

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021
FOR
NICHE CAPITAL LIMITED**

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FOR THE YEAR ENDED 31 OCTOBER 2021**

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NICHE CAPITAL LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2021

DIRECTORS:	P Duckworth T Lewis J K Tellick
SECRETARY:	J K Tellick
REGISTERED OFFICE:	Unit 2E.04 Barley Mow Centre Chiswick London W4 4PH
REGISTERED NUMBER:	07309768 (England and Wales)
AUDITORS:	Collards Chartered Accountants Registered Auditors 5-9 Eden Street Kingston-upon-Thames Surrey KT1 1BQ

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2021**

The directors present their strategic report for the year ended 31 October 2021.

REVIEW OF BUSINESS

The principal activity of the company was that of providing term loans to small businesses and property developers.

Owing to reduced activity in the market during the pandemic, the company continued its policy of shrinking the loan book and converting holdings to cash. Accordingly £1,276,332 of property loans were redeemed, of which £400,000 was repaid to investors. New property loans of £774,491 were granted, and new investor loans of £150,000 were received. By the year end the company was sitting on cash reserves of £2.852m (2020: £2.311m).

Profits were muted, but shareholders' funds grew by 2.6% to £2,227,536 (2020 - £2,171,401).

PRINCIPAL RISKS AND UNCERTAINTIES

The main risks and uncertainties facing the business are:

Competition - more commercial lenders are chasing projects, driving down margins.

Default - as a by-product of the pandemic, developments are taking longer to complete, increasing the risk of default in loan repayments.

Land costs - an influx of cash into the market from the private sector is tending to push up prices.

Construction costs - these have gone up across the board.

Inflation - the rising cost of living impacts on affordability, making it harder for people to buy properties.

The company seeks to manage these risks by a variety of measures, including maintaining healthy cash balances, building relationships with trusted property developers, selecting viable projects, monitoring schemes as they progress, and overseeing the sale process when developments are complete.

The directors are confident that against such a background, the company will continue to trade profitably.

KEY PERFORMANCE INDICATORS

The company made a profit after tax of £56,135 compared to £107,391 in the previous year.

The total loan book at the year end, including accrued interest, was £816,452 (2020: £1,251,239). Investor funds stood at £571,119 (2020: £821,119).

ON BEHALF OF THE BOARD:

P Duckworth - Director

24 May 2022

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 OCTOBER 2021**

The directors present their report with the financial statements of the company for the year ended 31 October 2021.

DIVIDENDS

No dividends will be distributed for the year ended 31 October 2021.

DIRECTORS

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

P Duckworth
T Lewis
J K Tellick

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.

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 or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Collards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P Duckworth - Director

24 May 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NICHE CAPITAL LIMITED

Opinion

We have audited the financial statements of Niche Capital Limited (the 'company') for the year ended 31 October 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 31 October 2021 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 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.

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 three, 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 NICHE CAPITAL LIMITED

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:

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and, considered the risk of acts by Management which were contrary to applicable laws and regulations, including fraud. We made enquiries of the Directors to obtain further understanding of risks of non-compliance.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of management regarding known or suspected instances of non-compliance with laws and regulations;
- review of minutes of the Board meetings throughout the year; and
- obtaining an understanding of the control environment in place to prevent and detect irregularities.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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.

Christopher Julian Brigstocke FCA (Senior Statutory Auditor)
for and on behalf of Collards
Chartered Accountants
Registered Auditors
5-9 Eden Street
Kingston-upon-Thames
Surrey
KT1 1BQ

24 May 2022

**INCOME STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	2021 £	2020 £
TURNOVER		198,469	238,917
Cost of sales		<u>104,261</u>	<u>80,758</u>
GROSS PROFIT		94,208	158,159
Administrative expenses		<u>24,905</u>	<u>25,578</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION		69,303	132,581
Tax on profit	5	<u>13,168</u>	<u>25,190</u>
PROFIT FOR THE FINANCIAL YEAR		<u>56,135</u>	<u>107,391</u>

The notes form part of these financial statements

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		56,135	107,391
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>56,135</u>	<u>107,391</u>

NICHE CAPITAL LIMITED (REGISTERED NUMBER: 07309768)

**BALANCE SHEET
31 OCTOBER 2021**

	Notes	2021 £	2020 £
CURRENT ASSETS			
Debtors	6	816,452	1,251,239
Investments	7	860,000	860,000
Cash at bank		<u>2,852,033</u>	<u>2,310,518</u>
		4,528,485	4,421,757
CREDITORS			
Amounts falling due within one year	8	<u>2,300,949</u>	<u>2,250,356</u>
NET CURRENT ASSETS		<u>2,227,536</u>	<u>2,171,401</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,227,536</u>	<u>2,171,401</u>
CAPITAL AND RESERVES			
Called up share capital	9	300,000	300,000
Retained earnings	10	<u>1,927,536</u>	<u>1,871,401</u>
SHAREHOLDERS' FUNDS		<u>2,227,536</u>	<u>2,171,401</u>

The financial statements were approved by the Board of Directors and authorised for issue on 24 May 2022 and were signed on its behalf by:

P Duckworth - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2021

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 November 2019	300,000	1,764,010	2,064,010
Changes in equity			
Total comprehensive income	-	107,391	107,391
Balance at 31 October 2020	300,000	1,871,401	2,171,401
Changes in equity			
Total comprehensive income	-	56,135	56,135
Balance at 31 October 2021	300,000	1,927,536	2,227,536

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2021**

	Notes	2021 £	2020 £
Cash flows from operating activities			
Cash generated from operations	1	506,706	232,866
Tax paid		<u>(25,191)</u>	<u>(32,074)</u>
Net cash from operating activities		<u>481,515</u>	<u>200,792</u>
Cash flows from investing activities			
Repayment of investment		<u>-</u>	<u>254</u>
Net cash from investing activities		<u>-</u>	<u>254</u>
Cash flows from financing activities			
New loans from investors in year		150,000	-
Investor loans redeemed		(400,000)	(380,000)
New loan from related company		310,000	-
Repayment of related company loan		<u>-</u>	<u>(280,000)</u>
Net cash from financing activities		<u>60,000</u>	<u>(660,000)</u>
Increase/(decrease) in cash and cash equivalents		<u>541,515</u>	<u>(458,954)</u>
Cash and cash equivalents at beginning of year	2	2,310,518	2,769,472
Cash and cash equivalents at end of year	2	<u>2,852,033</u>	<u>2,310,518</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2021

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2021	2020
	£	£
Profit before taxation	69,303	132,581
Bad debt provision on loan capital	-	48,723
	<u>69,303</u>	<u>181,304</u>
Decrease in trade and other debtors	434,787	51,539
Increase in trade and other creditors	2,616	23
Cash generated from operations	<u>506,706</u>	<u>232,866</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 31 October 2021

	31.10.21	1.11.20
	£	£
Cash and cash equivalents	<u>2,852,033</u>	<u>2,310,518</u>

Year ended 31 October 2020

	31.10.20	1.11.19
	£	£
Cash and cash equivalents	<u>2,310,518</u>	<u>2,769,472</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.11.20	Cash flow	At 31.10.21
	£	£	£
Net cash			
Cash at bank	<u>2,310,518</u>	<u>541,515</u>	<u>2,852,033</u>
	<u>2,310,518</u>	<u>541,515</u>	<u>2,852,033</u>
Liquid resources			
Current asset investments	<u>860,000</u>	<u>-</u>	<u>860,000</u>
	<u>860,000</u>	<u>-</u>	<u>860,000</u>
Total	<u>3,170,518</u>	<u>541,515</u>	<u>3,712,033</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2021**

1. STATUTORY INFORMATION

Niche Capital 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.

Turnover

Turnover represents net income from fees and interest charged on loans provided to third parties during the period.

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.

Deferred tax

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.

3. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	<u>7,200</u>	<u>7,200</u>

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

	2021	2020
Directors	<u>3</u>	<u>3</u>

	2021	2020
	£	£
Directors' remuneration	<u>7,200</u>	<u>7,200</u>

4. OPERATING PROFIT

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

	2021	2020
	£	£
Auditors' remuneration	7,680	9,360
Foreign exchange differences	<u>354</u>	<u>(125)</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2021

5. **TAXATION**

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	2020 £
Current tax:		
UK corporation tax	13,168	25,190
Tax on profit	<u>13,168</u>	<u>25,190</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Other debtors	<u>816,452</u>	<u>1,251,239</u>

7. **CURRENT ASSET INVESTMENTS**

	2021 £	2020 £
Unlisted investments	<u>860,000</u>	<u>860,000</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Trade creditors	8,302	5,686
Tax	13,168	25,191
Social security and other taxes	600	120
Inter company loan	1,699,600	1,389,600
Investor Loan notes	571,119	821,119
Accrued expenses	8,160	8,640
	<u>2,300,949</u>	<u>2,250,356</u>

9. **CALLED UP SHARE CAPITAL**

Allotted and issued:			2021 £	2020 £
Number:	Class:	Nominal value:		
300,000	Ordinary share capital	£1.00	<u>300,000</u>	<u>300,000</u>

10. **RESERVES**

	Retained earnings £
At 1 November 2020	1,871,401
Profit for the year	56,135
At 31 October 2021	<u>1,927,536</u>

11. **RELATED PARTY DISCLOSURES**

Included in other creditors is an amount of £1,699,600 (2020 - £1,389,600) owed to Equityshare Ltd, a company 100% owned by Mr P Duckworth. The loan is interest free and payable on demand.

12. **ULTIMATE CONTROLLING PARTY**

The company is controlled by Peter Duckworth by virtue of his 100% holding of the issued share capital of the company.

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.