomination Committee
Jay Hambro	Non-Executive Director
Simon Grenfell	Non-Executive Director (resigned 8 May 2019)
Stephen Rose	Director and Chief Executive Officer (appointed 29 September 2020)
Iain Hunter	Director and Chief Executive Officer (resigned 9 November 2020)
Rachelle Frewer	Director and Chief Financial Officer (appointed 14 April 2020)
Neil Sawbridge	Director and Chief Financial Officer (resigned 26 July 2019)

* Independents

Company Secretary:

- Ben Howard

Regulators:

- Prudential Regulation Authority
- Financial Conduct Authority

Regulatory Firm Identifier: 139209

Independent Auditors:

- Mazars LLP

Registered Office:

- 111 Park Street, London, W1K 7JF

Independent auditor's report to the members of Wyelands Bank plc

Opinion

We have audited the financial statements of Wyelands Bank plc (the 'company') and its subsidiaries (the 'group') for the year ended 30 April 2020 which comprise the Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated and Company Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006

In our opinion, the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 April 2020 and of the group's loss for the year then ended; and
- have been properly prepared in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and, as regards the parent company financial statements, as applied in accordance with the provisions of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the parent 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, as applied to public interest entities 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.

Emphasis of matter – basis of preparation

We draw attention to Note 1 (b) to the financial statements which explains that the directors have no realistic alternative but to wind down the group and parent company in a solvent manner and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly, the financial statements have been prepared on a basis other than going concern as described in Note 1 (b).

Our opinion is not modified in respect of this matter. Further information in respect of basis of preparation is included within the Key Audit Matter section below.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matters in forming our audit opinion above, together with an overview of the principal audit procedures performed to address each matter and, where relevant, key observations arising from those procedures. These matters, together with our findings, were communicated to those charged with governance through our Audit Completion Report.

Loan Loss Provisions (group and parent company)	
<p>Credit Risk in relation to loan loss provisions <i>The accounting policy is set out in Note 1 (m) of the financial statements.</i></p> <p><i>Note 1 (e) sets out the critical estimates applied in determining the ECL in respect of its lending portfolio.</i></p> <p><i>The expected credit loss provision is set out in note 7 of the financial statements.</i></p> <p>The group and parent company holds £233.7m (2019: £437.7m) of loans and advances to customers against which an expected credit loss ('ECL') of £65.8m (2019: £3.9m) has been provided for at the year end.</p> <p>Credit risk is an inherently judgmental area due to the use of subjective assumptions and is subject to a high degree of estimation uncertainty. IFRS 9 requires the group and parent company to recognise expected credit losses ("ECL") on financial instruments. The significant assumptions that we focused on in our audit included those with greater levels of management judgement and most significant impact on ECL for the group and parent company. These included:</p> <ul style="list-style-type: none"> • Valuation of the Stage 2 and 3 loan impairment provision: Given the nature of the group's and parent company's loan portfolio and the volume of non-performing assets, there is significant judgement in relation to the valuation of the stage 2 and 3 loans. Management performs individual ECL assessments for Stage 2 and 3 assets to determine provisioning levels. This is based on an assessment of the collateral 	<p>Test of detail – Stages 2 and 3 valuations: As at year end the majority of the loan portfolio was subject to detailed specific impairment assessments, and therefore our procedures have focused on these specific provision assessments. Our procedures performed included but were not limited to:</p> <ul style="list-style-type: none"> • Reviewed all stage 3 credit files and a sample of stage 2 credit files and challenged assumptions used in determining the recoverable value for each loan. This included assessing factors affecting the cashflow forecast, where we have checked the consistency of inputs and reconciled these to supporting documentation. • Assessed how management exercised judgement on the different scenarios considered (core, best alternate and worse) in each stage 3 loan assessment. This included: <ul style="list-style-type: none"> ○ Assessment of whether each individual scenario is reasonable given the specific conditions of the loan case; ○ Assessment of whether sufficient and appropriate scenarios have been included within each overall NPV calculation; ○ Assessment of the weighting applied by management between the scenarios and the overall sensitivity of a change in weighting to the underlying provision number; and ○ Consideration of evidence that is identified subsequent to the

<p>values, and projected cash flows which are discounted and compared with the asset carrying value to determine an impairment provision.</p> <ul style="list-style-type: none"> • Timely identification of a significant increase in credit risk: IFRS 9 requires the use of a three-stage model for credit impairment based on changes in credit quality of the assets. Where objective evidence of credit impairment exists at the balance sheet date, financial assets should be moved to Stage 2 or Stage 3. <p>Therefore, we considered the timely identification of significant increase in credit risk and valuation of stage 3 loans as a key audit matter in our audit.</p>	<p>balance sheet date that was present at the year end.</p> <ul style="list-style-type: none"> • Disclosures: Assessed the adequacy of disclosures in respect of the expected credit loss, including the disclosure of sensitivity analysis for the expected credit loss.
<p><i>Our observations:</i> Based on the evidence obtained during the course of the audit, we found that key assumptions used and scenarios considered in arriving at year-end ECL to be appropriate. Disclosures provided in note 31 in respect of the impact of subsequent events on ECL are appropriate.</p>	
<p>Going concern (group and parent company)</p>	
<p>Use of non-going concern assumption as basis of accounting <i>Note 1 (b) outlines that the Directors have adopted a basis other than going concern in respect of the preparation of the group financial statements.</i></p> <p>In the second half of the financial year, the group and parent company started to experience increasing challenges in collections of loans and advances to customers driven by the economic environment and borrowers' ability to service their loans. The global COVID-19 pandemic, which took effect in the UK just prior to the financial year end, made the recovery of loans all the more challenging as borrowers' businesses were impacted by the reduced levels of trade and driven restrictions on enforcement actions available to the group and parent company.</p> <p>In March 2020, the challenges facing the group and parent company with collection of loans resulted in the parent company commencing a solvent wind down of its balance sheet to protect its depositors. To protect depositors, the ultimate shareholder has provided a subordinated loan totaling £75m, of which £43m has been converted to equity after the balance sheet date. In March 2021, loan collections and the funding provided by the ultimate shareholder</p>	<p>Our procedures performed included but were not limited to:</p> <ul style="list-style-type: none"> • Reviewed the directors' going concern assessments at different stages in the period between the financial year end and the approval of the financial statements to determine whether the directors' adaptation of non-going concern basis of preparation is appropriate; • Assessed the adequacy and appropriateness of disclosures in the financial statements including our consideration of events after balance sheet date to ensure these are consistent with the underlying situation and clearly detail the circumstances that led to a non-going concern basis of preparation; and • Reviewed group's and parent company's application of recognition and measurement principles under IFRS in light of changes to the basis of preparation.

<p>and from the disposal of their head office have been used to repay retail depositors in full.</p> <p>As a result of the ultimate shareholder's decision not to provide additional investment necessary to support the group and the parent company, the directors concluded the group's and parent company's financial statements should be prepared on a basis other than going concern.</p> <p>Due to the gradual development of events that resulted in the non-going concern basis of preparation of financial statements contributing to significant audit effort in this area, and this being a matter of particular significance to the readers of these financial statements, we consider basis of preparation as a key audit matter.</p>	
<p>Conclusion: Based on the work performed, we found management's assumption that the financial statements should be prepared on a basis other than going concern to be appropriate.</p>	

<p>Related Party Transactions (group and parent company)</p>	
<p>Related Party Transactions <i>Note 26 outlines the group's definition of related parties with reference to the GFG Alliance which is controlled by the ultimate beneficial owner of the group.</i></p> <p>The group and parent company has £54.1m (2019: £21.0m) of loans and advances to customers outstanding as at the year end, and interest income transactions during the year of £5.1m (2019: £8.4m).</p> <p>IAS 24 requires the group and parent company financial statements to contain the disclosures that are necessary to draw attention to the possibility that its financial position and profit or loss may have been affected by the existence of related parties, and by transactions with such parties.</p> <p>The group and parent company is part of the GFG Alliance, a collection of global businesses and investments, owned by Sanjeev Gupta and his family. The group and parent company trades with various entities in the GFG Alliance, which lacks a formal group structure so we have identified the accuracy and completeness of the related party disclosure as a significant risk.</p>	<p>Our procedures performed included but were not limited to:</p> <ul style="list-style-type: none"> • For the portfolio of loans, we assessed whether the counterparty and structure of each loan exposure indicated the existence of a related party transactions and compared this with management's assessment to ensure completeness and accuracy of related party transactions and balances. • Performed detailed testing over the completeness and accuracy of the related party transactions took place in the year and disclosures within the financial statements. This involved reconciling the underlying data used to prepare the note to our audited work.

Key observations:

Based on the work performed, identification of transactions with the related parties by management and the related party disclosure made in the financial statements are consistent with the requirements of IAS 24.

Control deficiencies in relation to identification of transactions with related parties were communicated through our audit completion report.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Overall materiality	Group and parent company: £762,000
How we determined it	1% of adjusted net assets
Rationale for benchmark applied	Net assets are the primary measure used by the members in assessing the performance of the group and parent company. We consider that net assets before any adjustments for revisions to expected credit losses recorded by management after the balance sheet to be the most appropriate measure for calculating materiality
Performance materiality	Group and parent company: £381,000
Reporting threshold	Group and parent company: £19,000

An overview of the scope of our audit, including extent to which the audit was considered capable of detecting irregularities, including fraud

As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements, whether due to fraud or error, and then designed and performed audit procedures responsive to those risks. In particular, we looked at where the directors made subjective judgements such as making assumptions on significant accounting estimates.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of a risk assessment, our understanding of the group and parent company, its environment, controls and critical business processes, to consider qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. In identifying and assessing risks of material misstatement in respect to irregularities including non-compliance with laws and regulations, our procedures included but were not limited to:

- At planning stage, we gained an understanding of the legal and regulatory framework applicable to the group and parent company, the structure of the group, the industry in which

they operate and considered the risk of acts by the group and parent company which were contrary to the applicable laws and regulations;

- we discussed with the directors the policies and procedures in place regarding compliance with laws and regulations;
- we discussed amongst the engagement team the identified laws and regulations, and remained alert to any indications of non-compliance; and
- during the audit, we focused on areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussions with the directors (as required by auditing standards), from inspection of the group's regulatory and legal correspondence and review of minutes of directors' meetings in the year. We identified that the principal risks of non-compliance with laws and regulations related to breaches of regulatory requirements of the PRA and the FCA. We also considered those other laws and regulations that have a direct impact on the preparation of financial statements, such as the Companies Act 2006 and UK tax legislation.

Our procedures in relation to fraud included but were not limited to:

- Inquiries of management whether they have knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team regarding risk of fraud such as opportunities for fraudulent manipulation of financial statements, and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, in particular in relation to loan impairments, and significant one-off or unusual transactions; and
- addressing the risk of fraud through management override of controls by performing journal entry testing.

The primary responsibility for the prevention and detection of irregularities including fraud rests with both those charged with governance and management. As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls.

As a result of our procedures, the risks of material misstatement that had the greatest effect on our audit, including fraud and irregularities, are discussed under "Key audit matters" within this report.

Our group audit scope included an audit of the group and parent company financial statements of Wyelands Bank plc. Based on our risk assessment, only Wyelands Bank plc within the group was subject to full scope audit.

At the parent level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Accounts, 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 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.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 19, 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 group's and the parent 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 group or the parent 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.

Other matters which we are required to address

Following the recommendation of the audit committee, we were appointed by the Board of Directors on 13 February 2020 to audit the financial statements for the year ending 30 April 2020 and subsequent financial periods. The period of total uninterrupted engagement is 1 year, covering the year ending 30 April 2020.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the group or the parent company and we remain independent of the group and the parent company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of the audit report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body for our audit work, for this report, or for the opinions we have formed



David Allen (Senior Statutory Auditor) for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Tower Bridge House, St Katharine's Way

London, E1W 1DD

12 May 2021

Consolidated Statement of Comprehensive Income for the Year Ended 30 April 2020

Group

	Notes	30 April 2020 £'000	30 April 2019 £'000 re-presented*
Interest receivable and similar income	2	26,409	29,916
Interest payable and similar charges	3	<u>(10,753)</u>	<u>(11,384)</u>
Net Interest Income		<u>15,656</u>	<u>18,532</u>
Fees and commissions receivable	4A	5,139	419
Fees and commissions payable	4B	(1,277)	(1,484)
Mark to market and foreign exchange losses	5	(2,282)	(3,045)
Operating Income		<u>17,236</u>	<u>14,422</u>
Administrative expenses	6	(18,290)	(11,906)
Depreciation and amortisation	10	<u>(646)</u>	<u>(615)</u>
Total Operating Expenses		<u>(18,936)</u>	<u>(12,521)</u>
Expected credit loss on financial assets	7	(61,284)	(1,792)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAX		<u>(62,984)</u>	<u>109</u>
Tax on Profit on ordinary activities	11	-	-
DISCONTINUED OPERATIONS			
Loss for the year from discontinued operations	12	(6,507)	(97)
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(69,491)</u>	<u>12</u>
Other comprehensive income/(expense)			
Items that are or may be reclassified subsequently to profit or loss		-	-
Net gains on debt instruments at fair value through other comprehensive income		87	34
Total comprehensive income/(expense) for the year		<u>(69,404)</u>	<u>46</u>

*the Company's rental of premises operations was discontinued during the year. See Note 12 - Discontinued operations for further details including disclosure of comparative line items that have been re-presented in the current year

Consolidated Statement of Financial Position as at 30 April 2020

Group

	Note	30 April 2020 £'000	30 April 2019 £'000
ASSETS			
Cash and cash equivalents	13	285,846	232,867
Loans and advances to customers	14	167,875	433,759
Financial assets designated at fair value through profit and loss	15	-	40,613
Financial assets designated at fair value through OCI	16	62,320	71,615
Financial assets held at amortised cost	17	-	9,456
Derivative financial assets	18	505	506
Tangible assets	19A	96	345
Investment property	19B	-	62,400
Intangible assets	20	1,063	1,377
Other assets	21	1,085	3,104
Total Assets		518,790	856,042
LIABILITIES			
Customer deposits	22	459,208	726,678
Derivative financial liabilities	18	3,230	1,784
Other liabilities	23	4,038	5,862
Total Liabilities		466,476	734,324
EQUITY			
Called up share capital	27	132,998	132,998
Other reserve		17	(70)
Accumulated losses		(80,701)	(11,210)
TOTAL EQUITY		52,314	121,718
Total Liabilities and Equity		518,790	856,042

The Group has taken advantage of S408 of the Companies Act 2006 not to produce an individual company statement of comprehensive income in these annual accounts. The company reported a loss for the year ended 30 April 2020 of £68,940k (2019 profit of £12k).

The notes on pages 37 to 89 form part of these financial statements.

Approved by the Board and signed on its behalf on 12 May 2021



Stephen Rose

Company Registration Number: 01536428

Statement of Financial Position as at 30 April 2020

Company

	Note	30 April 2020 £'000	30 April 2019 £'000
ASSETS			
Cash and cash equivalents	13	282,783	231,098
Loans and advances to customers	14	167,875	433,759
Financial assets designated at fair value through profit and loss	15	-	40,613
Financial assets designated at fair value through other comprehensive income	16	62,320	71,615
Financial asset held at amortised cost	17	-	9,456
Derivative financial assets	18	505	506
Tangible assets	19A	96	98
Intangible assets	20	1,063	1,377
Other assets	21	1,085	958
Loans to subsidiary undertakings	32	2,703	64,295
Total Assets		518,430	853,775
LIABILITIES			
Customer deposits	22	459,208	726,678
Derivative financial liabilities	18	3,230	1,784
Other liabilities	23	3,605	4,073
Total Liabilities		466,043	732,535
EQUITY			
Called up share capital	27	132,998	132,998
Other reserve		17	(70)
Accumulated losses		(80,628)	(11,688)
TOTAL EQUITY		52,387	121,240
Total Liabilities and Equity		518,430	853,775

The notes on pages 37 to 89 form part of these financial statements.

Approved by the Board and signed on its behalf on 12 May 2021



Stephen Rose

Company Registration Number: 01536428

Statement of Changes in Equity for the Year Ended 30 April 2020

Group

	Called up share capital £'000	Accumulated Losses £'000	Other Reserve £'000	Total equity shareholder's funds £'000
Balance as at 1 May 2019	132,998	(11,210)	(70)	121,718
Issue of ordinary shares	-	-	-	-
Loss for the financial year	-	(69,491)	-	(69,491)
Net change in fair value of debt instrument at FVOCI	-	-	132	132
Net amount reclassified to the income statement on sale of debt instruments at FVOCI	-	-	(45)	(45)
BALANCE AS AT 30 APRIL 2020	132,998	(80,701)	17	52,314

	Called up share capital £'000	Accumulated Losses £'000	Other Reserve £'000	Total equity shareholder's funds £'000
Balance as at 30 April 2018	102,998	(9,069)	(103)	93,826
IFRS 9 transition adjustment on adoption	-	(2,153)	-	(2,153)
Restated opening balances as at 1 May 2018	102,998	(11,222)	(103)	91,673
Issue of ordinary shares	30,000	-	-	30,000
Profit for the financial year	-	12	-	12
Net change in fair value of debt instrument at FVOCI	-	-	(17)	(17)
Net amount reclassified to the income statement on sale of debt instruments at FVOCI	-	-	50	50
BALANCE AS AT 30 APRIL 2019	132,998	(11,210)	(70)	121,718

Statement of Changes in Equity for the Year Ended 30 April 2020 Company

	Called up share capital £'000	Accumulated Losses £'000	Other Reserve £'000	Total equity shareholder's funds £'000
Balance as at 1 May 2019	132,998	(11,688)	(70)	121,240
Issue of ordinary shares	-	-	-	-
Loss for the financial year	-	(68,940)	-	(68,940)
Net change in fair value of debt instrument at FVOCI	-	-	132	132
Net amount reclassified to the income statement on sale of debt instruments at FVOCI	-	-	(45)	(45)
BALANCE AS AT 30 APRIL 2020	132,998	(80,628)	17	52,387

	Called up share capital £'000	Accumulated Losses £'000	Other Reserve £'000	Total equity shareholder's funds £'000
Balance as at 30 April 2018	102,998	(9,069)	(103)	93,826
IFRS 9 transition adjustment on adoption	-	(2,153)	-	(2,153)
Restated opening balances as at 1 May 2018	102,998	(11,222)	(103)	91,673
Issue of ordinary shares	30,000	-	-	30,000
Loss for the financial year	-	(466)	-	(466)
Net change in fair value of debt instrument at FVOCI	-	-	(17)	(17)
Net amount reclassified to the income statement on sale of debt instruments at FVOCI	-	-	50	50
BALANCE AS AT 30 APRIL 2019	132,998	(11,688)	(70)	121,240

Consolidated Statement of Cash Flows for the Period Ended 30 April 2020

Group

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
(Loss)/profit before tax from continuing operations		(62,984)	109
(Loss)/profit before tax from discontinued operations	12	(6,180)	360
(Loss)/profit before tax		(69,164)	469
Adjusted for:			
Amortisation and depreciation	10,12	1,052	1,100
Expected credit loss on financial assets		61,284	1,792
Loss on disposal of investment property		5,994	-
Impairment charge on investment property		-	1,209
Non-cash movements in financial assets at AC, FVPL and FVOCI		(497)	27
Foreign exchange differences		618	(1,074)
Changes in operating assets and liabilities:			
Decrease in debtors		2,020	55,482
(Decrease) / increase in creditors		(93)	632
Decrease / (Increase) in loans to customers		204,600	(136,443)
(Decrease) / increase in deposits		(267,470)	220,385
Cash generated from operating activities		(61,656)	143,579
Income taxes paid		(612)	-
Net cash (used in)/generated from operating activities		(62,268)	143,579
Cash flows from investing activities			
Purchases of tangible assets	19A	(52)	(64,403)
Disposals of tangible assets	19A	246	-
Disposals of investment property	12	56,000	-
Purchases of intangible assets	20	(277)	(193)
Purchases of assets designated at fair value through other comprehensive income		(105,275)	(107,123)
Purchase of assets held at amortised cost		(43,326)	(108,324)
Purchase of asset designated at fair value through profit and loss		(459,085)	(767,566)
Disposals of assets held at amortised cost		53,130	98,375
Disposals of assets designated at fair value through profit and loss		498,767	830,135
Disposals of assets designated at fair value through other comprehensive income		115,119	112,779
Net cash generated from/(used in) investing activities		115,247	(6,320)
Cash flows from financing activities			
Issues of ordinary share capital	27	-	30,000
Net cash generated from financing activities		-	30,000
Net increase in cash and cash equivalents		52,979	167,259
Cash and cash equivalents at the beginning of period		232,867	65,608
Cash and cash equivalents at end of period	13	285,846	232,867

Statement of Cash Flows for the Period Ended 30 April 2020

Company

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities			
Loss before tax		(68,940)	(466)
Adjusted for:			
Amortisation and depreciation	10, 12	646	615
Expected credit loss on financial assets		61,284	1,792
Impairment losses on related party loans		5,956	-
Non-cash movements in financial assets at AC, FVPL and FVOCI		(497)	27
Foreign exchange differences		618	(1,074)
Changes in operating assets and liabilities:			
Decrease in debtors		(127)	57,628
Increase / (decrease) in creditors		977	(698)
Decrease / (Increase) in loans to customers		204,600	(136,443)
Decrease / (Increase) in loans to subsidiary undertakings		55,637	(64,296)
(Decrease) / increase in deposits		(267,470)	220,385
Cash generated from operating activities		(7,316)	77,470
Income taxes paid		-	-
Net cash generated from operating activities		(7,316)	77,470
Cash flows from investing activities			
Purchases of tangible assets	19A	(52)	(63)
Disposals of tangible assets			
Purchases of intangible assets	20	(277)	(193)
Purchases of assets designated at fair value through other comprehensive income		(105,275)	(107,123)
Purchase of assets held at amortised cost		(43,326)	(108,324)
Purchase of asset designated at fair value through profit and loss		(459,085)	(767,566)
Disposals of assets held at amortised cost		53,130	98,375
Disposals of assets designated at fair value through profit and loss		498,767	830,135
Disposals of assets designated at fair value through other comprehensive income		115,119	112,779
Net cash used in investing activities		59,001	58,020
Cash flows from financing activities			
Issues of ordinary share capital	27	-	30,000
Net cash generated from financing activities		-	30,000
Net increase in cash and cash equivalents		51,685	165,490
Cash and cash equivalents at the beginning of period		231,098	65,608
Cash and cash equivalents at end of period	13	282,783	231,098

Notes to the financial statements for the Year ended 30 April 2020

1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items, which are considered material in relation to financial statements of the Group.

(a) Corporate information

Wyelands Bank Plc (“the Company” or “the Bank”), together with its subsidiaries (“the Group”), provides retail and corporate banking services in the United Kingdom with a particular focus on the provision of finance to small and medium businesses.

The Company is a Public Limited Company incorporated and domiciled in England. Its registered office is at 111 Park Street, London, W1K 7JF.

(b) Basis of preparation

The Directors have adopted a basis other than going concern in respect of the preparation of the financial statements. There have been no material changes to the financial statements as a result of adopting this basis. The key drivers for the basis of preparation are outlined below.

The Bank commenced a solvent wind down of the balance sheet in March 2020. As part of the solvent wind down the Bank sold its investment property and focused on the collect in of non-performing exposures. In order to support the successful completion of the solvent wind down, the Bank entered into an agreement with the Shareholder in May 2020 for the provision of a loan and under this agreement £75 million of cash was provided to the Bank. Under the direction of the PRA in March 2021 the Bank repaid its depositors. As noted in the Chairman’s Review and the Strategic Report, the Bank’s shareholder has decided not to invest further in the Bank. The Bank will therefore require an alternative investor or will need to be wound up. The Bank’s forecast and projections under a number of scenarios and stresses show that the bank will be able to meet its obligations for the foreseeable future. Should it not be possible to identify a new investor(s), it will be the intention of the Directors to liquidate the company, and fully expect this to be achieved in a solvent manner.

At this stage, with the number of uncertainties around timing and possibility of identifying a new investor, the Directors consider that the financial statements should be prepared on a basis other than going concern. No material adjustments have been made as a result of applying this basis.

The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements have been prepared under the historical cost convention, modified by the inclusion of financial instruments at fair value, and in accordance with the Companies Act 2006 as applicable to companies using international accounting standards in conformity with the requirements of the Companies Act 2006.

The financial statements are presented in British Pounds. All amounts have been rounded to the nearest thousand except when otherwise indicated.

The Bank’s parent undertaking is Wyelands Holdings Limited.

(c) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 April 2020. The Company consolidates a subsidiary when it controls it. Control is achieved when the Company is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between Group entities are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment indicator of the transferred asset. Accounting policies of subsidiaries are changed where necessary to ensure consistency with the policies adopted by the Group.

(d) Use of judgements and estimates

The preparation of financial statements will on occasion require the use of accounting estimates, which, by definition, may not equal the actual results. Management also exercises judgement in applying the Group's accounting policies.

Accounting estimates and underlying assumptions are evaluated on an ongoing basis. They are based on experience and other factors, including expectations of future events that may have a financial impact and that are believed to be reasonable under the circumstances. Revisions to estimates are recognised prospectively.

This note provides an overview of the areas that involved a higher degree of judgement and of items subject to accounting estimates where any significant difference between the estimated amounts and actual amounts could have a material impact on the Group's future financial results and financial condition.

(i) Significant judgements made in applying accounting policies are:

- Intangible assets - The capitalisation of certain intangible assets, for example, software development and the period over which the asset is amortised, together with judgement over the accelerated amortisation of certain intangible assets;
- Deferred tax - Management have judged that a deferred tax asset should not be recognised in the current year as it is not probable that future taxable profits will be available against which the asset can be utilised;
- Measurement of the expected credit loss allowance – choosing appropriate models and assumptions for the measurement of ECL; and
- Determination of a credit impaired asset – assessment of the quantitative and qualitative factors to determine whether a financial asset is considered credit impaired.

(ii) Key estimates

- Calculation of loss allowance - When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. See section (iii) Sensitivity on page 38 for the sensitivity of the assumptions used.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The above calculations are under constant review and make use of market available data, however since the Bank is still in its formative years there is little historical evidence yet available to assess the actual loss against the expected loss. Further information is given in accounting policy note (I).

- For loans in IFRS 9 stage 3 the Group estimates provisions for expected credit losses for loans and advances to customers by estimating credit losses based on probability weighted amounts that are determined by evaluating a range of outcomes and considering reasonable and supportable information at the reporting date in accordance with IFRS 9. Further information is given in accounting policy note (I).

(iii) Sensitivity

Stage 1 & 2 assets

Three macroeconomic scenarios were modelled. A probability was assigned to each scenario to arrive at an overall weighted impact on ECL. Management judgement is required in the application of the probability weighting for each scenario.

The Group uses one key assumption on the calculation of ECL, which is changes in Global GDP.

Three macroeconomic scenarios modelled on changes in global GDP were as follows – with the GDP change based on a reasonable outcome in each scenario, considering IMF forecasts:

- Economic downside scenario (<2%)
- Base economic scenario (2-4%)
- Economic upside scenario (>4%)

The table below reflects the expected changes in GDP in each of the macroeconomic scenarios and the probability weighting applied for each scenario:

Economic Scenarios	Change in GDP	Probability weighting	Score weight	Score adjustment
Economic downside scenario	<2%	95%	0.1	9.5%
Base economic scenario	2-4%	5%	0	0%
Economic upside scenario	>4%	0%	-0.1	0%
				9.5% Total

The above table reflects the annual expected change in GDP in each economic scenario. The expected change in GDP under each scenario, were weighted according to the probability of each scenario, to arrive at a probability-weighted change in GDP.

Management assess a range of scenarios and in the current economic climate, it is reasonably possible that the economic downside scenario could decrease to 50% probability and the base economic scenario could increase to 50% probability. This would lead to a positive £51k impact to Profit or Loss.

Management have additionally assessed the impact of assigning a 100% probability to of each of the economic scenarios, which would have the following impact on the Profit or Loss of the Group:

- | | |
|------------------------------------|------------|
| - Economic downside scenario (<2%) | £455k loss |
| - Benign economic scenario (2-4%) | £592k gain |
| - Economic upside scenario (>4%) | £947k gain |

Stage 3 assets

Impairment models are used for each of the exposures considered credit impaired and therefore grouped in Stage 3. These models calculate forecast losses under various economic scenarios and assume a relative likelihood weighting on each of these scenarios to determine the overall expect credit loss provision.

The Bank uses a three (case) scenario approach for forecast losses: core (base), best alternate (best) and worse (worst). The range of likelihoods applied to each of these scenarios is within the following range:

Core – 0% to 80%

Best alternate – 10% to 85%

Worse – 5% to 80%

The sensitivity of the impairment models sensitivity to the above scenarios is illustrated below.

- Increasing the worse scenario by 10% and decreasing best alternate by 10% would increase the provision by £8.95m.
- Shifting the weighting applied to the best alternate scenario to the worse scenario would increase the provision by £30.80m.
- Shifting the weighting applied to worse scenario to the best alternate scenario would decrease the provision by £25.69m.

The level of loan impairment has broadly doubled since 30 April 2021. See Note 31 Events after the Balance Sheet Date.

(e) Intangible assets

The Group capitalises and amortises long-life software assets over periods of three, five and ten years. Other intangible assets are amortised over their estimated useful life.

The Group uses the below as a guide for useful economic life.

Ten years	core banking software and associated licenses.
Five years	software developed in support of the Bank's core operating systems.
Three years	general software developments reflecting the shorter useful life of these assets.

The Group initially recognises its intangible assets at their cost. As the Group's intangible assets have finite useful lives, it subsequently measures intangible assets at cost less accumulated amortisation.

The Group uses a straight-line method of amortisation as it expects to realise the benefits from assets equally over their lives.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference

between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

At 30 April 2020 the Group reassessed the remaining amortisation period for computer software and licenses as being no longer than two years

(f) Tangible assets

IT hardware is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Depreciation relating to IT hardware is calculated on a straight-line basis over the estimated useful life of the asset i.e., 3 to 5 years.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and less accumulated impairment losses. The property is depreciated over its useful economic life, 50 years, with the exclusion of the land element, which is not subject to depreciation. Impairment of investment properties is determined by comparing cost less accumulated depreciation with the fair value of the investment property, which is typically based on a valuation performed by an accredited external independent valuer.

The tangible assets described above are derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of tangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

(g) Fair value

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. It also uses the assumptions that market participants would use when pricing the asset or liability. In determining fair value, the Group maximises the use of relevant observable inputs and minimises the use of unobservable inputs.

Where the market for a financial instrument is not active, fair value is established using a valuation technique. These valuation techniques involve a degree of estimation, the extent of which depends on the instrument's complexity and the availability of market-based data.

(h) Financial instruments – initial recognition

i) Date of recognition

Financial assets and liabilities, with the exception of loans and advances to customers, are initially recognised on the trade date, i.e., the date on which the Group becomes a party to the contractual provisions of the instrument. Loans and advances to customers are recognised when funds are transferred to the customers' accounts.

ii) Initial measurement

The classification of financial instruments at initial recognition depends on their contractual terms and the business model for managing the instruments.

Financial instruments are initially measured at their fair value except in the case of financial assets and financial liabilities recorded at fair value through profit or loss (FVPL) where transaction costs are added to or subtracted from this amount.

Trade finance receivables are measured at the transaction price.

iii) Measurement categories of financial assets and liabilities

The Group classifies all of its financial assets based on the business model for managing the assets and the asset's contractual terms, measured at either:

- Amortised cost
- Fair value through other comprehensive income (FVOCI)
- Fair value through profit or loss (FVPL)

The Group classifies and measures its derivative and trading portfolio at FVPL.

Financial liabilities, other than loan commitments, are measured at amortised cost or at FVPL when they are held for trading and derivative instruments or the fair value designation is applied.

(i) Financial assets and liabilities

Amortised cost

The Group measures financial assets at amortised cost only if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial asset in order to collect contractual cash flows
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding

Business model assessment

The Group determines its business model at the level that best reflects how it manages groups of financial assets to achieve its business objective:

- The risks that affect the performance of the business model (and the financial assets held within that business model) and, in particular, the way those risks are managed
- How managers of the business are compensated (for example, whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected)

The business model assessment is based on reasonably expected scenarios without taking 'worst case' or 'stress case' scenarios into account. If cash flows after initial recognition are realised in a way that is different from the Group's original expectations, the Group does not change the classification of the remaining financial assets held in that business model, but incorporates such information when assessing newly originated or newly purchased financial assets going forward.

The SPPI test

As a second step of its classification process the Group assesses the contractual terms of the financial asset to identify whether they meet the SPPI test.

'Principal' for the purpose of this test is defined as the fair value of the financial asset at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. To make the SPPI assessment, the Group applies judgement and considers relevant factors such as the currency in which the financial asset is denominated, and the period for which the interest rate is set.

In contrast, contractual terms that introduce a more than de minimis exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are solely payments of principal and interest on the amount outstanding. In such cases, the financial asset is required to be measured at FVPL.

Derivatives recorded at fair value through profit or loss

A derivative is a financial instrument or other contract with all three of the following characteristics:

- Its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided that, in the case of a non-financial variable, it is not specific to a party to the contract (i.e., the 'underlying').
- It requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts expected to have a similar response to changes in market factors.
- It is settled at a future date.

The Group enters into derivative transactions with various counterparties. These include interest rate swaps, futures, cross-currency swaps and forward foreign exchange contracts. Derivatives are recorded at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Fully collateralised derivatives that are settled net in cash on a regular basis are only recognised to the extent of the overnight outstanding balance. The notional amount and fair value of such derivatives are disclosed separately in Note 18. Changes in the fair value of derivatives are included in operating income. The Bank does not apply hedge accounting.

Financial assets at FVOCI

The Group classifies debt instruments at FVOCI when both of the following conditions are met:

- The instrument is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial asset meet the SPPI test

FVOCI debt instruments are subsequently measured at fair value with gains and losses arising due to changes in fair value recognised in OCI. Interest income and foreign exchange gains and losses are recognised in profit or loss in the same manner as for financial assets measured at amortised cost. On derecognition, cumulative gains or losses previously recognised in OCI are reclassified from OCI to profit or loss.

Financial assets and financial liabilities at fair value through profit or loss

Financial assets and financial liabilities in this category have been either designated by management upon initial recognition or are mandatorily required to be measured at fair value under IFRS 9. Management only designates an instrument at FVPL upon initial recognition when one of the following criteria are met. Such designation is determined on an instrument-by-instrument basis:

- The designation eliminates, or significantly reduces, the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognising gains or losses on them on a different basis; or
- The liabilities are part of a group of financial liabilities, which are managed and their performance evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- The liabilities contain one or more embedded derivatives, unless they do not significantly modify the cash flows that would otherwise be required by the contract, or it is clear with little or no analysis when a similar instrument is first considered that separation of the embedded derivative(s) is prohibited.

Financial assets and financial liabilities at FVPL are recorded in the statement of financial position at fair value. Changes in fair value are recorded in profit and loss. Interest earned or incurred on instruments designated at FVPL is accrued in interest income or interest expense, respectively, using the EIR, taking into account any discount/ premium and qualifying transaction costs being an integral part of instrument. Interest earned on assets mandatorily required to be measured at FVPL is recorded using the contractual interest rate. Dividend income from equity instruments measured at FVPL is recorded in profit or loss as other operating income when the right to the payment has been established.

(j) Reclassification of financial assets and liabilities

The Group does not reclassify its financial assets subsequent to their initial recognition, apart from the exceptional circumstances in which the Group acquires, disposes of, or terminates a business line. Financial liabilities are never reclassified.

(k) Derecognition of financial assets and liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the rights to receive cash flows from the financial asset have expired. The Group also derecognises the financial asset if it has both transferred the financial asset and the transfer qualifies for derecognition.

The Group has transferred the financial asset if, and only if, either:

- The Group has transferred its contractual rights to receive cash flows from the financial asset; or
- It retains the rights to the cash flows, but has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement

A transfer only qualifies for derecognition if either:

- The Group has transferred substantially all the risks and rewards of the asset; or
- The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference between the carrying value of the original financial liability and the consideration paid is recognised in profit or loss.

(l) Impairment of financial assets

The Group uses the “expected credit loss” model (“ECL”) as prescribed by IFRS 9 *Financial Instruments* for all loans and advances. The ECL model is not applied to its debt instruments at FVOCI as these are high quality investment products that have a very low risk of loss, hence the ECL is not material for recognition.

For financial assets, an ECL is the current value of the difference between the contractual cash flows owed to the entity and the cash flow which the entity expects to receive.

The allowance is based on the ECLs associated with the probability of default in the next twelve months unless there has been a significant increase in credit risk since origination. IFRS 9 includes a rebuttable presumption that a financial asset has suffered a significant increase in credit risk where it becomes over 30 days past due and impaired when it becomes over 90 days past due. The Group follows this presumption unless there is strong supporting evidence to mitigate this assumption, an assessment of each facility and its credit risk profile then determines whether it is to be allocated to one of the three stages:

- Stage 1: When it is deemed that there has been no significant increase in credit risk since initial recognition, a loss allowance equal to a 12 month ECL will be applied. (i.e., the expected losses resulting from possible default events within the next 12 months will be applied).
- Stage 2: When it is deemed that there has been a significant increase in credit risk since initial recognition, but no credit impairment has materialised, a loss allowance equal to the lifetime ECL (i.e. the lifetime expected loss resulting from all possible defaults throughout the residual life of a facility will be applied); and
- Stage 3: When the facility is considered credit impaired, a loss allowance equal to the lifetime ECL will be applied. Objective evidence of credit impairment is required.

The assessment of whether credit risk has increased significantly since initial recognition is performed for each reporting period by considering the change in the risk of default occurring over the remaining life of the financial instrument. The assessment of credit risk and the estimation of ECL must be unbiased, probability weighted and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In considering whether a financial asset is credit impaired the Group seeks to identify the following events:

- Significant financial difficulty of the borrower;
- Breach of contract, such as 90 days past due or default;
- It becoming probable that the borrower will enter into a financial reorganisation or bankruptcy; or
- Where the Group has to grant concessions due to the borrower’s financial difficulty that would not otherwise have been considered.

The Group has developed a series of IFRS 9 models to address the different requirements of its loan portfolios. The models developed consider for each loan the probability of a default, its exposure at default and the possible loss given default that could arise. The assessment and development of the key variables have been through an extensive book by book review process based on available information and externally sourced data as required.

(m) Taxation

Income tax on profit and loss for the period comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax assets and liabilities are measured at the amount expected to be paid to, or recovered from, taxation authorities, using the rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred taxation is recognised in respect of all taxable temporary differences that have occurred at the balance sheet date for transactions or events that are expected to result in an obligation to pay more tax in the future or are expected to confer a right on the Group to pay less tax in the future.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available to utilise the asset. The recognition of deferred tax is mainly dependent on the projections of future taxable profits and future reversals of temporary differences.

(n) Pensions

The Group operates a defined contribution pension scheme for employees. Contributions made to the scheme are recorded as a staff cost and an expense in the statement of comprehensive income.

(o) Foreign currencies

The Group's functional and presentation currency is Pound Sterling. All monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling at the rates ruling at the balance sheet date. Transactions in currencies other than Pound Sterling are recorded at the rates prevailing at the dates of the transactions. All translation differences are taken through the profit and loss account.

Transactions in currencies other than Pound Sterling are financed where possible using available cash balances in those currencies. To the extent that there are no available foreign currency cash balances with which to fund such transactions, the Group will enter into foreign exchange transactions to provide such funds on a matched basis.

(p) Revenue recognition

In accordance with IFRS 9, interest income and interest expense for all interest-bearing financial instruments measured at amortised cost are recognised in profit or loss using the effective interest rate (EIR) method. The EIR is the rate, which exactly discounts the expected future cash flows, over the expected life of the financial instrument, to the net carrying value of the financial asset or liability. The calculation of the EIR includes all transaction costs and fees paid or received that are an integral part of the interest rate, together with the discounts or premiums arising on the acquisition of loan portfolios.

The Bank earns fee and commission income from a diverse range of financial services it provides to its customers. Fee and commission income is recognised at an amount that reflects the consideration to which the Bank expects to be entitled in exchange for providing the services. When the Bank provides a service to its customers, consideration is invoiced and generally, due immediately upon satisfaction of a service provided at a point in time or at the end of the contract period for a service provided over time.

Rental income is recognised on a straight-line basis over the term of the underlying lease agreements.

(q) Leases (policy applicable as of 1 May 2019)

The Group adopted IFRS 16 using the simplified approach from 1 May 2019. This is a retrospective approach where the impact of adoption is adjusted against the opening balance of retained earnings on the date of initial application. Comparatives are not restated.

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any re-measurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Right-of-use assets are also subject to impairment.

Leases liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date unless an interest rate implicit in the lease is readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is re-measured if there is a modification, a change in the lease term, a change in the lease payments or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option. It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value.

Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(r) Leases (policy applicable before 1 May 2019)

Group as a lessee

Leases that do not transfer to the Group substantially all of the risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term. Contingent rental payable is recognised as an expense in the period in which they it is incurred.

Group as a lessor

Leases where the Group does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

(s) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU (if any) and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

Goodwill recognised separately as an intangible asset is tested for impairment annually. An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

An impairment loss for an asset other than goodwill is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an

impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in profit or loss.

(t) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term highly liquid deposits with a maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

(u) Discontinued operations

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- Represents a separate major line of business or geographic area of operations;
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or
- Is a subsidiary acquired exclusively with a view to re-sale.

When an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

(v) Changes in accounting policies and disclosures

- i) New and amended standards and interpretations

The new and amended standards and interpretations included in the table below are effective for annual periods beginning on or after 1 January 2019, unless otherwise stated. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Standard or interpretation	Impact
IFRS 16 <i>Leases</i>	The Group adopted IFRS 16 Leases on 1 May 2019. The adoption of IFRS 16 did not have a significant effect on its accounting or disclosures. Refer to Note 1(q) for the Group's accounting policy in line with this standard.
IFRIC Interpretation 23 Uncertainty over Income Tax Treatment	The Interpretation did not have an impact on the consolidated financial statements of the Group.
Amendments to IFRS 9: Prepayment Features with Negative Compensation	These amendments had no impact on the consolidated financial statements of the Group.
Amendments to IAS 19: Plan Amendment, Curtailment or Settlement	These amendments had no impact on the consolidated financial statements of the Group.
Amendments to IAS 28: Long-term interests in associates and joint ventures	These amendments had no impact on the consolidated financial statements of the Group.
Annual Improvements 2015-2017 Cycle <ul style="list-style-type: none"> - IFRS 3 Business Combinations - IFRS 11 Joint Arrangements - IAS 12 Income Taxes - IAS 23 Borrowing Costs 	These amendments had no impact on the consolidated financial statements of the Group.

ii) Standards issued but not yet effective

Standard or interpretation	Effective date	Impact
IFRS 17 <i>Insurance contracts</i>	Reporting periods beginning on or after 1 January 2021	This standard is not applicable to the Group.
Amendments to IFRS 3: Definition of a Business	Reporting periods beginning on or after 1 January 2020	Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.
Amendments to IAS 1 and IAS 8: Definition of Material	Reporting periods beginning on or after 1 January 2020	The amendments to the definition of material is not expected to have a significant impact on the Group's consolidated financial statements.
Interest Rate Benchmark Reform: Amendments to IFRS 9, IAS 39 and IFRS	Reporting periods beginning on or after 1 January 2020	The amendments are not expected to have a significant impact on the Group's consolidated financial statements.

(w) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2. INTEREST RECEIVABLE AND SIMILAR INCOME	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Interest on loans and advances to customers	24,294	28,431
Interest on Treasury Bills and Supranational Bonds	581	403
Bank interest	1,534	1,082
TOTAL INTEREST RECEIVABLE	26,409	29,916

3. INTEREST PAYABLE AND SIMILAR CHARGES	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Interest paid to depositors	(10,501)	(11,300)
Other interest payable	(252)	(84)
TOTAL INTEREST PAYABLE	(10,753)	(11,384)

4A. FEES AND COMMISSIONS RECEIVABLE	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Fee income on financing	5,139	419
TOTAL FEES AND COMMISSIONS RECEIVABLE	5,139	419

Included in fee income is £4.3m of arrangement fees which were released to the profit and loss account following the early repayment of a facility during the year.

4B. FEES AND COMMISSIONS PAYABLE	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Brokerage fees relating to deposits	(1,277)	(1,484)
TOTAL FEES AND COMMISSIONS PAYABLE	(1,277)	(1,484)

5. MARK TO MARKET AND FOREIGN EXCHANGE LOSSES	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Gain / (Loss) on securities at fair value through profit and loss	972	327
Gain / (Loss) on derivatives	(1,272)	2,453
Loss on foreign exchange	(1,982)	(5,825)
TOTAL NET FOREIGN EXCHANGE AND INTEREST RATE EXPENSE	(2,282)	(3,045)

The gain/(loss) on securities at fair value through profit and loss includes £45k that was reclassified from the other reserve.

The gain/(loss) relating to derivatives represents the unrealised mark-to-market movement of the fair value of interest rate swaps, interest rate futures and foreign currency swaps and forwards (£1,454k loss), net interest received from interest rate swaps (£182k gain).

6. ADMINSTRATIVE EXPENSES	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Administrative expenses include the following staff costs:		
Wages and salaries including performance related pay	5,005	4,907
Social security costs	616	528
Other pension costs	512	317
Temporary staff	1,353	171
Recruitment fees	424	145
Other costs	774	407
TOTAL STAFF COSTS	8,684	6,475
Fee payable to the bank's auditor for the statutory audit and related assurance services	310	206
Branding and marketing	788	753
Professional fees	4,751	1,769
Technology costs	1,442	1,217
Other administration expenses	932	558
Irrecoverable VAT	1,383	928
TOTAL ADMINISTRATIVE EXPENSES	18,290	11,906

The fees paid to the auditor include £5,000 for the audit of compliance with CASS requirements. This is a non-audit, but audit-related, assurance service.

7. IMPAIRMENT OF FINANCIAL ASSETS	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000
Group and Company				
As at 30 April 2020				
Gross loans and advances at 1 May 2019	359,317	65,801	12,586	437,704
Originations and repayments	(141,630)	(54,538)	(7,827)	(203,995)
Transfer to stage 2	(22,330)	22,330	-	-
Transfer to stage 3	(175,314)	(11,263)	186,577	-
Gross loans and advances at 30 April 2020	20,043	22,330	191,336	233,709
Expected credit loss provision	(418)	(909)	(64,507)	(65,834)
Loans and advances to customers after provision	19,625	21,421	126,829	167,875
	Stage 1	Stage 2	Stage 3	Total
	£'000	£'000	£'000	£'000
Group and Company				
As at 30 April 2019				
Gross loans and advances at 1 May 2018	298,179	3,082	-	301,261
Originations and repayments	139,525	(3,082)	-	136,443
Transfer to stage 2	(65,801)	65,801	-	-
Transfer to stage 3	(12,586)	-	12,586	-
Gross loans and advances at 30 April 2019	359,317	65,801	12,586	437,704
Expected credit loss provision	(2,542)	(870)	(533)	(3,945)
Loans and advances to customers after provision	356,775	64,931	12,053	433,759
	Stage 1	Stage 2	Stage 3	Total
	£'000		£'000	£'000
Group and Company				
As at 30 April 2020				
Opening provisions at 1 May 2019	2,542	870	533	3,945
Increase/(decrease) in expected loss provision	(2,133)	19	63,398	61,284
Foreign exchange differences	9	20	576	605
Closing provision at 30 April 2020	418	909	64,507	65,834
	Stage 1	Stage 2	Stage 3	Total
	£'000		£'000	£'000
Group and Company				
As at 30 April 2019				
Opening provisions at 1 May 2018	2,132	21	-	2,153
Increase/(decrease) in expected loss provision	410	849	533	1,792
Closing provision at 30 April 2019	2,542	870	533	3,945

The transfer of assets from stage 1 to stage 3 during the year reflects the significant increase in credit risk observed in the portfolio from late 2019 onwards, as some of the bank's customers came under liquidity pressure which was exacerbated with the onset of the COVID-19 pandemic and resulted in delayed asset repayments.

The Bank has a forbearance policy relating to the management and debt servicing of its counterparties who face financial difficulties, and would benefit from some element of concession in relation to their indebtedness with the Bank – such a concession may be in the form of the following:

- a modification to the terms and conditions of an agreement where the counterparty has become unable to service the debt and the amendment would not have been granted had the counterparty not been in financial difficulties; or
- a total or partial refinancing of an agreement that would not have been granted had the counterparty not been in financial difficulties.

There were no forbore exposures as at 30 April 2020 and 30 April 2019.

8. EMPLOYEES	Year ended 30 April 2020	Year ended 30 April 2019
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Total average number of employees (Inc Directors)	48	37
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9. DIRECTORS' EMOLUMENTS	Year ended 30 April 2020 £'000	Year ended 30 April 2019 £'000
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Company		
Salaries	729	1,070
Pensions	38	43
Other	2	3
TOTAL DIRECTORS' EMOLUMENTS	769	1,116

The highest paid director received:

Company		
Salaries	307	428
Pensions	28	21
Other	1	1
AGGREGATE EMOLUMENTS	336	450

The directors' emoluments for the period are based on the full amount of remuneration for the period to 30 April 2020.

10. DEPRECIATION AND AMORTISATION	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Depreciation of property plant and equipment	55	17
Write off of intangible assets	-	300
Amortisation of intangible assets	591	298
TOTAL DEPRECIATION AND AMORTISATION	646	615

11. TAX ON PROFIT ON ORDINARY ACTIVITIES	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Total current tax	-	-
Total deferred tax	-	-
TOTAL TAX CHARGE FOR THE YEAR	-	-

A reconciliation of the tax charge is as follows:

Profit/(Loss) on ordinary activities before tax	(62,984)	109
Profit/(Loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19%.	(11,967)	21
Effects of:		
Capital loss transferred (s171A TCGA 1992)	(1,748)	(31)
Expenses not deductible for tax purposes	56	10
Origination / reversal of temporary differences not recognised	13,659	-
TOTAL TAX CHARGE FOR THE YEAR	-	-

Tax on profit on ordinary activities (above) excludes the tax expense from the discontinued operation of £327k (2019: £457k). This has been included in 'net loss attributable to discontinued operations' (see Note 12).

Deferred tax assets in respect of tax losses totalling £72,200k (2019: £8,949k) for the group and company have not been recognised due to uncertainty as to recoverability.

A deferred tax asset has not been recognised in respect of the following:

	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
Group		
Unused tax losses	13,659	1,590
Capital losses ¹	1,748	-
Fixed asset timing differences	20	25
IFRS 9 transition	327	329
Other deductible temporary differences	-	288
	<u>15,754</u>	<u>2,232</u>

¹During the year, Mallnick Holdings S.A., a 100% owned subsidiary of the Bank disposed of a commercial investment property in central London that resulted in a capital loss of £9,198k. The Bank and Mallnick Holdings S.A. are part of the same group for chargeable gains purposes and therefore the Group elected to transfer the capital loss to Wyelands Bank Plc under a section 171A TCGA1992 election and the loss is carried forward in that entity to utilise against future capital gains. A deferred tax asset has not been recognised in respect of the capital loss as management do not expect to deduct the full value of those losses against future capital gains.

The Corporation Tax main rate (for all profits except ring fence profits) for the years starting 1 April 2019 and 1 April 2020 is 19%.

Legislation was introduced in Finance Bill 2020 that amended the main rate of Corporation Tax to 19% for the year starting 1 April 2020. The Corporation Tax main rate will also be set at 19% for the year starting from 1 April 2021. This reverses previous legislation reducing the Corporation Tax main rate to 17% from the year starting 1 April 2020.

12. DISCONTINUED OPERATIONS	Year ended 30 April 2020	Year ended 30 April 2019
	£'000	£'000
A. Results from discontinued operations		
Group		
Rental income	2,518	2,521
Administrative expenses	(2,298)	(467)
Impairment charge	-	(1,209)
Depreciation and amortisation	(406)	(485)
Loss on disposal of investment property (see C below)	(5,994)	-
Loss before tax	(6,180)	360
Tax expense	(327)	(457)
Net loss attributable to discontinued operations	(6,507)	(97)
B. Cash flows from discontinued operations		
Net cash generated from operating activities	206	624
Net cash generated from /(used in) investing activities	1,091	(64,094)
Net increase in cash and cash equivalents	1,297	(63,470)
C. Disposal of investment property		
Net book value as at 24 March 2020	61,994	-
Proceeds from disposal	(56,000)	-
Loss on disposal	5,994	-

On 24 March 2020, the Group sold its investment property, as it was not longer considered a strategic asset.

See Note 19B – Investment Property for further detail on depreciation and amortisation.

As noted in the Company's accounting policy on discontinued operations (Note 1(u)), when an operation is classified as a discontinued operation, the comparative statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

D. Re-presented consolidated statement of comprehensive income for the year ended 30 April 2019

	As presented	Adjustments	As re-presented
Rental income	2,521	(2,521)	-
Administrative expenses	(12,373)	467	(11,906)
Depreciation and amortisation	(1,100)	485	(615)
Impairment losses on Investment property	(1,209)	1,209	-
Tax on Profit on ordinary activities	(457)	457	-
Loss for the year from discontinued operations	-	(97)	(97)

13. CASH AND CASH EQUIVALENTS	30 April	30 April	30 April	30 April
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
	Group	Group	Company	Company
Cash and balances at central banks	233,955	197,597	233,955	197,597
Loans and advances to banks	51,891	35,270	48,828	33,501
TOTAL CASH AND CASH EQUIVALENTS	285,846	232,867	282,783	231,098

Of the above loans and advances to banks figure £17,958k (2019: £15,309k) is held at banks as collateral for derivative contracts.

14. LOANS AND ADVANCES TO CUSTOMERS	30 April	30 April
	2020	2019
	£'000	£'000
Group and Company		
Trade finance receivables	73,340	182,313
Loans	94,535	251,446
TOTAL LOANS AND ADVANCES TO CUSTOMERS	167,875	433,759

The balances are net of ECL provisions as set out in Note 7.

15. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS	30 April	30 April
	2020	2019
	£'000	£'000
Group and Company		
Money market funds	-	40,613
TOTAL FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT AND LOSS	-	40,613

16. FINANCIAL ASSETS DESIGNATED AS FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	30 April	30 April
	2020	2019
	£'000	£'000
Group and Company		
Supranational bonds	43,629	41,549
UK Government T-Bills	18,691	30,066
TOTAL FINANCIAL ASSETS AVAILABLE FOR SALE	62,320	71,615

17. FINANCIAL ASSETS HELD AT AMORTISED COST	30 April 2020 £'000	30 April 2019 £'000
Group and Company		
Commercial Paper	-	9,456
TOTAL FINANCIAL ASSETS HELD AT AMORTISED COST	-	9,456

18. DERIVATIVE FINANCIAL ASSETS AND LIABILITIES	Notional amount 30 April 2020 £'000	Fair value 30 April 2020 £'000
Group and Company		
Derivative asset	372,500	505
Derivative liability	168,162	(3,230)

	Notional amount 30 April 2019 £'000	Fair value 30 April 2019 £'000
Group and Company		
Derivative asset	378,240	506
Derivative liability	506,572	(1,784)

19 A. TANGIBLE ASSETS	IT hardware	Assets under the course of construction	Total
	£'000	£'000	£'000
Group			
Cost			
1 May 2019	160	246	406
Additions	52	-	52
Disposals	-	(246)	(246)
Cost at 30 April 2020	212	-	212
Accumulated Depreciation			
1 May 2019	(61)	-	(61)
Charge for the year	(55)	-	(55)
Accumulated depreciation at 30 April 2020	(116)	-	(116)
NET BOOK VALUE at 30 April 2020	96	-	96
Cost			
1 May 2018	96	-	96
Additions	64	246	310
Cost at 30 April 2019	160	246	406
Accumulated Depreciation			
1 May 2018	(44)	-	(44)
Charge for the year	(17)	-	(17)
Accumulated depreciation at 30 April 2019	(61)	-	(61)
NET BOOK VALUE at 30 April 2019	99	246	345

The disposal of assets under construction balance of £246k relates to subsidiaries GHR Argyll, Barrs and Etive. These entities were sold in July 2019.

	IT hardware £'000	Assets under the course of construction £'000	Total £'000
Company			
Cost			
1 May 2019	159	-	159
Additions	52	-	52
Cost at 30 April 2020	<u>211</u>	<u>-</u>	<u>211</u>
Accumulated Depreciation			
1 May 2019	(61)	-	(61)
Charge for the year	(54)	-	(54)
Accumulated depreciation at 30 April 2020	<u>(115)</u>	<u>-</u>	<u>(115)</u>
NET BOOK VALUE at 30 April 2020	<u>96</u>	<u>-</u>	<u>96</u>
Cost			
1 May 2018	96	-	96
Additions	63	-	63
Cost at 30 April 2019	<u>159</u>	<u>-</u>	<u>159</u>
Accumulated Depreciation			
1 May 2018	(44)	-	(44)
Charge for the year	(17)	-	(17)
Accumulated depreciation at 30 April 2019	<u>(61)</u>	<u>-</u>	<u>(61)</u>
NET BOOK VALUE at 30 April 2019	<u>98</u>	<u>-</u>	<u>98</u>

19 B. INVESTMENT PROPERTY	Investment Property £'000
Group	
Cost	
1 May 2019	62,885
Additions	-
Disposals	<u>(62,885)</u>
Cost at 30 April 2020	<u>-</u>
Accumulated Depreciation	
1 May 2019	(485)
Charge for the period	(406)
Eliminated on disposals	<u>891</u>
Accumulated depreciation at 30 April 2020	<u>-</u>
NET BOOK VALUE at 30 April 2020	<u><u>-</u></u>
Cost	
1 May 2018	-
Additions	64,094
Impairment charge	<u>(1,209)</u>
Cost at 30 April 2019	<u>62,885</u>
Accumulated Depreciation	
1 May 2018	-
Charge for the year	<u>(485)</u>
Accumulated depreciation at 30 April 2019	<u>(485)</u>
NET BOOK VALUE at 30 April 2019	<u><u>62,400</u></u>

All charges to the income statement for the current and prior years have been re-presented to the loss on discontinued operations – see Note 12.

The investment property was sold on 24 March 2020 for £56 million, which resulted in a loss on disposal of £5.99 million being charged to profit or loss - see Note 12.

20. INTANGIBLE ASSETS	Computer software & licenses £'000	Websites £'000	Total £'000
Group and Company			
Cost			
1 May 2019	1,912	-	1,912
Additions	277	-	277
Cost at 30 April 2020	2,189	-	2,189
Accumulated amortisation			
1 May 2019	(535)	-	(535)
Charge for the year	(591)	-	(591)
Accumulated amortisation at 30 April 2020	(1,126)	-	(1,126)
NET BOOK VALUE AT 30 APRIL 2020	1,063	-	1,063

20. INTANGIBLE ASSETS	Computer software & licenses £'000	Websites £'000	Total £'000
Group and Company			
Cost			
1 May 2018	2,205	69	2,274
Additions	192	-	192
Disposal of fully written down assets	(226)	-	(226)
Write off of intangible assets	(259)	(69)	(328)
Cost at 30 April 2019	1,912	-	1,912
Accumulated amortisation			
1 May 2018	(463)	(8)	(471)
Charge for the year	(298)	-	(298)
Disposal of fully written down assets	226	-	226
Write off of intangible assets	-	8	8
Accumulated amortisation at 30 April 2019	(535)	-	(535)
NET BOOK VALUE AT 30 APRIL 2019	1,377	-	1,377

At 30 April the Group reassessed the remaining amortisation period for computer software and licences as being no longer than two years and recognised an additional £274k of amortisation.

21. OTHER ASSETS	30 April	30 April	30 April	30 April
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
	Group	Group	Company	Company
Amounts owed by Wyelands Holdings Ltd	56	-	56	4
Amounts owed by third parties	307	2,315	307	165
Prepayments	722	789	722	789
TOTAL OTHER ASSETS	1,085	3,104	1,085	958

22. CUSTOMER DEPOSITS	30 April	30 April
	2020	2019
	£'000	£'000
Group and Company		
Term deposits and notice accounts	459,208	726,678
TOTAL CUSTOMER DEPOSITS	459,208	726,678

FSCS CUSTOMER DEPOSITS AS A PROPORTION OF TOTAL DEPOSITS	30 April	30 April
	2020	2019
	£'000	£'000
Group and Company		
FSCS eligible	432,259	657,183
Non-FSCS eligible	26,949	69,495
TOTAL CUSTOMER DEPOSITS	459,208	726,678

The Financial Services Compensation Scheme (FSCS) provides protection of deposits for the customers of authorised financial services firms, should a firm collapse. FSCS protects retail deposits of up to £85k for single account holders and £170k for joint holders.

The compensation paid out to consumers is initially funded through loans from the Bank of England and HM Treasury. In order to repay the loans and cover its costs, the FSCS charges levies on firms regulated by the PRA and the Financial Conduct Authority. The Group is among those firms and pays the FSCS a levy based on its share of total German and UK deposits.

The FSCS levy is the main regulatory provision of the Bank, which is the only regulated entity in the Group. FSCS charges, as based on the quantum of FSCS protected deposits as at 30 April 2020, totalled £10,222 for the current financial year (2019: £12,000).

23. OTHER LIABILITIES	30 April	30 April	30 April	30 April
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
	Group	Group	Company	Company
Accruals	2,575	2,230	2,105	2,230
Corporation tax payable	172	457	-	-
Sundry creditors	1,025	2,771	1,234	1,439
ERI loan	266	404	266	404
TOTAL OTHER LIABILITIES	4,038	5,862	3,605	4,073

24. COUNTRY BY COUNTRY REPORTING (CBCR)

This disclosure has been prepared for Wyelands Bank Plc (“the Company” or “the Bank”) and its subsidiaries (the “Group”). The disclosure hereby sets out the required CBCR information for the Group for the year ended 30 April 2020.

The Group confirms that with the exception of Mallnick Holdings SA, the following information relates only to the UK.

United Kingdom

The name of the institution is Wyelands Bank Plc and the main activity for the year was invoice financing, project finance and the purchase of trade receivables.

Income for the year-ending 30 April 2020 was £26 million (2019: £30 million).

The average number of full-time employees during the year was 48 (2019: 37).

The loss before tax for the year was £69.2 million¹ (2019: £0.5 million loss).

£612k in corporation tax was paid during the year ended 30 April 2020 (2019: £nil).

¹Given by loss for the financial year of £69,491k add back £327k tax expense (see Note 12 – Discontinued Operations)

The Bank has not elected to report at CBCR on a stand-alone basis.

The Group did not receive any public subsidies.

BASIS OF PREPARATION

The Capital Requirements (Country by Country Reporting) (CBCR) Regulations 2013 (Regulations) came into effect on 1 January 2014 and have been transposed into UK law and impose certain reporting obligations on institutions within the UK within the scope of Article 89 of the EU Capital Requirements Directive IV. The directors are responsible for the preparation of CBCR in accordance with the Regulations.

25. FINANCIAL RISK MANAGEMENT

The Group seeks to understand, mitigate, and control risks, reflecting proportionality, size and empirical data to support its approach.

The Board is ultimately responsible for the risks taken by the Group. The Group's risk appetite is the totality of risk, which the Board is willing to accept in pursuit of value.

As the directors pursue various objectives that will create value, they have to understand the risks they are willing to assume in doing so. They communicate and then monitor this to the Group's staff. To do this the Group has established a Risk Management Framework (RMF) and a Risk Appetite Statement (RAS) which codifies the approved approach and the limits attaching to risk management.

Risk Management Framework

The RMF governs the approach to management of all risks that the Group is exposed to. These include, but are not limited to, risks arising from financial, economic, operational and behavioural factors. The RMF also supports the "three lines of defence" model and reinforces the need for first line management of risk with second and third line oversight.

The Board is responsible for articulating the risk vision and strategy. It approves the RMF as well as setting the tolerance and approach to risk-taking activities.

In order that the RMF can be applied to the day-to-day operation of the Group, it is then translated into the Risk Appetite Statement.

Risk Appetite Statement

The RAS defines the limits and tolerances against which the Group manages risk day-to-day across its operations within clearly defined limits and mandates.

Daily management information, along with the risk and compliance functions, provide the assurance that the Group is being managed within and to the RAS.

Risks

Within the RMF and the RAS, the following primary risks have been identified as the most relevant to the proposed activities of the Group;

A) Credit risk

Credit risk is the risk of financial loss resulting from a borrower or counterparty failing to meet its financial obligation to the Bank. For the types of business that the Bank has undertaken, this typically means taking payment risk on a counterparty. Although the majority of the book is unsecured, in some cases the Bank has also taken security over client assets.

For receivables financing, mitigation of this risk is generally achieved by exposures typically being of high credit quality and short duration, or by trading with counterparties with a well-established credit record.

Also considered and managed is concentration risk. Concentration risk is defined as the risk of loss due to the concentration of credit risk within a specific customer or other counterparty, industry sector, region or product. In order to mitigate any concentration risk, limits are in place, approved by the Board.

The Bank reviews its exposures on a daily basis and is currently reducing credit risk following the decision to pause new lending. The Bank is able to react quickly to changing circumstances and credit quality and is well progressed in reducing its single name, industry and geographic exposures. It manages this through a well-defined strategy and management information that measures and controls these risks.

The Board has considered the impact of large exposures to obligors and the risk of potential loss and, accordingly, limits for exposures within certain categories including that of residence of borrower and payment risk and country risk have been set. Through the Risk and Operations Committees, the Bank has established credit exposure limits in line with the risk appetite set by the Board.

Exposures are reviewed on a daily basis and a watch list of exposures and asset management reports are reviewed by the Board on a weekly basis. On a monthly basis the Risk and Operations Committees scrutinise exposures more thoroughly for potential issues that require further management action.

Credit Risk

The credit risk profile is based on Moody's long term credit rating history where they are available.

CREDIT RISK PROFILE 2020	Aaa	Aa1	Aa2	A1	A2	A3	Baa1	Baa2	Baa3	Unrated	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS											
Cash and cash equivalents	-	-	264,091	8,217	-	4,581	-	3,508	-	5,449	285,846
Loans and advances to customers ¹	-	-	-	-	-	-	-	-	-	167,875	167,875
Financial assets designated at fair value through other comprehensive income	25,117	-	21,404	-	-	-	-	-	15,799	-	62,320
Derivative financial assets	-	-	-	-	-	405	-	-	-	100	505
Other assets	-	-	-	-	-	-	-	-	-	363	363
TOTAL FINANCIAL ASSETS	25,117	-	285,495	8,217	-	4,986	-	3,508	15,799	173,787	516,909
TOTAL NON FINANCIAL ASSETS	-	-	-	-	-	-	-	-	-	722	722
TOTAL ASSETS	25,117	-	285,495	8,217	-	4,986	-	3,508	15,799	174,509	517,631

¹a balance of £6.4m which is the aggregate of two loan balances is fully secured. The residual balance of loans and advances to customers is unsecured. There are no unused credit limits available to the Bank's customers.

CREDIT RISK PROFILE 2019	Aaa	Aa1	Aa2	A1	A1	A3	Baa1	Baa2	Baa3	Unrated	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS											
Cash and cash equivalents	-		215,348	8,645	282	6,256	-	1,922	-	414	232,867
Loans and advances to customers	-	-	-	-	-	-	-	-	-	433,759	433,759
Financial assets designated at fair value through profit and loss	40,613	-	-	-	-	-	-	-	-	-	40,613
Financial assets designated at fair value through other comprehensive income	15,042	9,807	38,159	-	-	-	8,607	-	-	-	71,615
Financial assets held at amortised cost	-	9,456	-	-	-	-	-	-	-	-	9,456
Derivative financial assets	-	-	-	-	-	389	-	-	-	117	506
Other assets	-	-	-	-	-	-	-	-	-	2,315	2,315
TOTAL FINANCIAL ASSETS	55,655	19,263	253,507	8,645	282	6,645	8,607	1,922	-	436,605	791,131
TOTAL NON FINANCIAL ASSETS	-	-	-	-	-	-	-	-	-	789	789
TOTAL ASSETS	55,655	19,263	253,507	8,645	282	6,645	8,607	1,922	-	437,394	791,920

CREDIT RISK PROFILE 2020	Aaa	Aa1	Aa2	A1	A2	A3	Baa1	Baa2	Baa3	Unrated	Total
Company	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS											
Cash and cash equivalents	-	-	264,091	8,217	-	4,581	-	445	-	5,449	282,783
Loans and advances to customers ¹	-	-	-	-	-	-	-	-	-	167,875	167,875
Loans to subsidiary undertakings	-	-	-	-	-	-	-	-	-	2,703	2,703
Financial assets designated at fair value through other comprehensive income	25,117	-	21,404	-	-	-	-	-	15,799	-	62,320
Derivative financial assets	-	-	-	-	-	405	-	-	-	100	505
Other assets	-	-	-	-	-	-	-	-	-	363	363
TOTAL FINANCIAL ASSETS	25,117	-	285,495	8,217	-	4,986	-	445	15,799	176,490	516,549
TOTAL NON FINANCIAL ASSETS	-	-	-	-	-	-	-	-	-	722	722
TOTAL ASSETS	25,117	-	285,495	8,217	-	4,986	-	445	15,799	177,212	517,271

¹a balance of £6.4m which is the aggregate of two loan balances is fully secured. The residual balance of loans and advances to customers is unsecured. There are no unused credit limits available to the Bank's customers.

CREDIT RISK PROFILE 2019

Company	Aaa	Aa1	Aa2	A1	A1	A3	Baa1	Baa2	Baa3	Unrated	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS											
Cash and cash equivalents	-		215,359	8,645	282	6,256	-	142	-	414	231,098
Loans and advances to customers	-	-	-	-	-	-	-	-	-	433,759	433,759
Loans to subsidiary undertakings	-	-	-	-	-	-	-	-	-	64,295	64,295
Financial assets designated at fair value through profit and loss	40,613	-	-	-	-	-	-	-	-	-	40,613
Financial assets designated at fair value through other comprehensive income	15,042	9,807	38,159	-	-	-	8,607	-	-	-	71,615
Financial assets held at amortised cost	-	9,456	-	-	-	-	-	-	-	-	9,456
Derivative financial assets	-	-	-	-	-	389	-	-	-	117	506
Other assets	-	-	-	-	-	-	-	-	-	169	169
TOTAL FINANCIAL ASSETS	55,655	19,263	253,518	8,645	282	6,645	8,607	142	-	498,754	851,511
TOTAL NON FINANCIAL ASSETS	-	-	-	-	-	-	-	-	-	789	789
TOTAL ASSETS	55,655	19,263	253,518	8,645	282	6,645	8,607	142	-	499,543	852,300

Geographic location has been defined against the domicile of the obligor.

GEOGRAPHIC 2020	UK	European	East Asia and Pacific	Middle East & North Africa	North America	Total
Group	(West) Area					
	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS						
Cash and balances at credit institutions	250,750	460	-	-	34,636	285,846
Loans and advances to customers	91,994	-	37,856	38,025	-	167,875
Financial assets designated at fair value through other comprehensive	18,691	40,326	-	-	3,303	62,320
Derivative financial assets	404	101	-	-	-	505
Other assets	363	-	-	-	-	363
TOTAL FINANCIAL ASSETS	362,202	40,887	37,856	38,025	37,939	516,909
TOTAL NON FINANCIAL ASSETS	1,881	-	-	-	-	1,881
TOTAL ASSETS	364,083	40,887	37,856	38,025	37,939	518,790

GEOGRAPHIC 2019	UK	European	East Asia and Pacific	Middle East & North Africa	South America & Caribbean	North America	Total
Group	(West) Area						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS							
Cash and balances at credit institutions	232,867	-	-	-	-	-	232,867
Loans and advances to customers	259,752	631	93,794	75,492	3694	395	433,758
Financial assets designated at fair value through profit and loss	40,613	-	-	-	-	-	40,613
Financial assets designated at fair value through other comprehensive income	71,615	-	-	-	-	-	71,615
Financial assets held at amortised cost	9,456	-	-	-	-	-	9,456
Derivative financial assets	506	-	-	-	-	-	506
Other assets	2,315	-	-	-	-	-	2,315
TOTAL FINANCIAL ASSETS	617,124	631	93,794	75,492	3,694	395	791,130
TOTAL NON FINANCIAL ASSETS	64,911	-	-	-	-	-	64,911
TOTAL ASSETS	682,035	631	93,794	75,492	3,694	395	856,041

GEOGRAPHIC 2020	UK	European	East Asia and Pacific	Middle East & North Africa	North America	Total
Company	(West) Area					
	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS						
Cash and balances at credit institutions	247,687	460	-	-	34,636	282,783
Loans and advances to customers	91,994	-	37,856	38,025	-	167,875
Loans to subsidiary undertakings	2,703	-	-	-	-	2,703
Financial assets designated at fair value through other comprehensive income	18,691	40,326	-	-	3,303	62,320
Derivative financial assets	404	101	-	-	-	505
Other assets	363	-	-	-	-	363
TOTAL FINANCIAL ASSETS	361,842	40,887	37,856	38,025	37,939	516,549
TOTAL NON FINANCIAL ASSETS	1,881	-	-	-	-	1,881
TOTAL ASSETS	363,723	40,887	37,856	38,025	37,939	518,430

GEOGRAPHIC 2019	UK	European	East Asia and Pacific	Middle East & North Africa	South America & Caribbean	North America	Total
Company	(West) Area						
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS							
Cash and balances at credit institutions	231,098	-	-	-	-	-	231,098
Loans and advances to customers	259,752	631	93,794	75,492	3,694	395	433,758
Loans to subsidiary undertakings	64,296	-	-	-	-	-	64,296
Financial assets designated at fair value through profit and loss	40,613	-	-	-	-	-	40,613
Financial assets designated at fair value through other comprehensive income	71,615	-	-	-	-	-	71,615
Financial assets held at amortised cost	9,456	-	-	-	-	-	9,456
Derivative financial assets	506	-	-	-	-	-	506
Other assets	169	-	-	-	-	-	169
TOTAL FINANCIAL ASSETS	677,505	631	93,794	75,492	3,694	395	851,511
TOTAL NON FINANCIAL ASSETS	2,264	-	-	-	-	-	2,264
TOTAL ASSETS	679,769	631	93,794	75,492	3,694	395	853,775

B) Liquidity risk

Liquidity risk arises from the mismatch of the timing of cash flows relating to assets and liabilities.

Mitigation for this risk is to be found in the Group's strategy of funding customer lending with deposits of greater maturities than the underlying assets thus mitigating any material liquidity risk.

MATURITY RISK PROFILE 2020 Group	<3 months	3-6 months	6-12 months	1-5 years	Past due but not impaired	Impaired	Undated	Total
	£'000	£'000	£'000	£'000	£'000	£'000		£'000
ASSETS								
Cash and cash equivalents	285,846	-	-	-	-	-	-	285,846
Loans and advances to customers	5,977	-	-	3,611	21,421	136,866	-	167,875
Financial assets designated at fair value through other comprehensive income	41,375	216	6,144	14,585	-	-	-	62,320
Derivative financial assets	35	335	113	22	-	-	-	505
Other assets	363	-	-	-	-	-	-	363
TOTAL FINANCIAL ASSETS	333,596	551	6,257	18,218	21,421	136,866	-	516,909
NON FINANCIAL ASSETS	722	-	-	-	-	-	1,159	1,881
TOTAL ASSETS	334,318	551	6,257	18,218	21,421	136,866	1,159	518,790
LIABILITIES								
Other liabilities	3,828	(4)	53	161	-	-	-	4,038
Customer deposits	73,197	255,627	59,398	70,986	-	-	-	459,208
Derivative financial liabilities	2,754	509	(33)	-	-	-	-	3,230
TOTAL FINANCIAL LIABILITIES	79,779	256,132	59,418	71,147	-	-	-	466,476

For clarity, the past due and impaired balances have been shown separately in the table. If they were not shown individually the balances would form part of the within 3 months category. A total exposure of £57.5m that is due to mature in <3 months is included in the impaired category with a stage 3 provision of £32.8m.

MATURITY RISK PROFILE 2019	<3 months	3-6 months	6-12 months	1-5 years	Past due but not impaired	Impaired	Undated	Total
Group	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS								
Cash and cash equivalents	232,867	-	-	-	-	-	-	232,867
Loans and advances to customers	288,565	40,194	-	105,000	-	-	-	433,759
Financial assets designated at fair value through profit and loss	40,613	-	-	-	-	-	-	40,613
Financial assets designated at fair value through other comprehensive income	36,200	8,607	26,808	-	-	-	-	71,615
Financial assets held at amortised cost	9,456	-	-	-	-	-	-	9,456
Derivative financial assets	506	-	-	-	-	-	-	506
Other assets	2,315	-	-	-	-	-	-	2,315
TOTAL FINANCIAL ASSETS	610,522	48,801	26,808	105,000	-	-	-	791,131
NON FINANCIAL ASSETS	-	-	-	-	-	-	64,911	64,911
TOTAL ASSETS	610,522	48,801	26,808	105,000	-	-	64,911	856,042
LIABILITIES								
Customer deposits	330,537	112,778	123,057	160,306	-	-	-	726,678
Derivative financial liabilities	1,784	-	-	-	-	-	-	1,784
Accruals	4,289	-	-	-	-	-	-	4,289
Other liabilities	1,572	-	-	-	-	-	-	1,572
TOTAL FINANCIAL LIABILITIES	338,182	112,778	123,057	160,306	-	-	-	734,323

MATURITY RISK PROFILE 2020	<3 months	3-6 months	6-12	1-5 years	Past due but	Impaired	Undated	Total
Company	£'000	£'000	months	£'000	not impaired	£'000	£'000	£'000
ASSETS								
Cash and cash equivalents	282,783	-	-	-	-	-	-	282,783
Loans and advances to customers	5,977	-	-	3,611	21,421	136,866	-	167,875
Loans to subsidiary undertakings	-	-	-	-	-	-	2,703	2,703
Financial assets designated at fair value through other comprehensive income	41,375	216	6,144	14,585	-	-	-	62,320
Derivative financial assets	35	335	113	22	-	-	-	505
Other assets	363	-	-	-	-	-	-	363
TOTAL FINANCIAL ASSETS	330,533	551	6,257	18,218	21,421	136,866	2,703	516,549
NON FINANCIAL ASSETS	722	-	-	-	-	-	1,159	1,881
TOTAL ASSETS	331,255	551	6,257	18,218	21,421	136,866	3,862	518,430
LIABILITIES								
Other liabilities	3,395	(4)	53	161	-	-	-	3,605
Customer deposits	73,197	255,627	59,398	70,986	-	-	-	459,208
Derivative financial liabilities	2,754	509	(33)	-	-	-	-	3,230
TOTAL FINANCIAL LIABILITIES	79,346	256,132	59,418	71,147	-	-	-	466,043

For clarity, the past due and impaired balances have been shown separately in the table. If they were not shown individually the balances would form part of the within 3 months category. A total exposure of £57.5m that is due to mature in <3 months is included in the impaired category with a stage 3 provision of £32.8m.

MATURITY RISK PROFILE 2019	<3 months	3-6 months	6-12 months	1-5 years	Past due but not impaired	Impaired	Undated	Total
Company	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
ASSETS								
Cash and cash equivalents	231,098	-	-	-	-	-	-	231,098
Loans and advances to customers	288,565	40,194	-	105,000	-	-	-	433,759
Loans to subsidiary undertakings	250	-	-	-	-	-	64,046	250
Financial assets designated at fair value through profit and loss	40,613	-	-	-	-	-	-	40,613
Financial assets designated at fair value through other comprehensive income	36,199	8,607	26,808	-	-	-	-	71,614
Financial assets held at amortised cost	9,456	-	-	-	-	-	-	9,456
Derivative financial assets	506	-	-	-	-	-	-	506
Other assets	169	-	-	-	-	-	-	169
TOTAL FINANCIAL ASSETS	606,856	48,801	26,808	105,000	-	-	64,046	851,511
NON FINANCIAL ASSETS	-	-	-	-	-	-	2,264	2,264
TOTAL ASSETS	606,856	48,801	26,808	105,000	-	-	66,310	853,775
LIABILITIES								
Customer deposits	330,537	112,778	123,057	160,306	-	-	-	726,678
Derivative financial liabilities	1,784	-	-	-	-	-	-	1,784
Accruals	2,997	-	-	-	-	-	-	2,997
Other liabilities	1,076	-	-	-	-	-	-	1,076
TOTAL FINANCIAL LIABILITIES	336,394	112,778	123,057	160,306	-	-	-	732,535

MATURITY RISK PROFILE OF DERIVATIVE FINANCIAL LIABILITIES	2020	2019
Group and Company	£'000	£'000
<3 months	234,096	101,358
3-6 months	9,616	64,790
6-12	-	2,014
Total	243,712	168,162

C) Foreign currency risk

Foreign currency risk arises from the translation of non-GBP exposures into the equivalent GBP exposures.

To mitigate the risk the Group enters into spot and forward foreign exchange contracts in accordance with its policy of minimising foreign currency exposure.

All individual currency exposures are monitored and managed to ensure that the Group's open positions are maintained within limits.

The Group estimates that a 5% movement in exchange rates would have an impact on the 30 April 2020 results by way of either an increase of £658k or a decrease of £596k (2019: an increase of £5,374 or a decrease of £42,989).

D) Market risk

Market risk relates to potential changes in the Group's financial condition as a result of changes to interest rates, foreign exchange rates, and the market price of securities and other instruments. The Bank manages these risks within predefined limits including dynamic hedging of foreign exchange exposure within intra-day limits. Interest rate risk is managed principally through the use of exchange traded short term interest rate futures and over the counter interest rate swaps.

In line with regulatory reporting requirements, as set by the EBA, the Group considers a parallel 200 basis points (bps) movement to be appropriate for evaluating its sensitivity to interest rate risk. The Group estimates that a +/- 200 bps movement in interest rates would have impacted the economic value of equity as follows:

+200 bps – £749,000 positive (2019: £1,301,000 positive)

-200 bps – £1,698,000 negative (2019: £1,364,000 negative)

In preparing the sensitivity analysis, the Group has made certain assumptions consistent with expected and contractual re-pricing behaviour as well as behavioural repayment profiles of the underlying balance sheet items.

Fair Value / Pricing Risk Profile

Fair values are determined using the following fair value hierarchy that reflects the significance and observability of the inputs used in calculating the assets or liabilities carrying value.

Level 1

These are valuation techniques that are based entirely on quoted market prices (unadjusted) in an actively traded market for identical assets and liabilities that the Group has the ability to access. Since valuations are based on readily available observable market prices, this makes them most reliable, reduces the need for management judgement and estimation and also reduces the uncertainty associated with determining fair values.

Level 2

These are valuation techniques based on one or more quoted prices in markets that are not active or for which all significant inputs are taken from directly or indirectly observable market data. These include valuation models used to calculate the present value of expected future cash flows and may be employed either when no active market exists or when there are quoted prices available for similar instruments in active markets.

- The Group uses mid prices taken from quoted market levels to value the forward legs of the foreign exchange (FX) swaps it transacts to hedge its FX exposure.
- The fair value of loans and advances to credit institutions, is estimated to be their carrying value.
- The fair value of amounts owed to retail depositors, credit institutions and other customers, is estimated to be their carrying value.
- The fair value of deposits payable on demand approximates to the carrying value as at 30 April 2020 and 30 April 2019.

Level 3

These are valuation techniques for which any one or more significant input is not based on observable market data and the unobservable inputs have a significant effect on the instrument's fair value. Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in determining the fair value.

For all assets not measured at fair value, including the loans for which provisions for expected credit losses have been recognised, the carrying value has been assessed by management to be the fair value.

ASSETS MEASURED AT FAIR VALUE 2020	Carrying value	Level 1	Level 2	Level 3	Total
Group	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Financial assets designated at fair value through other comprehensive income	62,320	62,320	-	-	62,320
Derivative financial assets	505	-	505	-	505
TOTAL FINANCIAL ASSETS	62,825	62,320	505	-	62,825

ASSETS NOT MEASURED AT FAIR VALUE 2020	Carrying value	Level 1	Level 2	Level 3	Total
Group	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Cash and balances at credit institutions	285,846	-	285,846	-	285,846
Loans and advances to customers	167,875	-	167,875	-	167,875
Other assets	363	-	-	363	363
TOTAL FINANCIAL ASSETS	454,084	-	453,721	363	454,084

Group					
FINANCIAL LIABILITIES					
Customer deposits	459,208	-	459,208	-	459,208
Other liabilities	4,038	-	-	4,038	4,038
Derivative financial liabilities	3,230	-	3,230	-	3,230
TOTAL FINANCIAL LIABILITIES	466,476	-	462,438	4,038	466,476

ASSETS MEASURED AT FAIR VALUE 2019	Carrying value	Level 1	Level 2	Level 3	Total
Group	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Financial assets designated at fair value through profit and loss	40,613	40,613	-	-	40,613
Financial assets designated at fair value through other comprehensive income	71,615	71,615	-	-	71,615
Derivative financial assets	506	-	506	-	506
TOTAL FINANCIAL ASSETS	112,734	112,228	506	-	112,734

ASSETS NOT MEASURED AT FAIR VALUE 2019	Carrying value	Level 1	Level 2	Level 3	Total
Group	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Cash and balances at credit institutions	232,867	-	232,867	-	232,867
Financial assets held at amortised cost	9,456	-	9,456	-	9,456
Loans and advances to customers	433,759	-	-	433,759	433,759
TOTAL FINANCIAL ASSETS	676,082	-	242,323	433,759	676,082

Group					
FINANCIAL LIABILITIES					
Customer deposits	726,540	-	726,540	-	726,540
Other liabilities	5,999	-	-	5,999	5,999
Derivative financial liabilities	1,784	-	1,784	-	1,784
TOTAL FINANCIAL LIABILITIES	734,323	-	728,324	5,999	734,323

ASSETS MEASURED AT FAIR VALUE 2020	Carrying value	Level 1	Level 2	Level 3	Total
Company	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Financial assets designated at fair value through other comprehensive income	62,320	62,320	-	-	62,320
Derivative financial assets	505	-	505	-	505
TOTAL FINANCIAL ASSETS	62,825	62,320	505	-	62,825

ASSETS NOT MEASURED AT FAIR VALUE 2020	Carrying value	Level 1	Level 2	Level 3	Total
Company	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Cash and balances at credit institutions	282,783	-	282,783	-	282,783
Loans and advances to customers	167,875	-	167,875	-	167,875
Loans to subsidiary undertakings	2,703	-	2,703	-	2,703
Other assets	363	-	-	363	363
TOTAL FINANCIAL ASSETS	453,724	-	453,361	363	453,724

Company**FINANCIAL LIABILITIES**

Customer deposits	459,208	-	459,208	-	459,208
Other liabilities	3,605	-	-	3,605	3,605
Derivative financial liabilities	3,230	-	3,230	-	3,230
TOTAL FINANCIAL LIABILITIES	466,043	-	462,438	3,605	466,043

ASSETS MEASURED AT FAIR VALUE 2019	Carrying value	Level 1	Level 2	Level 3	Total
Company	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Financial assets designated at fair value through profit and loss	40,613	40,613	-	-	40,613
Financial assets designated at fair value through other comprehensive income	71,615	71,615	-	-	71,615
Derivative financial assets	506	-	506	-	506
TOTAL FINANCIAL ASSETS	112,734	112,228	506	-	112,734

ASSETS NOT MEASURED AT FAIR VALUE 2019	Carrying value	Level 1	Level 2	Level 3	Total
Company	£'000	£'000	£'000	£'000	£'000
FINANCIAL ASSETS					
Cash and balances at credit institutions	231,098	-	231,098	-	231,098
Financial assets held at amortised cost	9,456	-	9,456	-	9,456
Loans and advances to customers	433,759	-	-	433,759	433,759
Loans to subsidiary undertakings	64,295	-	64,295	-	64,295
TOTAL FINANCIAL ASSETS	738,608	-	304,849	433,759	738,608

Company					
FINANCIAL LIABILITIES					
Customer deposits	726,678	-	726,678	-	726,678
Other liabilities	4,073	-	-	4,073	4,073
Derivative financial liabilities	1,784	-	1,784	-	1,784
TOTAL FINANCIAL LIABILITIES	732,535	-	728,462	4,073	732,535

E) Operational Risk

Operational risk is the risk that failures in the internal procedures, people or systems and externalities such as cyber security issues cause the Group monetary loss, reputational damage, service disruption or customer detriment.

The Group maintains a framework of internal controls to manage and report on operational risks. In addition, it undertakes compliance monitoring to manage its regulatory risks and internal audit to assess business risks.

F) Capital Risk

In the financial year to 30 April 2020, the Group's objectives when managing capital were to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. This continued in the period to March 2021, at which point the shareholder indicated that he would not provide the level of capital required to support the future growth strategy and continue as a going concern. As a result, the financial statements have been prepared on a basis other than going concern.

The Bank's capital resources are as follows:

	30 April 2020 £'000	30 April 2019 £'000
Called up share capital	132,998	132,998
Less:		
Accumulated losses	(80,628)	(11,210)
Other reserves	17	(70)
Intangible assets	(1,063)	(1,377)
	<u>51,324</u>	<u>120,341</u>
Add:		
IFRS 9 Transitional phase in add back	1,507	3,241
Total Capital Resources	<u>52,831</u>	<u>123,582</u>

26. RELATED PARTIES

The Group considers members of GFG Alliance as related parties ('other related entities' in the table below). They are considered related parties of Wyelands Bank as they are controlled or jointly controlled by Sanjeev Gupta who has significant influence over the entity and is a sole director of SKG Financial Holdings PTE Limited.

Refer to Note 30 for further details on the intermediate parent and immediate holding companies of Wyelands Bank Plc.

In determining the scope of what is deemed a related party under IAS 24 and the Company's Act 2006 the Group has looked to whether the Bank's ultimate beneficial owner has a significant influence in a company whether that be through a majority shareholding, a majority of voting rights, and a position on the Board or proxy appointee.

The Bank occupied premises at 7 Hertford Street London during the year. Liberty Commodities Ltd leases the whole property and are the head lessor who provided a sub-lease to the Bank. Liberty Commodities Ltd waived all rent for the Bank for this period.

The Board considers the key management personnel to comprise executive and non-executive directors. Directors' remuneration is disclosed in note 9. Loans to other related persons totalled £nil for the period ended 30 April 2020 (2019: £nil).

At 30 April 2020 the ECL on loans and advances to customers was £6.2 million (2019: £78k). The balance net of ECL consists of £46.4 million in loans and £7.7 million trade finance receivables with a tenor of 1 to 28 months (2019: 4 to 14 months).

A summary of related party transactions is provided below.

FOR THE YEAR ENDED 30 APRIL 2020	Intermediate	Immediate	Other related entities	Total
Group	parent	holding company	GFG Alliance	
	£'000s	£'000s	£'000s	£'000s
TRANSACTION				
Interest Income	-	-	5,133	5,133
Fees and commissions receivable	-	-	4,300	4,300
Other income	-	-	1,824	1,824
BALANCES OUTSTANDING AT 30 APRIL				
Other assets	-	56	-	56
Loans and advances	-	-	54,144	54,144
Customer deposits	118	74	795	987
FOR THE YEAR ENDED 30 APRIL 2019 (Restated)	Intermediate	Immediate	Other related entities	Total
Group	parent	holding company	GFG Alliance	
	£'000s	£'000s	£'000s	£'000s
TRANSACTION				
Interest Income	-	-	8,371	8,371
Other expenses	-	-	2,028	2,028
BALANCES OUTSTANDING AT 30 APRIL				
Intercompany debtors	-	-	250	250
Other assets	-	-	909	909
Loans and advances to customers	-	-	20,976	20,976
Customer deposits	118	74	682	874

FOR THE YEAR ENDED 30 APRIL 2020	Intermediate	Immediate	WPH	Other related entities	Total
Company	parent	holding company	subsidiary	GFG Alliance	
	£'000s	£'000s	£'000s	£'000s	£'000s
TRANSACTION					
Interest Income	-	-	-	5,133	5,133
Fees and commissions receivable	-	-	-	4,300	4,300
BALANCES OUTSTANDING AT 30 APRIL					
Intercompany debtors	-	-	2,703	-	2,703
Other assets	-	56	-	-	56
Loans and advances	-	-	-	54,144	54,144
Customer deposits	118	74	-	795	987

FOR THE YEAR ENDED 30 APRIL 2019 (Restated)	Intermediate	Immediate	WPH	Other related entities	Total
Company	parent	holding company	subsidiary	GFG Alliance	
	£'000s	£'000s	£'000s	£'000s	£'000s
TRANSACTION					
Interest Income	-	-	-	8,371	8,371
BALANCES OUTSTANDING AT 30 APRIL					
Intercompany debtors	-	-	-	250	250
Loans and advances	-	-	-	20,976	20,976
Customer deposits	118	74	-	682	874

27. CALLED UP SHARE CAPITAL

The Group's share capital comprises 132,998,000 fully paid up ordinary shares of £1 amounting to a total of £132,998,000. All issued ordinary shares are fully paid.

28. CONTINGENT LIABILITIES

The Bank does not have any contingent liabilities.

29. LEASES

The Group leased several assets including office premises and IT equipment. The office premises is a short-term lease per IFRS 16 *Leases* while the lease relating to IT equipment is considered insignificant to the Group. As a result, lease liabilities and right-of-use assets have not been recognised. Rather, the lease payments relating to these assets have been recognised on a straight-line basis over the respective minimum lease terms.

Amounts recognised in profit or loss:

Expense relating to short-term leases	£147,337
Expenses relating to leases of IT equipment	£8,820
The total cash outflow for leases amount to	£156,157 (2019: £6,645).

30. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

Wyelands Bank Plc's issued shares are 100% owned by Wyelands Holdings Limited (the "immediate holding company"), a UK company registered under company number 09913535. The composition of the Board of directors of the Bank and Wyelands Holdings Limited is the same.

Wyelands Holdings Limited is 100% owned by SKG Financial Holdings PTE Limited (the "intermediate parent company"), a Singapore incorporated firm.

Consolidated financial statements are prepared by Wyelands Holdings Limited. This is a private company limited by shares, incorporated in the UK, whose principal place of business is also in the UK. These consolidated financial statements comply with IFRS and are available from its registered office at 111 Park Street, London, W1K 7JF.

The ultimate parent company and controlling party, Hawksford Trustees Jersey Limited owns 100% of the shares of SKG Financial Holdings PTE Limited. Hawksford Trustees Jersey Limited is the trustee Company of the Wyelands Trust, a Channel Islands Trust. The Wyelands Trust was established through an irrevocable settlement for the benefit of family members and dependants of Mr S.K. Gupta.

31. EVENTS AFTER THE BALANCE SHEET DATE

Towards the end of the financial year the Bank's primary focus became the collection of non-performing assets with the primary objective of strengthening the balance sheet position of the business. This was achieved through the execution of a solvent wind down plan, which was implemented in close consultation with the regulator.

The COVID-19 pandemic had a significant impact on the success of the collection of non-performing assets. Many of the Bank's customers were struggling as a result of the economic impact of the pandemic, which resulted in further delays to the repayment of loans. In response to the COVID-19 pandemic, a number of jurisdictions, including the United Kingdom, placed limits on the recovery actions that could be taken on defaulted loans, which also caused delays in loan repayment.

Whilst asset collection efforts are ongoing, good progress was made in the period to 31 March 2021. Gross loans and advances to customers were reduced to £169 million (30 April 2020: £233.7 million). However, information and events that have developed since 30 April 2020, and that were unforeseen at year end, have resulted in the expected credit loss provision broadly doubling.

A subordinated loan was provided to the Bank by the shareholder in May 2020 in order to provide the business with support whilst it was experiencing delays in asset recovery. The loan facility enabled the Bank to draw down at regular intervals and a total of £75.3 million was lent to the Bank under the facility. In order to provide additional support to the Bank's regulatory capital position £42.9 million of the loan has been converted to equity. The balance of the loan of £32.4 million is due for repayment in September 2021, subject to subordination terms contained within the agreement.

In March 2021, as a result of regulatory requirements applied to it by the PRA, the Bank closed its customer savings accounts. The vast majority of depositors (excluding related parties) were repaid on 17 March, with only a small amount remaining due to issues such as probate. The value of deposits remaining as at 16 April 2021 was £1.0 million and the funds were placed at the Bank of England.

Also in March 2021 the shareholder indicated to the Board that he would not be providing the investment required to re-launch the bank following the solvent wind down of the balance sheet. Following several enquiries from independent third parties the Board has authorised CEO Stephen Rose to engage with potential new investors to assess the potential to take Wyelands Bank forward under new ownership. Any sale to investors would be subject to approval by the Bank's regulators. In the absence of a sale to new investors, the board expects that the Bank will be wound up on a solvent basis.

32. SUBSIDIARIES

The Bank has three 100% owned subsidiaries all of which are domiciled in the UK (unless stated otherwise). The subsidiaries are as follows:

Wyelands Property Holdings Ltd
 Mallnick Holdings S A (registered in the British Virgin Islands)
 Wyelands Property Holdings Two Ltd

SUBSIDIARY UNDERTAKINGS Group	Year Ended 30	Year Ended 30	Year Ended 30	Year Ended 30
	April 2020	April 2020	April 2019	April 2019
Entity Name	Investment £'000	loans £'000	Investment £'000	loans £'000
Wyelands Property Holdings Ltd	-	2,703	-	33,611
Mallnick Holdings S A	-	-	-	30,434
Wyelands Property Holdings Two Ltd	-	-	-	-

Investments in Wyelands Property Holdings Ltd and Wyelands Property Holdings Two Ltd were £100 in both 2020 and 2019. Details of the investments is provided below.

Wyelands Property Holdings Limited and Wyelands Property Holdings Two Limited were incorporated on 27 February 2018 both having 100 shares of £1 nominal value of which are called up and fully paid. The nature of their business is the letting and operating of real estate. Neither company was actively trading at the balance sheet date. Their registered office is 111 Park Street, London, W1K 7JF.

Mallnick Holdings S.A. is directly owned by Wyelands Property Holdings Ltd. Mallnick Holdings S.A. is a BVI registered entity that owned a commercial investment property in central London, which was sold during the year. The registered office is at Trident Trust Company (BVI) Limited, Trident Chambers, Wickhams Cay, PO Box 146, Road Town, Tortola, British Virgin Islands.