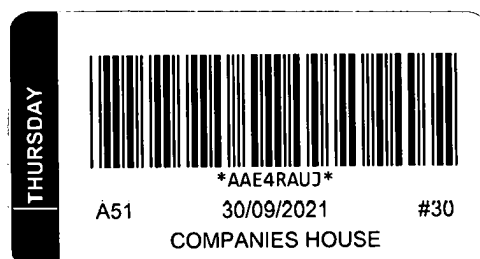


Registered number: 11239628

CE FINCO LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020



CE FINCO LIMITED

COMPANY INFORMATION

Directors	N Shearing (appointed 21 July 2020) J Steele (appointed 16 March 2021) S Butter (appointed 4 May 2021) K Stillwell (appointed 10 May 2021)
Registered number	11239628
Registered office	100 Victoria Street Westminster London SW1E 5JL
Independent auditor	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants The Colmore Building 20 Colmore Circus West Midlands B4 6AT

CE FINCO LIMITED

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CE FINCO LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the financial statements for the year ended 31 December 2020.

Principal activity

The company's principal activity during the year was that of an intermediate holding company and holder of debt finance for the group.

Results and dividends

The loss for the year, after taxation, amounted to £4,088,607 (2019 - loss £3,766,629).

There were no dividends paid during the year.

Directors

The directors who served during the year and up to the date of this report were:

R Dowson (resigned 30 October 2020)
D Ely (resigned 31 July 2020)
M Gault (appointed 21 July 2020, resigned 7 May 2021)
N Shearing (appointed 21 July 2020)
J Steele (appointed 16 March 2021)
S Butter (appointed 4 May 2021)
K Stillwell (appointed 10 May 2021)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

CE FINCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Future developments

The company acts as an intermediate holding company and the directors do not expect this to change for the foreseeable future.

Financial risk management

The company is financed through fixed rate loan notes and is not exposed to movements in interest rates.

Going concern

For Going Concern, Capital Economics Group "the Group" of which the company is wholly owned by, is considered as a whole. The Group has a stable, substantial client base and has net cash resources. The Group is funded by its bank debt, loan notes and preference shares, which are not due for repayment in the next 12 months. The directors therefore do not expect the need for additional external funding.

The directors have reviewed future trading and cash flow forecasts out to December 2022. Key sensitivities of client renewal rates, new client generation and uncontrolled operational costs have been considered to determine what results are likely and what is feasible. After reviewing the Group's forecasts, projections and considering reasonable downside sensitivities, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The Group and Company therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25/8/2021

and signed on its behalf.

J A Steele

J Steele
Director

CE FINCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CE FINCO LIMITED

Opinion

We have audited the financial statements of CE Finco Limited (the 'company') for the year ended 31 December 2020, which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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

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

CE FINCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CE FINCO LIMITED (CONTINUED)

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

Matters on which we are required to report by exception

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

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

CE FINCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CE FINCO LIMITED (CONTINUED)

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The company is subject to many laws and regulations, where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; financial reporting legislation, Companies Act legislation, tax legislation, anti-bribery legislation and employment law;
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit;
- We understood how the company is complying with those legal and regulatory frameworks by making enquiries of management. We corroborated our enquiries through our review of board minutes;
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management from different parts of the business to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programs and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk;

CE FINCO LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CE FINCO LIMITED (CONTINUED)

- Our audit procedures involved: journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business and enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the annual report and accounts with applicable financial reporting requirements;
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
 - knowledge of the industry in which the client operates
 - understanding of the legal and regulatory requirements specific to the entity including:
 - the provisions of the applicable legislation
 - the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules
 - the applicable statutory provisions.
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the entity's operations, including the nature of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
 - the entity's control environment, including the policies and procedures implemented to comply with the entity's relevant regulatory requirements, including the adequacy of procedures for authorisation of transactions, internal review procedures over the entity's compliance with regulatory requirements and procedures to ensure that possible breaches of requirements are appropriately investigated and reported.

Use of our report

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

Grant Thornton UK LLP

Matt Buckingham
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: 25/8/2021

CE FINCO LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Other external charges		(12,400)	(13,900)
Operating loss		<u>(12,400)</u>	<u>(13,900)</u>
Interest payable and similar expenses	6	(4,076,207)	(3,752,729)
Loss before tax		<u>(4,088,607)</u>	<u>(3,766,629)</u>
Loss for the financial period		<u><u>(4,088,607)</u></u>	<u><u>(3,766,629)</u></u>
Total comprehensive expense for the period		<u><u>(4,088,607)</u></u>	<u><u>(3,766,629)</u></u>

There were no other items of comprehensive income for 2020 (2019: £Nil).

The notes on pages 10 to 18 form part of these financial statements.

CE FINCO LIMITED
REGISTERED NUMBER: 11239628

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	8	24,195,269	24,195,269
Current assets			
Debtors: amounts falling due within one year	9	32,821,153	32,820,353
Creditors: amounts falling due within one year	10	(9,716,626)	(8,892,821)
Net current assets		23,104,527	23,927,532
Total assets less current liabilities		47,299,796	48,122,801
Creditors: amounts falling due after more than one year	11	(33,912,079)	(30,646,477)
Net assets		13,387,717	17,476,324
Capital and reserves			
Called up share capital	12	241,953	241,953
Share premium account	13	23,953,316	23,953,316
Profit and loss account	13	(10,807,552)	(6,718,945)
		13,387,717	17,476,324

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

25/8/2021

J Steele

J Steele
 Director

The notes on pages 10 to 18 form part of these financial statements.

CE FINCO LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	241,953	23,953,316	(6,718,945)	17,476,324
Comprehensive expense for the period				
Loss for the year	-	-	(4,088,607)	(4,088,607)
Total comprehensive expense for the period	-	-	(4,088,607)	(4,088,607)
At 31 December 2020	241,953	23,953,316	(10,807,552)	13,387,717

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	241,953	23,953,316	(2,952,316)	21,242,953
Comprehensive expense for the period				
Loss for the year	-	-	(3,766,629)	(3,766,629)
Total comprehensive expense for the period	-	-	(3,766,629)	(3,766,629)
At 31 December 2019	241,953	23,953,316	(6,718,945)	17,476,324

The notes on pages 10 to 18 form part of these financial statements.

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

CE Finco Limited is a limited liability company. It is incorporated in the United Kingdom and its registered address is 100 Victoria Street, London, SW1E 5JL.

The principal activity of the company is as an intermediate holding company and provider of debt finance.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of CE Topco Limited as at 31 December 2020 and these financial statements may be obtained from 100 Victoria Street, London, England, SW1E 5JL.

2.3 Exemption from preparing consolidated financial statements

The Company is a parent Company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of any part of the United Kingdom and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 Going concern

For Going Concern, Capital Economics Group "the Group" of which the company is wholly owned by, is considered as a whole. The directors have reviewed future trading and cash flow forecasts out to December 2022. Key sensitivities of client renewal rates, new client generation and uncontrolled operational costs have been considered to determine what results are likely and what is feasible. The Group has a stable, substantial customer base and has net cash resources. The Group is funded by its bank debt, loan notes and preference shares, which are not due for repayment in the next 12 months. The directors therefore do not expect the need for additional external funding.

After reviewing the Group's forecasts, projections and considering downside sensitivities, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Company and Group therefore continue to adopt the going concern basis in preparing its consolidated financial statements.

2.5 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Borrowing costs

Borrowing costs relating to loan notes are capitalised in the statement of financial position in the period in which they are incurred and amortised over the period of the loan through the statement of comprehensive income.

All other borrowing costs are recognised in the consolidated statement of comprehensive income in the period in which they are incurred.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including loan notes, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

Significant management estimates
Intercompany loans (note 9)

The directors make an assessment over the recoverability of amounts owed by group undertakings based on their knowledge of those entities and make provision for any amount considered unrecoverable.

4. Auditor's remuneration

	2020 £	2019 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>5,000</u>	<u>5,000</u>

5. Employees

The company has no employees other than the directors, who did not receive any remuneration from this company in the current or prior year.

6. Interest payable and similar expenses

	2020 £	2019 £
Loan note interest payable	3,266,665	2,962,087
Interest payable on intercompany loans	751,839	730,337
Amortisation of debt arrangement fees	57,703	60,305
	<u>4,076,207</u>	<u>3,752,729</u>

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Taxation**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(4,088,607)</u>	<u>(3,766,629)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%	(776,835)	(715,660)
Effects of:		
Expenses not deductible for tax purposes	439,729	386,244
Transfer pricing adjustments	-	463,271
Group relief	159,098	(226,577)
Deferred tax not provided	178,008	92,722
Total tax charge for the year	<u>-</u>	<u>-</u>

There were no factors that may affect future tax charges.

8. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2020	24,195,269
At 31 December 2020	<u>24,195,269</u>

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
CE Cleanco Limited *	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
CE Nominees Limited *	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
CE Bidco Limited **	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
Capital Economics Research Limited **	100 Victoria Street, London, SW1E 5JL	Intermediate holding company	Ordinary	100%
Capital Economics Limited **	100 Victoria Street, London, SW1E 5JL	Economics consultants	Ordinary	100%
Capital Economics (USA) Inc **	1209 Orange Street, Wilmington, NewCastle, Delaware 19801	Economics consultants	Ordinary	100%
Capital Economics (N.A.) Limited **	100 Victoria Street, London, SW1E 5JL	Economics consultants	Ordinary	100%
Capital Economics (Asia) Pte. Ltd **	1 Marina Boulevard, #28- 00, Singapore	Economics consultants	Ordinary	100%
Capital Economics (Australia) Pty. Ltd **	58 Gipps Street, Collingwood, Vic 3086. Australia	Economics consultants	Ordinary	100%
Capital Economics (HK) Limited **	19th Floor, Edinburgh Tower, The Landmark, 15 Queen's Road, Central, Hong Kong	Economics consultants	Ordinary	100%

* Direct subsidiary of the company.

** Indirect subsidiary of the company.

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

8. Fixed asset investments (continued)**Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £000	Profit/(Loss) £000
CE Cleanco Limited *	24,091	(19)
CE Nominees Limited *	-	-
CE Bidco Limited **	13,648	(3,446)
Capital Economics Research Limited **	16,690	(197)
Capital Economics Limited **	15,947	4,952
Capital Economics (USA) Inc **	(3,509)	165
Capital Economics (N.A.) Limited **	10,375	1,036
Capital Economics (Asia) Pte. Ltd **	2,416	224
Capital Economics (Australia) Pty. Ltd **	(1,656)	25
Capital Economics (HK) Limited **	7	-

9. Debtors

	2020 £	2019 £
Amounts owed by group undertakings	32,820,353	32,820,353
Prepayments and accrued income	800	-
	<u>32,821,153</u>	<u>32,820,353</u>

Amounts owed by group undertakings are unsecured, repayable on demand and no interest is charged on these amounts.

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Creditors: Amounts falling due within one year

	2020	2019
	£	£
Amounts owed to group undertakings	9,708,376	8,884,921
Accruals and deferred income	8,250	7,900
	<u>9,716,626</u>	<u>8,892,821</u>

Included in amounts owed to group undertakings is a loan from the ultimate parent company CE Topco Limited with a year end balance of of £9,229,126 (2019: £8,467,887). Interest of £751,839 (2019: £730,337) was paid to CE Topco Limited during the period.

Amounts owed to all other group undertakings are unsecured, repayable on demand and no interest is charged on these amounts.

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

11. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Loan notes	<u>33,912,079</u>	<u>30,646,477</u>

Loan notes attract a coupon rate of 7.5% at 31 December 2020 (2019: 10%) and are redeemable at the earlier of 25 March 2028 or the sale or listing of the Group. Interest is payable annually; however, the Company has the option to defer and compound until redemption date which it has elected to do each payment date since the Loan Notes were raised on 26 March 2018. The loan notes are unsecured.

On 26 March 2018, £30,635,938 loan notes were raised at a 10% rate of interest.

On 17 April 2019, £4,518,222 of loan notes were redeemed along with £481,778 of interest. This was financed through a £5,000,000 drawdown of an existing loan in CE Bidco Ltd, an indirect subsidiary of the company.

On 9 December 2020, the Loan Note Agreement was amended to adjust the interest coupon from 10% to 7.5% between 9th December and 1st January 2025. This change resulted in substantially different terms therefore, the original Debt has been derecognised.

The new debt recognised in its place meets the conditions of a basic financial instrument. As the debt has the option to defer interest payments, it was considered a financing transaction therefore, initial measurement of £33,753,336 was calculated as the present value of future payments discounted at the market rate of interest. Key judgements were made for the most likely ending date for the debt being December 2023 and market rate of interest of the debt at the date of recognition being 7.5%. The difference between the value of the new debt and the carrying value of the old debt was £75,354 which was taken to the Profit and Loss as interest expense.

At 31 December 2020, the debt was subsequently measured at Amortised Cost using the Effective Interest Method. The Effective Interest Rate was determined to be 7.5% and a further £158,744 interest between 09th December and 31 December 2020 was recorded to the Profit and Loss. The closing balance of the debt is equal to this accrued interest plus the opening value of £33,753,336 noted above.

The Loan notes have been listed on The International Stock Exchange since 12 September 2018.

CE FINCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
24,195,270 (2019 - 24,195,270) Ordinary shares of £0.01 each	<u>241,953</u>	<u>241,953</u>

13. Reserves**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Profit and loss account

Includes all current and prior period profits and losses.

14. Related party transactions

As the company is a wholly owned subsidiary with the group headed by CE Topco Limited, the company has taken exemptions available in FRS 102 and therefore not disclosed transactions or balances with wholly owned entities which form part of the group.

Key management personnel employed by group companies held £5,216,909 loan notes as at 31 December 2020 (2019: £5,435,844). Accrued interest on the loan notes as at 31 December 2020 was £1,571,540 (2019: £1,003,907).

15. Controlling party

The ultimate parent company is CE Topco Limited, a company incorporated in the United Kingdom. CE Topco Limited heads the largest and smallest group into which the results of this company are consolidated. Copies of CE Topco Limited accounts can be obtained from the company's secretary.

CE Topco Limited does not have a single ultimate controlling party by virtue that no single shareholder holds more than 50% of the voting rights.