
TRUST PAYMENTS LTD**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

25. Financial risk management**Financial risk factors**

The group's activities potentially expose it to a variety of financial risks including credit risk, market risk, specifically foreign exchange risk, and liquidity risk. Accordingly, the directors provide principles for overall risk management as well as policies covering specific areas. In order to manage these risks, the group did not make use of derivative financial instruments to hedge certain risk exposures during the periods.

(a) Credit risk

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and rises principally from the group's receivables from customers, receivables from intra group balances and negative balances. The carrying amounts of financial assets represent the maximum credit exposure.

The group's exposures to credit risk as at the end of the reporting period based on carrying amounts as reported in the statement of financial position for on-balance sheet financial assets are analysed as follows:

	31 December 2021 £	31 December 2020 £
Trade and other receivables (Note 17)	29,664,193	21,761,087
Cash and cash equivalents (Note 18)	73,450,522	36,439,700
	<u>103,114,715</u>	<u>58,200,787</u>