

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021
FOR
FIRST ASSET FINANCE LIMITED

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FOR THE YEAR ENDED 30 SEPTEMBER 2021

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FIRST ASSET FINANCE LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 SEPTEMBER 2021

DIRECTORS:

Mr S C Jones
Mr M C Vodden
Mr P Sherrington

SECRETARY:

Mr S C Jones

REGISTERED OFFICE:

Capital Tower
91 Waterloo Road
London
SE1 8RT

REGISTERED NUMBER:

01650495 (England and Wales)

AUDITORS:

Fiander Tovell Limited
Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their strategic report for the year ended 30 September 2021.

REVIEW OF BUSINESS

The directors are satisfied with the results of the year, considering the impact of the UK economy as a whole of the continuing COVID-19 pandemic. The directors took the decision to remain fully open throughout the lockdown period to support its client base and the company did not take any of the support measures or loan packages available through the various government schemes. Costs were significantly reduced during the year as a result of switching to a hybrid working model. Commission income for the year was £357,699 (2020: £265,570) despite the difficult trading conditions in the UK.

The business was also successful in winning a number of new client mandates towards the end of the financial year which will bring improved results in the 2021 period.

The company has levied a management charge on First Asset Rental Limited of £57,224 for the year (2020: £100,000), reflecting the support of the directors to the company and a final share of the overheads of running the office which was shared with the company.

The directors consider levels of cash flow and net current ratio to be the company's key financial performance indicators. Cash level has decreased this year by £42,554. This has resulted in a current ratio which is now 1.86 (2020: 2.28). Despite this, the company is still in a good liquidity position and the directors are confident that with their continuing prudent management, the cash levels and net current ratio of the company will be maintained.

The directors have decided that no dividends will be paid (2020: £nil).

PRINCIPAL RISKS AND UNCERTAINTIES

The company's businesses operate in a competitive market that can be subject to rapid change. Its products and services are affected by changing customer behaviour. A change in the market, and the way equipment is financed could significantly affect the company's results. However, such change provides opportunities for the company to demonstrate its expertise and understanding of the complexity affecting the asset finance marketplace to provide the solution accordingly. Over the years the company has been able to maintain good relationships with their customers and suppliers which help improve long term business prospects.

STRATEGIC REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

SECTION 172(1) STATEMENT

The board of directors of First Asset Finance Plc consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Act) in the decisions taken during the year ended 30 September 2021.

Our plan was designed to have a long-term beneficial impact on the company and to contribute to its success in delivering a high quality of service across all of our business divisions.

Our team members are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits our team members receive. The health, safety and well-being of our team members is one of our primary considerations in the way we do business.

Engagement with suppliers and customers is key to our success. We meet with our major partners regularly throughout the year and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

Our plan took into account the impact of the company's operations on the community and environment and our wider social responsibilities, and in particular how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local community concerns.

As the board of directors, our intention is to behave responsibly and ensure that the management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan, that reflects our responsible behaviour.

As the board of directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

FINANCIAL INSTRUMENTS

The company's principal financial instruments are cash and bank balances and intercompany and connected company loans.

The company maintains a positive cash position and manages its borrowing requirements to minimise its exposure to fluctuations in interest rates. It has financial controls in place to monitor liquidity. The credit risk associated with cash and borrowings is low as the counterparties have reasonable credit ratings.

The directors consider the company faces the usual pricing risk of any other company operating in a competitive, commercial environment.

ON BEHALF OF THE BOARD:

Mr P Sherrington - Director

28 April 2022

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

The directors present their report with the financial statements of the company for the year ended 30 September 2021.

CHANGE OF NAME

The company changed its name from First Asset Finance Plc to First Asset Finance Limited by adopting new Articles of Association with a special resolution on 9 August 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of equipment leasing, receivables financing, structured finance and trading in assets for leasing.

DIVIDENDS

No dividends will be distributed for the year ended 30 September 2021.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies which have resulted in the company's performance in recent years.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 October 2020 to the date of this report.

Mr S C Jones
Mr M C Vodden
Mr P Sherrington

DISCLOSURE IN THE STRATEGIC REPORT

A review of the business including the principal risks and uncertainties facing the company is described in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 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.

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 30 SEPTEMBER 2021

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr P Sherrington - Director

28 April 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FIRST ASSET FINANCE LIMITED
PREVIOUSLY KNOWN AS FIRST ASSET FINANCE PLC

Opinion

We have audited the financial statements of First Asset Finance Limited (the 'company') for the year ended 30 September 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 30 September 2021 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FIRST ASSET FINANCE LIMITED
PREVIOUSLY KNOWN AS FIRST ASSET FINANCE PLC

Matters on which we are required to report by exception

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 Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FIRST ASSET FINANCE LIMITED
PREVIOUSLY KNOWN AS FIRST ASSET FINANCE PLC

Auditors' 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 a Report of the Auditors 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.

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities, and skills to identify or recognise non-compliance with applicable laws and regulations.
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, such as the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation.

We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management. The identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected, and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; assessed whether judgements and assumptions made in determining the accounting estimates (i.e., depreciation)
- were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors, where available

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FIRST ASSET FINANCE LIMITED
PREVIOUSLY KNOWN AS FIRST ASSET FINANCE PLC

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 Report of the Auditors.

Use of our report

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

Andrew Jay ACA FCCA (Senior Statutory Auditor)
for and on behalf of Fiander Tovell Limited
Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

12 May 2022

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
TURNOVER	3	422,398	366,420
Cost of sales		<u>153,514</u>	<u>150,024</u>
GROSS PROFIT		268,884	216,396
Administrative expenses		<u>413,116</u>	<u>387,789</u>
OPERATING LOSS and LOSS BEFORE TAXATION		(144,232)	(171,393)
Tax on loss	6	<u>(44,660)</u>	<u>(31,230)</u>
LOSS FOR THE FINANCIAL YEAR		<u>(99,572)</u>	<u>(140,163)</u>

FIRST ASSET FINANCE LIMITED (REGISTERED NUMBER: 01650495)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
LOSS FOR THE YEAR		(99,572)	(140,163)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>(99,572)</u>	<u>(140,163)</u>

The notes form part of these financial statements

FIRST ASSET FINANCE LIMITED (REGISTERED NUMBER: 01650495)**BALANCE SHEET**
30 SEPTEMBER 2021

	Notes	2021 £	£	2020 £	£
FIXED ASSETS					
Tangible assets	7		3,062		6,481
CURRENT ASSETS					
Debtors	8	245,738		318,656	
Prepayments and accrued income		26,977		5,627	
Cash at bank and in hand		<u>201,358</u>		<u>243,912</u>	
		474,073		568,195	
CREDITORS					
Amounts falling due within one year	9	<u>254,197</u>		<u>249,054</u>	
NET CURRENT ASSETS			<u>219,876</u>		<u>319,141</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			222,938		325,622
CREDITORS					
Amounts falling due after more than one year	10		-		<u>3,112</u>
NET ASSETS			<u>222,938</u>		<u>322,510</u>
CAPITAL AND RESERVES					
Called up share capital	12		50,000		50,000
Capital redemption reserve	13		60,000		60,000
Retained earnings	13		<u>112,938</u>		<u>212,510</u>
SHAREHOLDERS' FUNDS			<u>222,938</u>		<u>322,510</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 April 2022 and were signed on its behalf by:

Mr P Sherrington - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 October 2019	50,000	352,673	60,000	462,673
Changes in equity				
Total comprehensive income	-	(140,163)	-	(140,163)
Balance at 30 September 2020	<u>50,000</u>	<u>212,510</u>	<u>60,000</u>	<u>322,510</u>
Changes in equity				
Total comprehensive income	-	(99,572)	-	(99,572)
Balance at 30 September 2021	<u>50,000</u>	<u>112,938</u>	<u>60,000</u>	<u>222,938</u>

CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	<u>(157,661)</u>	<u>(92,919)</u>
Net cash from operating activities		<u>(157,661)</u>	<u>(92,919)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(755)	(312)
Sale of fixed asset investments		-	11,300
Net cash from investing activities		<u>(755)</u>	<u>10,988</u>
Cash flows from financing activities			
Movements in inter group loans		12,749	52,696
Movements in related company		103,013	-
Amount introduced by directors		100	-
Net cash from financing activities		<u>115,862</u>	<u>52,696</u>
Decrease in cash and cash equivalents		<u>(42,554)</u>	<u>(29,235)</u>
Cash and cash equivalents at beginning of year	2	243,912	273,147
Cash and cash equivalents at end of year	2	<u>201,358</u>	<u>243,912</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2021****1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2021	2020
	£	£
Loss before taxation	(144,232)	(171,393)
Depreciation charges	4,174	4,023
Profit on disposal of fixed assets	-	(24)
	<u>(140,058)</u>	<u>(167,394)</u>
(Increase)/decrease in trade and other debtors	(3,131)	70,790
(Decrease)/increase in trade and other creditors	<u>(14,472)</u>	<u>3,685</u>
Cash generated from operations	<u><u>(157,661)</u></u>	<u><u>(92,919)</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 September 2021

	30.9.21	1.10.20
	£	£
Cash and cash equivalents	<u>201,358</u>	<u>243,912</u>

Year ended 30 September 2020

	30.9.20	1.10.19
	£	£
Cash and cash equivalents	<u>243,912</u>	<u>273,147</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.10.20	Cash flow	At 30.9.21
	£	£	£
Net cash			
Cash at bank and in hand	<u>243,912</u>	<u>(42,554)</u>	<u>201,358</u>
	<u>243,912</u>	<u>(42,554)</u>	<u>201,358</u>
Total	<u><u>243,912</u></u>	<u><u>(42,554)</u></u>	<u><u>201,358</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021**

1. STATUTORY INFORMATION

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention, with the exception of listed investments which are shown at fair value. The financial statements are shown in sterling and rounded to the nearest £.

Going concern

These financial statements have been prepared on the going concern basis on the directors' assessment that the company will be financially supported by the group companies.

Significant judgements and estimates

In the application of the company's accounting policies, the management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements include deferred tax asset and deferred income provisions on possible clawback of commission.

Deferred tax asset of £75,266 relating to tax losses have been recognised in these financial statements on the basis that the directors are confident that the company will make sufficient future profits to utilise the losses.

Commission income has been recognised in these financial statements which may be subject to clawback, depending on the terms of the agreement. At the date of approving these accounts, the directors considered that it is unlikely that this clawback will occur as they have received no indication that there has been early terminations.

Income recognition

Fees and commissions are earned from services provided to clients. Fees and commissions earned on completion of a transaction is recognised when the event occurs. Fees and commissions that are provided over a period of time are recognised over the period in which the service is provided.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Improvements to property	- Length of lease
Fixtures, fittings and equipment	- 20% on cost

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instruments.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Fixed asset investments

Fixed asset investments are carried in the accounts at market value, with movements in the value recognised in the income statement

Loans and receivables

Loans and receivables are measured at amortised costs using the effective interest method, less any impairment.

Trade payables

Trade payables are not interest bearing and are stated at their nominal value.

3. TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Commission received	357,699	265,570
Management charge	57,224	100,000
Sale of leased assets	7,475	850
	<u>422,398</u>	<u>366,420</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**4. EMPLOYEES AND DIRECTORS**

	2021	2020
	£	£
Wages and salaries	175,368	115,789
Social security costs	18,190	12,948
Other pension costs	39,758	42,200
	<u>233,316</u>	<u>170,937</u>

The average number of employees during the year was as follows:

	2021	2020
Management and marketing	2	1
Administration	<u>2</u>	<u>2</u>
	<u>4</u>	<u>3</u>

	2021	2020
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

The total staff cost and average number of employees analysis above do not include the three directors of the company whose services are invoiced to First Asset Finance Plc. During the year this amounted to £1,000 (2020: £750) for Charkella Limited and £150,000 (2020: £150,000) for Sherven Limited. No fees has been paid to MCV Limited during the current or previous year.

Other pension costs above include £26,845 (2020: £30,656) of private medical and travel insurance provided for the directors.

5. OPERATING LOSS

The operating loss is stated after charging/(crediting):

	2021	2020
	£	£
Depreciation - owned assets	4,174	4,022
Profit on disposal of fixed assets	-	(24)
Auditors' remuneration	5,450	5,300
Foreign exchange differences	277	-
Rent payable under operating lease	95,999	125,730
Management charge	(57,224)	(100,000)
Pension costs - defined contribution scheme	<u>9,974</u>	<u>3,293</u>

6. TAXATION**Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2021	2020
	£	£
Deferred tax	<u>(44,660)</u>	<u>(31,230)</u>
Tax on loss	<u>(44,660)</u>	<u>(31,230)</u>

UK corporation tax has been charged at 25% (2020 - 19%).

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021

6. TAXATION - continued

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Loss before tax	<u>(144,232)</u>	<u>(171,393)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	(27,404)	(32,565)
Effects of:		
Expenses not deductible for tax purposes	479	1,493
Capital allowances in excess of depreciation	-	(158)
Depreciation in excess of capital allowances	241	-
Deferred tax asset adjustment as a result of change in tax rate	<u>(17,976)</u>	<u>-</u>
Total tax credit	<u>(44,660)</u>	<u>(31,230)</u>

The rate of corporation tax has been increased to 25% from 1 April 2023 following the enactment of the Finance Act 2021.

7. TANGIBLE FIXED ASSETS

	Improvements to property £	Fixtures, fittings and equipment £	Totals £
COST			
At 1 October 2020	5,240	43,724	48,964
Additions	-	755	755
Disposals	<u>(5,240)</u>	<u>(36,697)</u>	<u>(41,937)</u>
At 30 September 2021	<u>-</u>	<u>7,782</u>	<u>7,782</u>
DEPRECIATION			
At 1 October 2020	3,493	38,990	42,483
Charge for year	1,747	2,427	4,174
Eliminated on disposal	<u>(5,240)</u>	<u>(36,697)</u>	<u>(41,937)</u>
At 30 September 2021	<u>-</u>	<u>4,720</u>	<u>4,720</u>
NET BOOK VALUE			
At 30 September 2021	<u>-</u>	<u>3,062</u>	<u>3,062</u>
At 30 September 2020	<u>1,747</u>	<u>4,734</u>	<u>6,481</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Trade debtors	7,625	3,504
Amounts owed by group undertakings	162,427	158,723
Other debtors	160	22,500
Related company loans	260	103,323
Deferred tax asset	75,266	30,606
	<u>245,738</u>	<u>318,656</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	1,195	14,356
Amounts owed to group undertakings	213,998	196,858
Corporation tax	9	9
Social security and other taxes	4,224	3,095
VAT	8,637	5,456
Other creditors	2,375	-
Directors' current accounts	2,790	2,690
Accruals and deferred income	20,969	26,590
	<u>254,197</u>	<u>249,054</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Related company loans	<u>-</u>	<u>3,112</u>

11. DEFERRED TAX

	£
Balance at 1 October 2020	(30,606)
Credit to Income Statement during year	(44,660)
Deferred tax asset on losses	
Balance at 30 September 2021	<u>(75,266)</u>

12. CALLED UP SHARE CAPITAL

Allotted and issued:			2021	2020
Number:	Class:	Nominal value:	£	£
50,000	Share capital 1	£1	<u>50,000</u>	<u>50,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 30 SEPTEMBER 2021**13. RESERVES**

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 October 2020	212,510	60,000	272,510
Deficit for the year	(99,572)		(99,572)
At 30 September 2021	<u>112,938</u>	<u>60,000</u>	<u>172,938</u>

14. ULTIMATE PARENT COMPANY

At the year end the parent undertaking of the smallest and the largest group of undertakings for which group financial statements are drawn up and of which the company is a member is FAF Holdings Limited, a company incorporated in England and Wales with registered office at Capital Tower, 91 Waterloo Road, London, SE1 8RT, United Kingdom.

Copies of the group financial statements of FAF Holdings Limited are available at Companies House, Crown Way, Cardiff, CF14 3UZ.

15. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Entities that provide key management personnel services to the entity

	2021 £	2020 £
Fees	<u>151,000</u>	<u>150,750</u>

Other related parties

	2021 £	2020 £
Amount due from related party	<u>3,224</u>	<u>103,323</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.