

Company registration number 04302060 (England and Wales)

LIBERTY LEASING LIMITED
AMENDED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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LIBERTY LEASING LIMITED

COMPANY INFORMATION

Directors	Mr A A Captain Mr G L Randall Mr A X Clegg Mr P F Sheedy Mr M Wilmot-Wilkinson Mr D J Randall Mr A W Cooper Mrs L J Roberts
Secretary	Mr A W Cooper
Company number	04302060
Registered office	Liberty House Brook Avenue Warsash Southampton Hampshire SO31 9HP
Auditor	Moore (South) LLP The Quay, 30 Channel Way Ocean Village Southampton Hampshire SO14 3TG

LIBERTY LEASING LIMITED

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LIBERTY LEASING LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

I am delighted to report that Liberty Leasing produced an excellent performance for the year with an adjusted profit before tax (exceptional items excluded) being £1.9 million.

The Company's long standing relationship with its funders continue to develop very successfully and Liberty is currently in reviews with several funders for increases in credit lines.

The legal department had a very successful year dealing with all the challenges presented to them post covid.

Our bespoke customer management system Liberty Live has further developed and we've expanded its range of application to now include a fully digital workflow process.

The benefits of this are far reaching enabling Liberty to reduce proposed processing times, increasing our capacity, efficiency and accuracy, all while collecting business data that will aid future business decisions.

The first quarter of 2023 has been very positive for Liberty and we are already substantially ahead of turnover and profitability.

We are pleased to advise that with repossessions, bad debt and recoveries all improving we are in a very strong position to take advantage of the growing opportunities that are presented to us in 2023.

We would like to take this opportunity to thank all our staff for their continued support over the last year.



Mr AA Captain
Chairman

Date: 16/06/2023

LIBERTY LEASING LIMITED

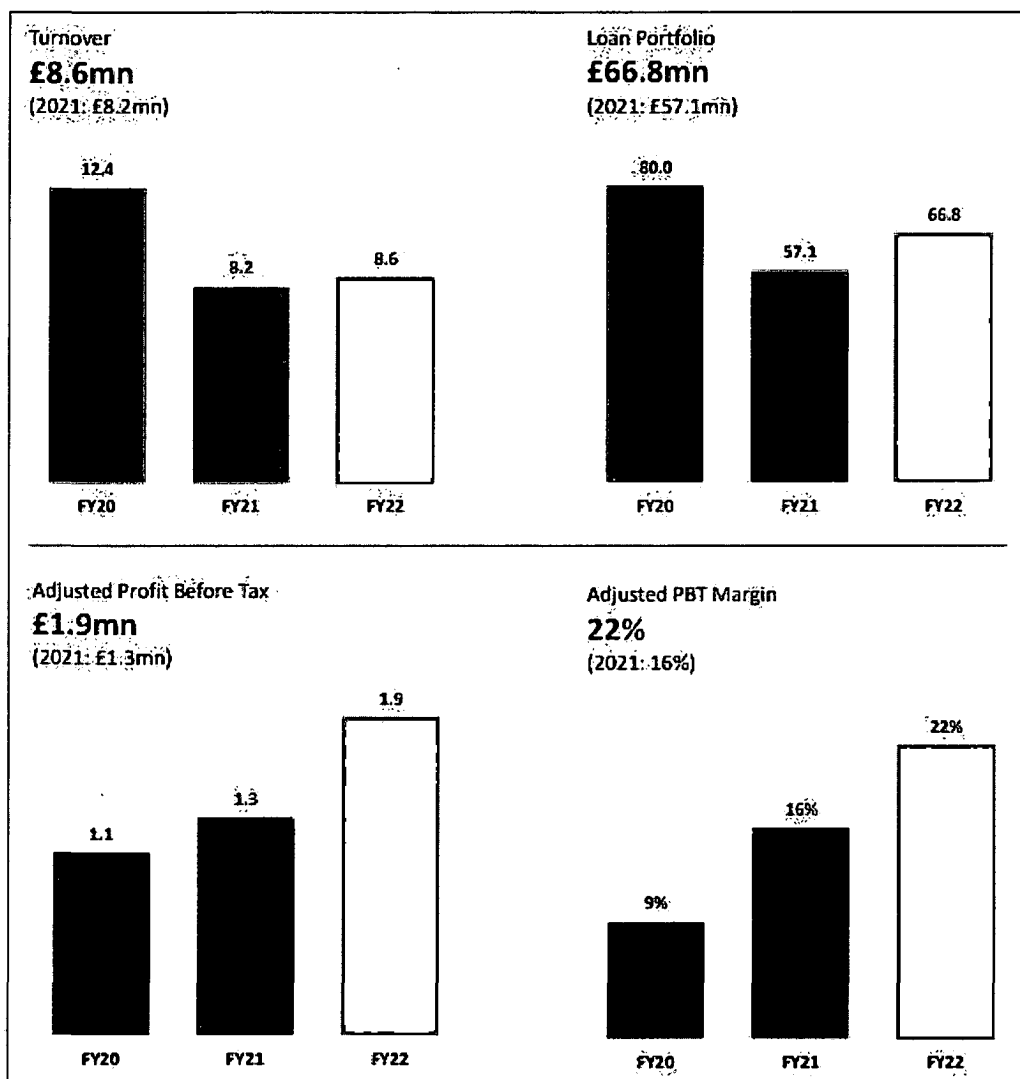
STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The Directors present the strategic report and financial statements for the year ended 31 December 2022.

The Chairman's statement on page 1 reports on recent trading history, developments during the year and events since 31 December 2022.

Fair Review of the Business



LIBERTY LEASING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Analysis of Development and Performance

The Financial Summary on page 2 highlights a number of key performance indicators the Company uses to assesses its financial position and performance. Alongside these the Company uses non-financial KPIs discussed in detail in the following paragraphs.

The Company has grown its loan book with total gross book debt increasing to £66.8mn (2021: £57.1mn), an increase of 17%, with borrowings also rising to £39.9mn (2021: £35.7mn), an increase of 12%, reflecting the strategic decision to grow the loan book again following the pandemic. Gearing has remained at historically low levels of c200% despite the growth of the debt book.

Adjusted profit before tax (exceptional items excluded) was £1.9mn (2021: £1.3mn), and the adjusted profit before tax margin improved to 22% (2021: 16%). Bad debt provisions remained high by historical levels throughout 2022, reflecting the historical impact of the pandemic on some older transactions.

The Company's net worth increased by 7% to £19.9mn (2021: £18.6mn), as a result of the retained profits of £1.2mn.

The Company continued to invest in development of its CRM system, with large parts of the new system being successfully deployed during the year. This has resulted in improved efficiency and productivity levels across the Company. Continued investment in the system is planned which is expected to result in further operational efficiencies.

Future Developments

The Company plans further investment in its IT security in order to enhance its operational and cyber resilience to protect its customers and enhance the key strengths of the business.

The Company successfully renewed £32mn of its block discounting facilities which will support the future growth and development of the business.

The Company is in a strong position to continue the growth of its loan book, with further increases in new lending volumes being forecast.

Principal Risks and Uncertainties

Credit and fraud risk

The Company is exposed to the inherent receivables risk that customers may not fulfil their payment obligations. The Company regularly reviews its exposure for every customer, including the adequacy of security available in the event of default. Additionally, default credit risk may arise from events or circumstances that are difficult to detect such as fraud. The Company has implemented robust processes focused on pre-lend due diligence and collections/ arrears management.

Inadequate security

The Company is exposed to the risk of inadequate security, where repossessed assets following default by a customer may be worthless than book value, meaning that the Company is unable to recover some or all of its receivable. The Company lends on a secured basis with a strong emphasis on the quality of the asset and its inherent value, thereby ensuring that the potential risk to the Company's balance sheet in the event of default is minimised to an acceptable level.

The Company utilises an in house asset management team, together with third party specialist valuers, to ensure that the asset value provides adequate security for the Company. The Company may also obtain personal guarantees from customers where appropriate.

Liquidity & Funding risks

The Company relies on funding lines and availability of credit from a group of lenders, in order to maintain its liquidity, and to provide an adequate level of working capital to fund new business. The Company continues to benefit from strong relationships with its funders, which it continually reviews, and seeks to identify potential new sources of funding to support its growth in the future.

LIBERTY LEASING LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

Interest rate risk

Interest rate risk is monitored on a regular basis in order to minimise the Company's exposure to fluctuations in interest rates. The Company seeks to lock in its funding lines at fixed rates to provide certainty over future cash flows.

Market risk

The Company has a number of strategies in place to reduce the impact of market risk including underwriting criteria that seeks to ensure that the credit worthiness of its receivables does not deteriorate. The Company's business model has proved to be resilient in previous recessions and Liberty's cash flows are structured such that the business will continue to generate cash even if new business volumes decline for a period of time, thereby reducing the negative impact on cash flow for the business.

Cyber risk

Cyber risk continues to grow each year and the Company has responded to this by implementing new policies and procedures in this area in order to build its resilience to such risks. Whilst investing heavily in this area the Company also notes that protection is unlikely to be absolute and therefore investment focuses on detection of threats and responses to them being implemented in a timely and efficient manner.

On behalf of the board



Mr A W Cooper
Director

Date: 16/06/2023

LIBERTY LEASING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of providing finance to businesses and individuals in the form of hire purchase, leases and loans.

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £439,685. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A A Captain
Mr G L Randall
Mr A X Clegg
Mr P F Sheedy
Mr M Wilmot-Wilkinson
Mr D J Randall
Mr A W Cooper
Mrs L J Roberts

Supplier payment policy

The company's current policy concerning the payment of creditors is to pay suppliers in accordance with agreed terms and conditions.

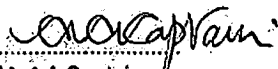
Auditor


The auditor, Moore (South) LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board


Mr A A Captain
Director


Mr A W Cooper
Director

Date: 16/06/2023

LIBERTY LEASING LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors are responsible for preparing the Annual 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 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

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.

LIBERTY LEASING LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LIBERTY LEASING LIMITED

Opinion

We have audited the financial statements of Liberty Leasing Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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 2022 and of its profit 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

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 other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 our 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.

LIBERTY LEASING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LIBERTY LEASING LIMITED

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 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, 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 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

LIBERTY LEASING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LIBERTY LEASING LIMITED

Our approach was as follows:

- The engagement partner selected a team for the audit, led by persons who had prior knowledge of the client and who had the required competence and skills to be able to identify or recognise non-compliance with laws and regulations
- We assessed the risk of irregularities as part of our audit planning, and ongoing review, including those due to fraud. Management override was identified as a significant risk. This is due to the ability to bypass controls and disclosure requirements.
- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant from the perspective of the financial statements are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations. Consideration was also made of the internal controls in place to mitigate the identified risks.
- Revenue recognition was recognised as a significant risk to the audit, specifically cut off and the chance that revenue in relation to agreements is not recorded in the right accounting period.
- We assessed the control environment, documenting the systems, controls and processes adopted. The audit approach incorporated a combination analytical review, substantive procedures and control testing, where appropriate, involving tests of transactions and balances. Any irregularities were discussed with management and additional corroborative evidence was obtained as required.

In response to the risk of fraud through management override we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify any unusual transactions;
- assessed whether judgements and assumptions made by management in determining accounting estimates were indicative of potential bias, in particular provisions made for bad debts and asset impairment;
- reviewed transactions and balances with related parties, in particular with directors and loans from related parties; and
- reviewed the disclosures within the financial statements to ensure they meet the requirements of the accounting standards and relevant legislation;

In response to the risk of irregularities with regards to revenue recognition we:

- performed analytical procedures, to include comparison with prior year and budget
- Tested a sample of finance agreements raised, verifying revenue as correctly recorded and vouching portfolio receipts to the banking record; and
- Agreed the interest apportionment for a sample of agreements

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.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

LIBERTY LEASING LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LIBERTY LEASING LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Louise Hastings
Senior Statutory Auditor
For and on behalf of Moore (South) LLP

Date: 26/06/23

Chartered Accountants
Statutory Auditor

The Quay, 30 Channel Way
Ocean Village
Southampton
Hampshire
SO14 3TG

LIBERTY LEASING LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	2	8,646,535	8,212,677
Cost of sales		(823,055)	(947,261)
Gross profit		7,823,480	7,265,416
Administrative expenses		(3,867,300)	(5,875,153)
Other operating income		-	139,119
Operating profit	4	3,956,180	1,529,382
Investment income	8	13,409	-
Finance costs	11	(2,020,155)	(2,171,441)
Profit/(loss) before taxation		1,949,434	(642,059)
Tax on profit/(loss)	9	(306,509)	98,149
Profit/(loss) for the financial year		1,642,925	(543,910)

The income statement has been prepared on the basis that all operations are continuing operations.

LIBERTY LEASING LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Profit/(loss) for the year	1,642,925	(543,910)
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,642,925</u>	<u>(543,910)</u>

LIBERTY LEASING LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022		2021	
		£	£	£	£
Fixed assets					
Intangible assets	12	300,009		185,982	
Property, plant and equipment	13	1,857,800		1,556,586	
Investments	14	1		1	
		<u>2,157,810</u>		<u>1,742,569</u>	
Current assets					
Inventories	16	30,000		12,000	
Trade and other receivables falling due after one year	17	36,192,687		30,139,957	
Trade and other receivables falling due within one year	17	22,490,487		21,976,117	
Cash at bank and in hand		909,263		1,894,107	
		<u>59,622,437</u>		<u>54,022,181</u>	
Current liabilities					
Borrowings	20	18,776,983		19,559,910	
Obligations under finance leases	21	68,978		-	
Taxation and social security		86,853		85,684	
Other payables		896,652		903,415	
Deferred income	25	70,120		53,603	
		<u>19,899,586</u>		<u>20,602,612</u>	
Net current assets		39,722,851		33,419,569	
Total assets less current liabilities		<u>41,880,661</u>		<u>35,162,138</u>	
Non-current liabilities					
Borrowings	20	21,101,055		16,171,245	
Obligations under finance leases	21	397,938		-	
Deferred income	25	368,290		315,231	
		<u>(21,867,283)</u>		<u>(16,486,476)</u>	
Provisions for liabilities					
Deferred tax	24	160,500		26,024	
		<u>(160,500)</u>		<u>(26,024)</u>	
Net assets		<u>19,852,878</u>		<u>18,649,638</u>	

LIBERTY LEASING LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022

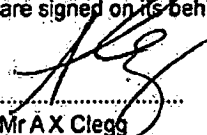
	Notes	2022 £	£	2021 £	£
Equity					
Called up share capital	27	1,631,993		1,631,993	
Share premium account		233,550		233,550	
Capital redemption reserve	28	20		20	
Retained earnings		17,987,315		16,784,075	
		<u>19,852,878</u>		<u>18,649,638</u>	
Total equity		<u>19,852,878</u>		<u>18,649,638</u>	

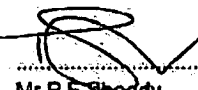
LIBERTY LEASING LIMITED

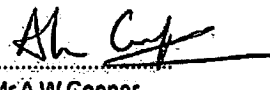
STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2022

The financial statements were approved by the board of directors and authorised for issue on 16/06/2023 and are signed on its behalf by:


.....
Mr A X Clegg
Director


.....
Mr P F Sheedy
Director


.....
Mr A W Cooper
Director

Company Registration No. 04302060

LIBERTY LEASING LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Retained earnings £	Total £
Balance at 1 January 2021		1,631,993	233,550	20	17,327,985	19,193,548
Year ended 31 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(543,910)	(543,910)
Balance at 31 December 2021		1,631,993	233,550	20	16,784,075	18,649,638
Year ended 31 December 2022:						
Profit and total comprehensive income for the year		-	-	-	1,642,925	1,642,925
Dividends	10	-	-	-	(439,685)	(439,685)
Balance at 31 December 2022		1,631,993	233,550	20	17,987,315	19,852,878

LIBERTY LEASING LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	31		(2,690,308)		19,642,538
Interest paid			(2,020,155)		(2,171,441)
Income taxes paid			(13,409)		(300,000)
Net cash (outflow)/inflow from operating activities			(4,723,872)		17,171,097
Investing activities					
Purchase of intangible assets		(114,027)		(54,985)	
Purchase of property, plant and equipment		(150,323)		(60,931)	
Proceeds from disposal of property, plant and equipment		293,528		38,800	
Interest received		13,409		-	
Net cash generated from/(used in) investing activities			42,587		(77,116)
Financing activities					
Proceeds from borrowings		29,252,088		-	
Repayment of borrowings		(25,067,499)		(18,519,885)	
Repayment of bank loans		(37,706)		(30,335)	
Payment of finance leases obligations		(10,757)		-	
Dividends paid		(439,685)		-	
Net cash generated from/(used in) financing activities			3,696,441		(18,550,220)
Net decrease in cash and cash equivalents			(984,844)		(1,456,239)
Cash and cash equivalents at beginning of year			1,894,107		3,350,346
Cash and cash equivalents at end of year			909,263		1,894,107

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Liberty Leasing Limited is a private company limited by shares incorporated in England and Wales. The registered office is Liberty House, Brook Avenue, Warsash, Southampton, Hampshire, SO31 9HP.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £1.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements present information about the company as an individual undertaking and not about its' group. The company has not prepared group accounts as it is exempt from requirement to do so by Section 402 of the Companies Act 2006. The company's subsidiary is not material to consolidate for the purpose of giving a true and fair view.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Turnover is finance income from finance leases and hire purchase agreements. Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and the effective interest rate applicable.

The actuarial method is used as an approximation measure for the constant periodic rate of return. Finance income is initially recognised on the date of the first repayment and the balance deferred over the term of the agreement.

1.4 Intangible fixed assets other than goodwill

Intangible assets comprise the development of CRM software and will be amortised when in use. The system is in its development phase and as such has not been amortised during the year ended 31 December 2022. Intangible assets are stated at cost less amortisation and are reviewed for impairment whenever there is an indication that the carrying value may be impaired.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost net of depreciation.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% and 5% reducing balance
Fixtures and fittings	25% reducing balance basis
Motor vehicles	25% reducing balance basis

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Non-current investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investment is assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.7 Inventories

Vehicles for resale are valued at the lower of cost and net realisable value.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the actuarial method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Other financial liabilities

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax assets are recognised only to the extent that it is more likely than not that there will be suitable profits from which the future reversal of the underlying timing differences can be deducted. The deferred tax balance, which is based on tax rates and laws enacted at the balance sheet date, has not been discounted.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the company's net investment in the leases. Finance lease income is recognised on an actuarial method.

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Revenue

An analysis of the company's revenue is as follows:

	2022 £	2021 £
Revenue analysed by class of business		
Turnover	8,646,535	8,212,677
	<u> </u>	<u> </u>
	2022 £	2021 £
Revenue analysed by geographical market		
United Kingdom	8,646,535	8,212,677
	<u> </u>	<u> </u>
	2022 £	2021 £
Other revenue		
Interest income	13,409	-
Grants received	-	139,119
	<u> </u>	<u> </u>

3 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical judgements

The following judgments (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Recoverability of debtors

The recoverability of debtors is reviewed on a monthly basis and a provision is made for debtors that have defaulted on payments. Calculation of the provision is based on an estimate of the unrecoverable amount of the debt after the sale of the repossessed asset. These provisions require judgements to be made which include forecast consumer demand and cost of sale of the asset.

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(139,119)
Depreciation of owned property, plant and equipment	157,072	136,938
Profit on disposal of property, plant and equipment	(123,818)	(5,908)
Operating lease charges	43,268	43,268

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	13,783	16,970
For other services		
Taxation compliance services	1,100	1,020
All other non-audit services	2,750	2,550
	3,850	3,570

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Sales	6	6
Sales support	8	8
Administrative and directors	23	22
Finance	4	4
Total	41	40

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	2,517,558	2,003,732
Social security costs	341,569	260,337
Pension costs	78,289	53,913
	2,937,416	2,317,982

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	1,014,307	799,470
Company pension contributions to defined contribution schemes	39,144	22,640
	<u>1,053,451</u>	<u>822,110</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022 £	2021 £
Remuneration for qualifying services	<u>267,578</u>	<u>211,015</u>

8 Investment income

	2022 £	2021 £
Interest income		
Other interest income	<u>13,409</u>	<u>-</u>

9 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	182,200	(29,814)
Adjustments in respect of prior periods	<u>(10,167)</u>	<u>(68,335)</u>
Total current tax	<u>172,033</u>	<u>(98,149)</u>
Deferred tax		
Origination and reversal of timing differences	<u>134,476</u>	<u>-</u>
Total tax charge/(credit)	<u>306,509</u>	<u>(98,149)</u>

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £	2021 £
Profit/(loss) before taxation	1,949,434	(642,059)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	370,392	(121,991)
Tax effect of expenses that are not deductible in determining taxable profit	10,741	1,055
Tax effect of expenses that are deductible in determining taxable profit	(73,838)	(34,842)
Depreciation on assets not qualifying for tax allowances	340,887	476,597
Research and development tax credit	(50,721)	(40,779)
Under/(over) provided in prior years	(10,167)	(68,335)
Deferred tax liability	134,476	-
Capital allowances	(415,261)	(309,854)
Taxation charge/(credit) for the year	306,509	(98,149)

10 Dividends

	2022 £	2021 £
Interim paid	439,685	-

11 Finance costs

	2022 £	2021 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	27,205	17,706
Interest on block discounting arrangements	1,954,407	2,067,148
Other interest	38,543	86,587
	2,020,155	2,171,441

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Intangible fixed assets

	£
Cost	
At 1 January 2022	185,982
Additions	114,027
	<hr/>
At 31 December 2022	300,009
	<hr/>
Amortisation and impairment	
At 1 January 2022 and 31 December 2022	-
	<hr/>
Carrying amount	
At 31 December 2022	300,009
	<hr/>
At 31 December 2021	185,982
	<hr/>

13 Property, plant and equipment

	Freehold land and buildings £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 January 2022	1,402,599	717,074	448,639	2,568,312
Additions	-	53,998	573,998	627,996
Disposals	-	-	(376,293)	(376,293)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	1,402,599	771,072	646,344	2,820,015
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation and impairment				
At 1 January 2022	248,885	572,405	190,436	1,011,726
Depreciation charged in the year	30,264	39,845	86,963	157,072
Eliminated in respect of disposals	-	-	(206,583)	(206,583)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2022	279,149	612,250	70,816	962,215
	<hr/>	<hr/>	<hr/>	<hr/>
Carrying amount				
At 31 December 2022	1,123,450	158,822	575,528	1,857,800
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	1,153,714	144,669	258,203	1,556,586
	<hr/>	<hr/>	<hr/>	<hr/>

14 Fixed asset investments

	Notes	2022 £	2021 £
Investments in subsidiaries	15	1	1
		<hr/>	<hr/>

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

15 Subsidiaries

Separate company financial statements are required to be prepared by law.

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
MyFundingPartner Limited	1	Online brokerage	Ordinary	100.00	-

Registered Office addresses:

1 Liberty House, Brook Avenue, Warsash, Southampton, Hampshire, SO31 9HP.

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£	£
MyFundingPartner Limited	(7,424)	(65,879)

The investments in subsidiaries are stated at cost.

16 Inventories

	2022	2021
	£	£
Finished goods and goods for resale	30,000	12,000

17 Trade and other receivables

	2022	2021
Amounts falling due within one year:	£	£
Trade receivables	229,237	963,025
Corporation tax recoverable	94,685	253,309
Finance leases receivable	20,100,203	19,019,265
Other receivables	1,885,215	1,511,075
Prepayments and accrued income	181,147	229,443
	22,490,487	21,976,117

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Trade and other receivables

(Continued)

	2022 £	2021 £
Amounts falling due after more than one year:		
Finance leases receivable	35,490,207	29,746,770
Other receivables	702,480	393,187
	<u>36,192,687</u>	<u>30,139,957</u>
Total debtors	<u>58,683,174</u>	<u>52,116,074</u>

Finance leases receivable consists of net investments in leases, HP, and loans. Amounts falling due after more than one year but less than five is £35,433,476 (2021 - £29,654,761), and due after five years £56,731 (2021 - £92,009).

Included in the above are lease retention and option to purchase fees due at the end of a lease of £372,196 (2021 - £387,372). These are split as falling due after more than one year but less than five £284,713 (2021 - £267,248), and due after five years £8,513 (2021 - £3,653).

Other receivables includes the deferral of broker commissions due after more than one year but less than five of £702,461 (2021 - £393,187), and due after five years £19 (2021 - £Nil).

18 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>55,050,077</u>	<u>48,410,504</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>41,241,606</u>	<u>36,634,570</u>

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Finance lease receivables

	2022 £	2021 £
Gross amounts receivable under finance leases:		
Within one year	26,871,753	24,813,241
In two to five years	43,068,720	34,873,783
In over five years	59,712	106,710
	<u>70,000,185</u>	<u>59,793,734</u>
Unearned finance income	(14,409,775)	(11,027,699)
	<u>55,590,410</u>	<u>48,766,035</u>
Present value of minimum lease payments receivable		
The present value is receivable as follows:		
Within one year	20,100,203	19,019,265
In two to five years	35,433,476	29,654,761
In over five years	56,731	92,009
	<u>55,590,410</u>	<u>48,766,035</u>

Analysis of finance leases

Finance lease receivables are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2022 £	2021 £
Current assets	20,400,202	19,019,265
Non-current assets	35,490,207	29,746,770
	<u>55,590,410</u>	<u>48,766,035</u>

The company enters into financial leasing arrangements for asset based agreements. The average term of finance leases entered into is 3.9 years.

20 Borrowings

	2022 £	2021 £
Bank loans	785,016	822,722
Other loans	39,093,022	34,908,433
	<u>39,878,038</u>	<u>35,731,155</u>
Payable within one year	18,776,983	19,559,910
Payable after one year	21,101,055	16,171,245

All loans falling due after more than one year are secured.

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

20 Borrowings

(Continued)

The bank loan is repayable by monthly instalments with the final balancing payment due in October 2023. Interest charges are linked to bank base rates. The bank loan is secured against the company's premises at Liberty House.

Block funding loans within other loans represents funding obtained by the company under various financing arrangements entered into to finance the acquisition of assets to be provided to customers under finance lease and hire purchase contracts, they are repayable on an instalment basis with interest charged at commercial rates. The block funding loans are secured by a charge over the underlying finance lease contracts.

21 Finance lease obligations

	2022	2021
	£	£
Future minimum lease payments due under finance leases:		
Within one year	68,978	-
In two to five years	397,938	-
	<u>466,916</u>	<u>-</u>

Finance lease payments represent rentals payable by the company for motor vehicles. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Current liabilities

	Notes	2022	2021
		£	£
Bank loans	20	785,016	58,091
Obligations under finance leases	21	68,978	-
Other borrowings	20	17,991,967	19,501,819
Trade payables		80,567	197,665
Taxation and social security		86,853	85,684
Deferred income	25	70,120	53,603
Other payables		215,307	235,268
Accruals and deferred income		600,778	470,482
		<u>19,899,586</u>	<u>20,602,612</u>

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

23 Non-current liabilities

	Notes	2022 £	2021 £
Bank loans and overdrafts	20	-	764,631
Obligations under finance leases	21	397,938	-
Other borrowings	20	21,101,055	15,406,614
Deferred income	25	368,290	315,231
		<u>21,867,283</u>	<u>16,486,476</u>

Deferred income includes the cost of Option to Purchase fees totalling £372,196 (2021 - £387,372), and Document Fees £143,546 (2021 - £104,891).

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>-</u>	<u>3,653</u>
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LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
ACAs	160,500	26,024
Movements in the year:		2022 £
Liability at 1 January 2022		26,024
Charge to profit or loss		134,476
Liability at 31 December 2022		160,500

25 Deferred income

	2022 £	2021 £
Other deferred income	438,410	368,834
Deferred income is included in the financial statements as follows:		
Current liabilities	70,120	53,603
Non-current liabilities	368,290	315,231
	438,410	368,834

26 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	78,289	53,913

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

27 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	1,631,766	1,631,766	1,631,766	1,631,766
Ordinary B shares of 1p each	16,564	16,564	166	166
Ordinary C shares of 1p each	6,127	6,127	61	61
	<u>1,654,457</u>	<u>1,654,457</u>	<u>1,631,993</u>	<u>1,631,993</u>

Ordinary shares hold full voting rights and are entitled to dividends.

Ordinary B and Ordinary C shares hold no dividend rights and no voting rights.

28 Capital redemption reserve

	2022 £	2021 £
At the beginning and end of the year	<u>20</u>	<u>20</u>

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2022 £	2021 £
Aggregate compensation	1,007,870	799,440

During the year, the following transactions were undertaken with Pickwick Estates Limited, a company in which Mr A A Captain, Mr G L Randall, Mr D J Randall, and Mr M Wilmot-Wilkinson are directors:

	2022 £	2021 £
Short term loan to Liberty Leasing Limited	nil	125,000

At the year end, a loan of £64,650 (2021 - £56,150) was owed by MyFundingPartner Limited, a wholly owned subsidiary of Liberty Leasing Limited. The loan is payable on demand. Mr A A Captain, Mr A X Clegg, Mr A W Cooper, Mr P F Sheedy, and Ms L J Roberts are also directors of MyFundingPartner Limited.

The following loan balances were payable by the company to related parties at the end of the year:

Related party	2022 £	2021 £
N A Captain (A Captain's wife)	600,000	nil
J Randall (G L Randall's wife)	nil	25,000
S S L Cooper (A W Cooper's wife)	75,000	25,000
S A Wilkinson (M Wilmot-Wilkinson's wife)	nil	134,300
L James (L James' (Shareholder) husband)	50,000	50,000
A M Clegg (A X Clegg's father)	40,000	75,000
M Wilmot-Wilkinson	nil	7,600
D J Randall	nil	100,000
Total	765,000	416,900

All loans bear a commercial rate of interest and the total interest payable on these loans during the year was £16,508 (2021 - £33,558).

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

29 Related party transactions

(Continued)

Other information

The company has also made loans to certain directors, directors family members, and related businesses in the normal course of business at commercial rates. At 31 December 2022, the total balances owed to Liberty Leasing on these loans were £172,735 (2021 - £191,632) as follows:

Related party	Advance	Finance receivable	Total income	Income outstanding
	£	£	£	£
Family members	-	-	-	-
Directors	220,455	172,735	35,629	17,318
Pickwick Estates Limited	-	-	-	-
Total	<u>220,455</u>	<u>172,735</u>	<u>35,629</u>	<u>17,318</u>

During the year the company paid dividends to directors amounting to £382,509 (2021 - £nil).

30 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 £	2021 £
Within one year	46,776	46,776
Between two and five years	31,184	74,201
	<u>77,960</u>	<u>120,977</u>

31 Cash (absorbed by)/generated from operations

	2022 £	2021 £
Profit/(loss) for the year after tax	1,642,925	(543,910)
Adjustments for:		
Taxation charged/(credited)	306,509	(98,149)
Finance costs	2,020,155	2,171,441
Investment income	(13,409)	-
Gain on disposal of property, plant and equipment	(123,818)	(5,908)
Depreciation and impairment of property, plant and equipment	157,072	136,938
Movements in working capital:		
Increase in inventories	(18,000)	-
(Increase)/decrease in trade and other receivables	(6,725,724)	18,623,239
Decrease in trade and other payables	(5,594)	(498,361)
Increase/(decrease) in deferred income	69,576	(142,752)
Cash (absorbed by)/generated from operations	<u>(2,690,308)</u>	<u>19,642,538</u>

LIBERTY LEASING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

32 Analysis of changes in net debt

	1 January 2022 £	Cash flows £	New finance leases £	31 December 2022 £
Cash at bank and in hand	1,894,107	(984,844)	-	909,263
Borrowings excluding overdrafts	(35,731,155)	(4,146,883)	-	(39,878,038)
Obligations under finance leases	-	10,757	(477,673)	(466,916)
	<u>(33,837,048)</u>	<u>(5,120,970)</u>	<u>(477,673)</u>	<u>(39,435,691)</u>