REGISTERED NUMBER: 08007191 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2022

FOR

ASSETZ CAPITAL LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS
for the Year Ended 31st March 2022

COMPANY INFORMATION
for the Year Ended 31st March 2022

DIRECTORS:	Mr S A Law Mr C R Mellish Mr M S Wardrop Mr A F Sheppard
REGISTERED OFFICE:	Assetz House Manchester Green 335 Styal Road Manchester M22 5LW
REGISTERED NUMBER:	08007191 (England and Wales)
AUDITORS:	Xeinadin Audit Limited 1 City Road East Manchester M15 4PN

GROUP STRATEGIC REPORT
for the Year Ended 31st March 2022

The directors present their Strategic Report for Assetz Capital Limited ("the Group") for the year ended 31 March 2022.

REVIEW OF THE BUSINESS

The Group contains wholly owned companies carrying out unregulated lending activity as well as FCA regulated marketplace lending, both for property secured UK business lending. We originate property development loans, commercial mortgages, buy-to-let loans and bridging loans which have been funded by a combination of retail, corporate and institutional investors via our proprietary marketplace technology. Our aim is to provide a stable and secure income producing asset class for all investors who engage with our platform and to address a funding gap in under-served UK SME Lending segments.

The Group's revenues arise principally from fee income charged to borrowers for both facilitating and then servicing their loans.

The Group has invested significantly in developing its proprietary marketplace technology which allows investors to quickly invest in loans matching their chosen criteria and achieve diversification across portfolios and aid liquidity if needed.

In addition, the Group has credit knowledge and experience at its core having invested in people with extensive UK SME property-backed lending experience allows us to facilitate sustainable lending opportunities for investors.

DEVELOPMENTS AND PERFORMANCE DURING THE YEAR

The Group's primary focus in the first part of FY22 was the completion of the Government guaranteed CBILS scheme, in conjunction with the British Business Bank, under which a total of £336m of lending facilities have been written in a 12 month period, the vast majority of this lending was within half a year making it by far the highest run rate of lending for the company to date in those first six months of FY22.

In addition, we obtained accreditation for the Government guaranteed RLS scheme (successor to CBILS), formalised a new arrangement with one of our institutional funders to support our Bridging product and re-opened the retail platform to new lending following closure in the pandemic.

Supported by multiple, sizeable institutional funding lines, as well as continuing to operate our re-activated retail investor peer to peer platform, we have invested during the latter part of FY22 in building our lending pipeline to allow for expected significant lending growth going forward. The speed of building that lending pipeline has been delayed much more than we would have liked due to substantial delays in the setup of the RLS scheme, where this was expected by all participants to be an overnight 'grandfathering' event from CBILS, but wasn't, and later in FY22, renewed market turmoil in the form of the war in Ukraine and the prospect of rising inflation and interest rates. These events combined to stall lending level growth, post CBILS, in the second half of FY22.

During FY22 we were confident in the support of our various loan funding sources and the quality of our lending product in the marketplace so the Group maintained its investment levels in headcount and business development throughout the year so as to benefit from the expected growth in lending to come.

The directors monitor the progress of the Group by reference to the following financial measures, alongside complimentary KPIs:

	FY22	**FY21**	**FY20**
Outstanding Loan Book at period end	£357m	£321m	£392m
Loans Originated	£267m	£160m	£261m
Revenue	£16.1m	£15.2m	£16.2m
EBITDA pre exceptionals	-£0.6m	£3.9m	£1.1m
Operating (Loss) / Profit post exceptionals	-£2.8m	£2.5m	-£0.5m
Profit/(Loss) for the Financial Year	-£3.6m	£2.1m	-£0.8m
Average Headcount	128	119	108

Whilst lending recovered strongly in FY22 after the initial caution at the commencement of the pandemic in the prior year, the delays in further lending growth, referred to above, have resulted in a loss in the year due to the continued investment in people and corporate development ahead of the expected lending growth.

At the beginning of 2022, the Group published its first Impact Report at www.assetz.com, setting out the substantial positive impact the group has had on various challenges that the country faces.

PRINCIPAL RISKS AND UNCERTAINTIES
As custodian of loans originated for other investors, the Group has significant resources dedicated to assessing and managing the risk that borrowers may default on their loans.

In addition to credit risk, the Group manages other risks, including:

Liquidity risk
The risk that the Group will not be able to meet its financial obligations as they fall due. This is managed by ensuring that there is always sufficient liquidity to meet liabilities when due both under normal and stressed conditions. The directors monitor the liquidity position on an ongoing basis.

Market risk
The Group's business is the facilitation of property secured UK SME lending and the directors are aware that a general and persistent weakening of the UK economy and, in particular, property values, may impact on investor appetite for property secured loans. The Group has sought to mitigate these risks by increasing its range of loan funding sources including institutional investors and also by maintaining a modest level of Loan to Value across the loan book.

Operational risk
The Group maintains robust operational systems and controls through its investment in people and technology. A risk committee reports regularly to the directors, and the Group continues its development of strong operational, risk and compliance function.

Capital management
The Group's objective when managing capital is to safeguard its ability to continue as a going concern (referred to in liquidity risk above) and to meet the FCA regulatory capital requirement within relevant regulated Group companies. Financial performance is regularly reviewed by various committees within the business, focusing on the amount of regulatory and working capital needed. This is especially important as the business continues to expand. The process includes the annual budget and forecast process from which the cashflow and capital assessments and projections are made.

FUTURE DEVELOPMENTS
We have successfully hired a Managing Director with substantial lending industry experience who can take the Group to its next level of its growth.

We have successfully obtained a further equity investment that was also the trigger for the conversion of our 2020 Future Fund convertible loan investment, and also other founding shareholder debt, into equity.

The Group has entered into further and multiple additional institutional funding agreements as part of our plans to drive forward lending growth and have engaged with a third party to support the finalisation of this.

The recent economic challenges, driven largely by interest rate rises, appear to have stabilised substantially, however, in line with many other businesses of all sizes, the group has taken steps to reduce costs, more tightly manage cash and secure further funding during 2023. Primarily, the Group has accelerated its strategy to focus its lending products on larger, institutionally funded loans, which we believe will allow the Group to deliver significantly more lending at much lower cost and much higher levels of productivity.

As part of this strategy acceleration, the Group has taken steps to separate its non-regulated business from its regulated business in different legal entities, to better ensure commercial focus on the productivity of those two distinct business units. This separation is also intended to enhance the group's resilience to future market turbulence.

The Group is continuing to review opportunities to be more focused on lending that is aligned with its corporate social responsibility agenda as well as returning to substantial growth ahead, enabled by substantial institutional funding lines.

ON BEHALF OF THE BOARD:

Mr S A Law - Director

27th April 2023

REPORT OF THE DIRECTORS
for the Year Ended 31st March 2022

The directors present their report with the financial statements of the company and the group for the year ended 31st March 2022.

DIVIDENDS
No dividends will be distributed for the year ended 31st March 2022.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st April 2021 to the date of this report.

Mr S A Law
Mr C R Mellish
Mr M S Wardrop
Mr A F Sheppard

Other changes in directors holding office are as follows:

Mr D M Penston ceased to be a director after 31st March 2022 but prior to the date of this report.

OTHER ACTIVITY
The principal activity of the group is that of a marketplace lender. The main focus is secured business and property lending to SME business borrowers. Whilst the majority of lending to date has been retail investor funded under our regulated activity, this has begun to rebalance in terms of cumulative lending with around 20% of all lending to date now institutionally funded and further alignment expected to continue in the following financial year.

In the early years of the business the group has carried out some non-property backed lending but this activity has been discontinued for some time. That minor part of the portfolio has experienced a number of defaults and is now being actively managed to achieve the best results for the third party lenders who funded those loans. The Directors are seeking to conclude matters such that there is no material impact on the group.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group 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 UK-adopted international accounting standards. 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 the group and of the profit or loss of the group 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORT OF THE DIRECTORS
for the Year Ended 31st March 2022

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 group'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 group's auditors are aware of that information.

AUDITORS
Xeinadin Audit Limited acquired the audit practice of Kay Johnson Gee Limited and has been appointed as auditor in succession. In accordance with section 485 of the Companies Act 2006, Xeinadin Audit Limited will be proposed for reappointment.

ON BEHALF OF THE BOARD:

Mr S A Law - Director

27th April 2023

Opinion
We have audited the financial statements of Assetz Capital Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st March 2022 which comprise of the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the UK.

In our opinion:
- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31st March 2022 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the UK;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the UK and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements 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 group 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 group's and the parent 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 Group 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 Group 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 Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 five, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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:

Identifying and assessing potential risks related to irregularities
In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- The nature of the industry and sector, control environment and business performance including the company's remuneration policies, key drivers for directors remuneration, bonus levels and performance targets;
- Results of the enquiries of management about their own identification and assessment of the risks of irregularities;
- Any matters we have identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in relation to the timing of income recognition. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

Audit response to risks identified
Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members including internal specialists, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

No instances of material non-compliance were identified. However, the likelihood of detecting irregularities, including fraud, is limited by the inherent difficulty in detecting irregularities, the effectiveness of the entity's controls, and the nature, timing and extent of the audit procedures performed. Irregularities that result from fraud might be inherently more difficult to detect than irregularities that result from error. As explained above, there is an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISAs (UK).

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.

Richard Lloyd (Senior Statutory Auditor)
for and on behalf of Xeinadin Audit Limited
1 City Road East
Manchester
M15 4PN

27th April 2023

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31st March 2022

	Notes	2022 £	2021 £
CONTINUING OPERATIONS			
Revenue		**16,134,455**	15,202,540
Cost of sales		**(5,976,505)**	(3,059,652)
GROSS PROFIT		**10,157,950**	12,142,888
Other operating income		**750**	416,983
Administrative expenses		**(12,102,963)**	(10,032,407)
OPERATING (LOSS)/PROFIT BEFORE EXCEPTIONAL ITEMS		**(1,944,263)**	2,527,464
Exceptional items	5	**(831,200)**	-
OPERATING (LOSS)/PROFIT		**(2,775,463)**	2,527,464
Finance costs	6	**(873,769)**	(802,922)
Finance income	6	**9,283**	23,854
(LOSS)/PROFIT BEFORE INCOME TAX	7	**(3,639,949)**	1,748,396
Income tax	8	**-**	359,464
(LOSS)/PROFIT FOR THE YEAR		**(3,639,949)**	2,107,860
OTHER COMPREHENSIVE INCOME			
Items that will not be reclassified to profit or loss:			
		-	134,399
Income tax relating to items that will not be reclassified to profit or loss		**-**	-
		-	134,399
Items that may be reclassified subsequently to profit or loss:			
Income tax relating to items that may be reclassified subsequently to profit or loss		**-**	-
		-	-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**-**	134,399
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(3,639,949)**	2,242,259

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the Year Ended 31st March 2022

	Notes	2022 £	2021 £
(Loss)/profit attributable to:			
Owners of the parent		**(3,639,949)**	2,107,860
Total comprehensive income attributable to:			
Owners of the parent		**(3,639,949)**	2,242,259

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31st March 2022

	Notes	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	10	**3,641,569**	2,712,914
Property, plant and equipment	11	**283,265**	100,522
Right-of-use asset	12	**1,213,654**	1,434,319
Right-of-use			
Investments	13	**-**	-
Trade and other receivables	14	**354,390**	308,081
		5,492,878	4,555,836
CURRENT ASSETS			
Trade and other receivables	14	**4,002,346**	2,791,775
Cash and cash equivalents	15	**9,610,650**	13,735,592
		13,612,996	16,527,367
TOTAL ASSETS		**19,105,874**	21,083,203
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	**15,548**	15,399
Share premium	17	**7,284,598**	7,284,598
Other reserves	17	**134,399**	134,399
Retained earnings	17	**(7,361,896)**	(3,721,947)
TOTAL EQUITY		**72,649**	3,712,449

The notes form part of these financial statements

continued...

CONSOLIDATED STATEMENT OF FINANCIAL POSITION - continued

31st March 2022

	Notes	2022 £	2021 £
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	18	**2,270,374**	2,418,763
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	**1,416,630**	1,561,153
		3,687,004	3,979,916
CURRENT LIABILITIES			
Trade and other payables	18	**15,064,700**	13,104,331
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	**281,521**	286,108
Tax payable		**-**	399
		15,346,221	13,390,838
TOTAL LIABILITIES		**19,033,225**	17,370,754
TOTAL EQUITY AND LIABILITIES		**19,105,874**	21,083,203

The financial statements were approved by the Board of Directors and authorised for issue on 27th April 2023 and were signed on its behalf by:

Mr S A Law - Director

The notes form part of these financial statements

ASSETZ CAPITAL LIMITED (REGISTERED NUMBER: 08007191)

COMPANY STATEMENT OF FINANCIAL POSITION
31st March 2022

	Notes	2022 £	2021 £
ASSETS			
NON-CURRENT ASSETS			
Owned			
Intangible assets	10	-	-
Property, plant and equipment	11	116,563	-
Right-of-use asset	12	-	-
Right-of-use			
Investments	13	10,183,143	10,183,143
		10,299,706	10,183,143
CURRENT ASSETS			
Trade and other receivables	14	69,479	11,275
Cash and cash equivalents	15	1,489	6,878
		70,968	18,153
TOTAL ASSETS		10,370,674	10,201,296
EQUITY			
SHAREHOLDERS' EQUITY			
Called up share capital	16	15,548	15,399
Share premium	17	7,284,598	7,284,598
Other reserves	17	134,399	134,399
Retained earnings	17	(2,839,295)	(2,328,795)
TOTAL EQUITY		4,595,250	5,105,601
LIABILITIES			
NON-CURRENT LIABILITIES			
Trade and other payables	18	2,270,374	2,418,763
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	98,148	-
		2,368,522	2,418,763
CURRENT LIABILITIES			
Trade and other payables	18	3,397,653	2,676,932
Financial liabilities - borrowings			
Interest bearing loans and borrowings	19	9,249	-
		3,406,902	2,676,932
TOTAL LIABILITIES		5,775,424	5,095,695
TOTAL EQUITY AND LIABILITIES		10,370,674	10,201,296

The notes form part of these financial statements

continued...

COMPANY STATEMENT OF FINANCIAL POSITION - continued
31st March 2022

The financial statements were approved by the Board of Directors and authorised for issue on 27th April 2023 and were signed on its behalf by:

Mr S A Law - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31st March 2022

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
Balance at 1st April 2020	14,444	(5,829,807)	5,396,441	-	(418,922)
Profit for the year	-	2,107,860	-	-	2,107,860
Other comprehensive income	-	-	-	134,399	134,399
Total comprehensive income	-	2,107,860	-	134,399	2,242,259
Issue of share capital	955	-	1,888,157	-	1,889,112
Balance at 31st March 2021	15,399	(3,721,947)	7,284,598	134,399	3,712,449
Deficit for the year	-	(3,639,949)	-	-	(3,639,949)
Total comprehensive loss	-	(3,639,949)	-	-	(3,639,949)
Issue of share capital	149	-	-	-	149
Balance at 31st March 2022	15,548	(7,361,896)	7,284,598	134,399	72,649

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31st March 2022

	Called up share capital £	Retained earnings £	Share premium £	Other reserves £	Total equity £
Balance at 1st April 2020	14,444	(1,782,254)	5,396,441	-	3,628,631
Deficit for the year	-	(546,541)	-	-	(546,541)
Other comprehensive income	-	-	-	134,399	134,399
Total comprehensive loss	-	(546,541)	-	134,399	(412,142)
Issue of share capital	955	-	1,888,157	-	1,889,112
Balance at 31st March 2021	15,399	(2,328,795)	7,284,598	134,399	5,105,601
Deficit for the year	-	(510,500)	-	-	(510,500)
Total comprehensive loss	-	(510,500)	-	-	(510,500)
Issue of share capital	149	-	-	-	149
Balance at 31st March 2022	15,548	(2,839,295)	7,284,598	134,399	4,595,250

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
for the Year Ended 31st March 2022

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	22	**(851,380)**	5,561,704
Interest paid		**(583,758)**	(501,716)
Lease interest paid		**(290,011)**	(301,206)
Tax paid		**(399)**	359,464
Net cash from operating activities		**(1,725,548)**	5,118,246
Cash flows from investing activities			
Purchase of intangible fixed assets		**(2,008,386)**	(1,415,672)
Purchase of tangible fixed assets		**(143,935)**	(14,395)
Interest received		**9,283**	23,854
Net cash from investing activities		**(2,143,038)**	(1,406,213)
Cash flows from financing activities			
Payment of lease liabilities		**(256,505)**	(292,463)
Share issue		**149**	955
Convertible loan		**-**	134,399
Share premium		**-**	1,888,157
Net cash from financing activities		**(256,356)**	1,731,048
(Decrease)/increase in cash and cash equivalents		**(4,124,942)**	5,443,081
Cash and cash equivalents at beginning of year	23	**13,735,592**	8,292,511
Cash and cash equivalents at end of year	23	**9,610,650**	13,735,592

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

Assetz Capital Limited is a private company limited by share capital, incorporated in England and Wales, registration number 08007191. The address of the registered office and principal place of business is Assetz House, 335 Styal Road, Manchester, M22 5LW.

2. **ACCOUNTING POLICIES**

Basis of preparation
These annual financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and the Companies Act 2006 applicable to companies reporting under IFRS.

The group maintains it books and records in sterling ("£") and presents its annual financial statements in conformity with United Kingdom laws and regulations.

Going concern
The financial statements have been prepared on a going concern basis, applying a historical cost convention except for certain financial instruments that are carried at fair value.

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Group Strategic Report on pages 2 to 4. In addition, the financial statements include the Group's objectives, policies, and processes for managing its capital; its financial risk management objectives; and its exposures to credit risk and liquidity risk.

As described in the Group Strategic Report on page 3, the economic environment has been difficult, leading to variable lending volumes, and the Group has reported an operating loss for the year. These challenges continued post year end with further rising interest rates and other market turbulence leading to lower than expected lending volumes. Whilst the directors consider that the outlook has stabilised substantially since late 2022, actions have also already been taken to widen the number of active funding lines (both for the funding of lending and to a lesser degree for the group), re-structure the group's operations, increase income, reduce costs and increase the group's resilience to any possible future market turbulence. The Directors have instigated measures to mitigate potential changes in economic conditions.

As explained on page 4, the directors are continuing to source further institutional loan funding lines to diversify and deepen loan funding lines and mitigate over-reliance on any single loan funding source. They are now working with a third party to support this initiative. This process will likely include raising substantial additional balance sheet capital to provide a much larger junior lending piece, as well as greater working capital. This greater lending participation is expected to be earnings enhancing and would also greatly deepen the group cash balances as compared to the past marketplace only model.

Whilst there can be no certainty that this balance sheet lending model project will complete, based on negotiations conducted to date, the directors have a reasonable expectation that the raise will proceed successfully and enhance future financial results.

The Groups forecasts and projections, taking account of changes in trading, show that the group should be able to operate within the level of its current and anticipated funding arrangements. Further, the group's recent operational re-structure, to reflect the substantial productivity improvements of working with larger loans enabled by institutional funders, has made the core operations of the group more resilient to future uncertainties which may arise.

continued...

2. **ACCOUNTING POLICIES - continued**

Going concern - continued
After making enquiries and considering the uncertainties described above, the directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Basis of consolidation
The consolidated financial statements include the financial statements of the company and its subsidiary undertakings made up to 31st March 2022. A subsidiary is an entity that is controlled by the parent. The results of subsidiary undertakings are included in the profit or loss and other comprehensive income from the date that control commences until the date that control ceases. Control is established when the company has the power to govern the operating and financial policies of an entity as to obtain benefits from its activities. In assessing control, the group takes into consideration potential voting rights that are currently exercisable.

Revenue recognition
Revenue represents fees receivable for the arranging and servicing of finance through the marketplace lending platform.

Revenue earned for the arrangement of finance is classified as arrangement fees and is recognised immediately once loans are fully funded on the marketplace and after the loans are accepted by the borrowers. Such fees are automatically deducted from the amount borrowed and recognised at that point as the group has the right to consideration.

Revenue earned from servicing of finance via the marketplace lending platform is recognised at the beginning of the contract to the extent of the minimum revenue entitlement to be contractually received by the group in relation to the loan agreement, and thereafter on receipt.

Revenue comprises the fair value of the consideration received or receivable in the ordinary course of the group's activities. All revenue recorded in the financial statements is generated in the UK and sourced from financing transactions. All fees are calculated based on the above revenue recognition policies.

Government grants
Government grants are recognised on the accrual model and are measured at fair value of the asset receivable. Grants are classified as relating either to other income or to assets. Grants related to other income are recognised in profit or loss over the period in which the related costs are recognised. Grants relating to assets are recognised over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income.

Capitalised development costs
Costs associated with maintaining computer software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the software product so that it will be available for use;
- management intends to complete the software product and use or sell it;
- there is an ability to use or sell the software product;
- it can be demonstrated how the software product will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- the expenditure attributable to the software product during its development can be reliably measured.

continued...

2. **ACCOUNTING POLICIES - continued**

Property, plant and equipment
Property, Plant and Equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on Property, Plant and Equipment is charged to the profit and loss so as to write off their value, over their estimated useful lives, using the following methods:

Plant and machinery	-	25% on cost
Fixture and fittings	-	25% on cost
Computer equipment	-	25% on cost
Motor vehicles	-	over the life of the ROU lease

At each balance sheet date, the group reviews the carrying amounts of its fixed assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of the asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately.

Financial instruments
Financial assets
The group determines the classification of its financial assets at initial recognition. From 1 April 2018 the requirements of IFRS 9 for classification and subsequent measurement have been applied which require financial assets to be classified based on the group's business model for managing the asset, and the contractual cash flow characteristics of the asset:

- Financial assets are measured at amortised cost if they are held within a business model the objective of which is to hold financial assets in order to collect contractual cash flows, and their contractual cash flows represent solely payments of principal and interest.
- Financial assets are measured at fair value through profit or loss if they are held within a business model the objective of which is achieved by both collecting contractual cash flows and selling financial assets and their contractual cash flows represent solely payments of principal and interest.
- Financial assets that do not meet the criteria to be amortised cost or fair value through other comprehensive income are measured at fair value through profit or loss. In addition, the group may, at initial recognition, designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. ·

The group does not recognise on its balance sheet loans arranged between borrowers and investors as it is not a principal party to the contracts and is not exposed to the risks and rewards of these loans.

Financial assets recognised in the balance sheet as trade and other receivables are classified as loans and receivables (from 1 April 2018: amortised cost). They are recognised at fair value and subsequently measured at amortised cost less provision for impairment.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments - continued
The group applied the impairment requirements of IFRS 9. The IFRS 9 impairment model introduces a three-stage approach:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses (that is, expected losses arising from the risk of default in the next 12 months) are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance).

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but are not credit-impaired. For these assets, lifetime ECL (that is, expected losses arising from the risk of default over the life of the financial instrument) are recognised, and interest revenue is still calculated on the gross carrying amount of the asset.

Stage 3 consists of financial assets that are credit-impaired, which is when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. For these assets, lifetime ECL are also recognised, but interest revenue is calculated on the net carrying amount (that is, net of the ECL allowance).

The introduction of the 'expected credit loss' model has not significantly impacted the group's accounting as it does not have any complex financial instruments or material credit risks. The group uses its historical experience, external indicators and forward-looking information to calculate expected credit losses.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the financial assets expire or the group has either transferred the contractual right to receive the cash flows from that asset, or has assumed an obligation to pay those cash flows to one or more recipients.

The group derecognises a transferred financial assets if it transfers substantially all the risks and rewards of ownership.

Financial liabilities
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Financial liabilities included in trade and other payables are recognised initially at fair value and subsequently at amortised cost. The fair value of a non-interest bearing liability is its discounted repayment amount. If the due date of the liability is less than one year, discounting is omitted.

Current and deferred tax
The tax expense for the period comprises of current tax. Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the year end date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate, based on amounts expected to be paid to the tax authorities.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

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2. **ACCOUNTING POLICIES - continued**

Pension obligations
The group operates a defined contribution pension scheme. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. The group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. Contributions payable to the group's pension scheme are charged to the Statement of comprehensive income in the period to which they relate. The group has no further payment obligations once the contributions have been paid.

Trade and other receivables
Trade and other receivables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method, less impairment losses for bad and doubtful debts except where the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less impairment losses for bad and doubtful debts.

Trade and other payables
Trade and other payables are initially recognised at fair value and thereafter stated at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Cash and cash equivalents
Cash represents cash in hand and deposits held on demand with financial institutions. Cash equivalents are short-term, highly-liquid investments with original maturities of three months or less (as at their date of acquisition). Cash equivalents are readily convertible to known amounts of cash and subject to an insignificant risk of change in that cash value.

In the presentation of the Statement of Cash Flows, cash and cash equivalents also include bank overdrafts. Any such overdrafts are shown within borrowings under 'current liabilities' on the Statement of Financial Position.

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3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The following are the key sources of estimation uncertainty that the Directors have made in the process of applying the group's accounting policies and have the most significant effect on the amounts recognised in the financial statements:

Useful life of intangible assets
The assessment of the useful economic life of the group's internally developed and acquired software and licences is judgemental and can change due to obsolescence due to unforeseen technological developments, and other factors.

The useful life of licences represents management's view of the expected term over which the group will receive benefits from the software, and does not exceed the licence term.

For internally developed and acquired software the life is based on historical experience with similar products as well as anticipation of future events which may impact their useful economic life.

Financial risk management
The Board has overall responsibility for the establishment and oversight of the group's risk management framework.

The risk management policies are established to identify and analyse the risks faced by the group, to set appropriate risk limits and controls, and to monitor risks and ensure any limits are adhered to.

The group's activities are reviewed regularly and potential risks are considered.

Risk factors
The group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk

Principal financial instruments
The principal financial instruments used by the group from which financial instrument risk arises, are as follows:

- Loan due from and payable to related undertakings
- Trade and other receivables
- Cash and cash equivalents
- Trade and other payables
- Categorisation of financial assets and financial liabilities

Financial instruments measured at amortised cost
Financial instruments measured at amortised cost, rather than fair value, include cash and cash equivalents, trade and other receivables, trade and other payables, and loans and payables/receivables to/from related parties. Due to their short-term nature, the carrying value of each of the above financial instruments approximates to their fair value

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Credit risk
Credit risk is the risk of financial loss to the group if a customer or counter party to a financial instrument fails to meet its contractual obligations, and arises principally from the group's receivables from customers and cash and cash equivalents held at banks.

The group's maximum exposure to credit risk by class of financial asset is as follows:

	2022	2021
	£	£
Assets		
Trade and other receivables	**3.132.405**	3.099.856
Cash and cash equivalents	**9,610,650**	13,735,592
	13,493,711	16,835,448

Trade receivables of £2,342,127 (2021: £2,452,762) represent invoiced amount in respect of servicing fees due from borrowers. The risk of financial loss is deemed minimal because all funding are secured.

Ongoing credit evaluation is performed on the financial condition of other receivables.

Individual risk limits for banks and financial institutions are set by external rating agencies. The credit risk on cash and cash equivalents is managed under the group's treasury policy that stipulates the limits and quantities that the group must remain within. No credit or counter party limits were exceeded during the year.

Liquidity risk
Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due. The group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the group's position.

The group's liquidity position is monitored and reviewed on an ongoing basis by the directors.

Capital management
The group's objective when managing capital is to safeguard its ability to continue as a going concern and to meet the FCA regulatory capital requirements. Financial performance is regularly reviewed by various committees in the business, focusing on the amount of regulatory and working capital needed. This is especially important as the business continues to expand. The process includes the monitoring of FCA returns as well as the annual budget and forecast process from which cashflow and capital assessments and projections are made.

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	**6,200,142**	5,303,304
Social security costs	**1,008,728**	746,003
Other pension costs	**253,194**	224,386
	7,462,064	6,273,693

4. EMPLOYEES AND DIRECTORS - continued

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

	2022	2021
Product & technology	**23**	17
Operations, support and administrative	**105**	102
	128	119

	2022	2021
	£	£
Directors' remuneration	**862,253**	573,044

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	**221,471**	146,250

Amounts paid to key management personnel of the group were £1,192,206 (2021: £783,811).

5. EXCEPTIONAL ITEMS

A charge of £831,200 was expensed to the profit and loss account in the period relating to a default of a non-property backed loan arranged by the company in its early years of business. This relates to payments made to third party lenders in the period and related costs. No further company liability is expected from this matter and it is the company's full intention to recover the total amount of the third party lender payments and as such this would represent a substantial contribution to the following year profits.

6. NET FINANCE COSTS

	2022	2021
	£	£
Finance income:		
Deposit account interest	**9,283**	23,854
Finance costs:		
Other interest paid	**18,472**	17,896
Loan Interest	**565,286**	483,820
Leasing	**290,011**	301,206
	873,769	802,922
Net finance costs	**864,486**	779,068

continued...

7. (LOSS)/PROFIT BEFORE INCOME TAX

The loss before income tax (2021 - profit before income tax) is stated after charging:

	2022	2021
	£	£
Depreciation - owned assets	289,252	402,710
Development costs amortisation	1,079,731	799,111
Auditors' remuneration	36,000	21,000

8. INCOME TAX

Analysis of tax income

	2022	2021
	£	£
Current tax:		
Tax	-	399
Corporation tax prior years	-	(344,210)
Total current tax	-	(343,811)
Deferred tax	-	(15,653)
Total tax income in consolidated statement of profit or loss and other comprehensive income	-	(359,464)

9. LOSS OF PARENT COMPANY

As permitted by Section 408 of the Companies Act 2006, the statement of comprehensive income of the parent company is not presented as part of these financial statements. The parent company's loss for the financial year was £510,500 (2021: £546,541).

10. INTANGIBLE ASSETS

Group

	Development costs £
COST	
At 1st April 2021	5,619,920
Additions	2,008,386
At 31st March 2022	7,628,306
AMORTISATION	
At 1st April 2021	2,907,006
Amortisation for year	1,079,731
At 31st March 2022	3,986,737
NET BOOK VALUE	
At 31st March 2022	3,641,569
At 31st March 2021	2,712,914

11. PROPERTY, PLANT AND EQUIPMENT

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1st April 2021	202,912	352,111	-	259,512	814,535
Additions	92	215	119,043	131,980	251,330
At 31st March 2022	203,004	352,326	119,043	391,492	1,065,865
DEPRECIATION					
At 1st April 2021	200,192	349,165	-	164,656	714,013
Charge for year	1,562	2,765	2,480	61,780	68,587
At 31st March 2022	201,754	351,930	2,480	226,436	782,600
NET BOOK VALUE					
At 31st March 2022	1,250	396	116,563	165,056	283,265
At 31st March 2021	2,720	2,946	-	94,856	100,522

The entire net book value of Motor vehicles is in respect of assets held under hire purchase contracts.

continued...

11. PROPERTY, PLANT AND EQUIPMENT - continued

Company

	Motor vehicles £
COST	
Additions	**119,043**
At 31st March 2022	**119,043**
DEPRECIATION	
Charge for year	**2,480**
At 31st March 2022	**2,480**
NET BOOK VALUE	
At 31st March 2022	**116,563**

12. RIGHT-OF-USE ASSET

Group

	Total £
FAIR VALUE	
At 1st April 2021 and 31st March 2022	**1,875,648**
DEPRECIATION	
At 1st April 2021	**441,329**
Charge for year	**220,665**
At 31st March 2022	**661,994**
NET BOOK VALUE	
At 31st March 2022	**1,213,654**
At 31st March 2021	1,434,319

continued...

13. INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1st April 2021	
and 31st March 2022	**10,183,143**
NET BOOK VALUE	
At 31st March 2022	**10,183,143**
At 31st March 2021	10,183,143

The following are subsidiary undertakings of the company:

Name	Country of Incorporation	Class of shares	Holding	Principal activity
Assetz SME Capital Limited	England and Wales	Ordinary	100%	Financial services
Assetz Development Capital Limited	England and Wales	Ordinary	100%	Financial services
Assetz Provision Funding Limited	England and Wales	Ordinary	100%	Financial services

The registered office and principal place of business of all of the above mentioned companies is Assetz House, Manchester Green, 335 Styal Road, Manchester, M22 5LW.

The financial year end of all of the subsidiaries is 31st March 2022.

14. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2022	2021	**2022**	2021
	£	£	**£**	£
Current:				
Trade debtors	**1,987,737**	2,144,681	-	-
Amounts owed by group undertakings	**1,224,331**	-	**58,055**	-
Other debtors	**415,790**	518,818	**11,424**	11,275
Prepayments and accrued income	**374,488**	128,276	**-**	-
	4,002,346	2,791,775	**69,479**	11,275
Non-current:				
Trade debtors	**354,390**	308,081	-	-
Aggregate amounts	**4,356,736**	3,099,856	69,479	11,275

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivables mentioned above. Receivables from related undertakings are interest free and repayable on demand. No trade receivables were impaired.

continued...

15. CASH AND CASH EQUIVALENTS

	Group		Company	
	2022	2021	**2022**	2021
	£	£	**£**	£
Cash in hand	**580**	580	**-**	-
Bank accounts	**9,610,070**	13,735,012	**1,489**	6,878
	9,610,650	13,735,592	**1,489**	6,878

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal Value	**2022** £	2021 £
10,630,473	Ordinary A	0.1p	**10,630**	10,221
75,000	Ordinary F	0.1p	**75**	75
156,000	Ordinary G	0.1p	**156**	565
4,686,174	Ordinary O	0.1p	**4,687**	4,538
			15,548	15,399

On 27th July 2021 the company issued a further 148,936 ordinary G shares at £0.1p each at par; on the 21st August 2021 these shares in issue were amended to ordinary O shares.

17. RESERVES

Group

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1st April 2021	(3,721,947)	7,284,598	134,399	3,697,050
Deficit for the year	(3,639,949)			(3,639,949)
At 31st March 2022	(7,361,896)	7,284,598	134,399	57,101

Company

	Retained earnings £	Share premium £	Other reserves £	Totals £
At 1st April 2021	(2,328,795)	7,284,598	134,399	5,090,202
Deficit for the year	(510,500)			(510,500)
At 31st March 2022	(2,839,295)	7,284,598	134,399	4,579,702

continued...

18. TRADE AND OTHER PAYABLES

	Group		Company	
	2022	2021	**2022**	2021
	£	£	**£**	£
Current:				
Trade creditors	**482,644**	713,097	-	-
Amounts owed to group undertakings	**-**	-	**-**	330,945
Social security and other taxes	**292,877**	239,916	**-**	-
Other creditors	**13,542,662**	11,397,077	**3,374,049**	2,318,297
Accrued expenses	**714,573**	729,051	**23,604**	27,690
VAT	**31,944**	25,190	-	-
	15,064,700	13,104,331	**3,397,653**	2,676,932
Non-current:				
Other creditors	**2,270,374**	2,418,763	2,270,374	2,418,763
	2,270,374	2,418,763	2,270,374	2,418,763
Aggregate amounts	**17,335,074**	15,523,094	5,668,027	5,095,695

19. FINANCIAL LIABILITIES - BORROWINGS

	Group		Company	
	2022	2021	**2022**	2021
	£	£	**£**	£
Current:				
Leases (see note 20)	**281,521**	286,108	**9,249**	-
Non-current:				
Leases (see note 20)	**1,416,630**	1,561,153	**98,148**	-

Terms and debt repayment schedule

Group

	1 year or less	1-2 years	2-5 years	More than 5 years	Totals
	£	£	£	£	£
Leases	**281,521**	**308,771**	**978,026**	**129,833**	**1,698,151**

20. LEASING

20. **LEASING - continued**

Group
Lease liabilities

Minimum lease payments fall due as follows:

	2022	2021
	£	£
Gross obligations repayable:		
Within one year	**356,693**	367,684
Between one and five years	**1,406,944**	1,279,206
In more than five years	**129,833**	441,431
	1,893,470	2,088,321
Finance charges repayable:		
Within one year	**75,172**	81,576
Between one and five years	**120,147**	154,254
In more than five years	**-**	5,230
	195,319	241,060
Net obligations repayable:		
Within one year	**281,521**	286,108
Between one and five years	**1,286,797**	1,124,952
In more than five years	**129,833**	436,201
	1,698,151	1,847,261

continued...

20. **LEASING - continued**

Company
Lease liabilities

Minimum lease payments fall due as follows:

	2022	2021
	£	£
Gross obligations repayable:		
Within one year	15,681	-
Between one and five years	116,908	-
	132,589	-
Finance charges repayable:		
Within one year	6,432	-
Between one and five years	18,760	-
	25,192	-
Net obligations repayable:		
Within one year	9,249	-
Between one and five years	98,148	-
	107,397	-

21. **EVENTS AFTER THE REPORTING PERIOD**

In September 2022, a founding shareholder converted their shareholder loan into paid up equity, which also triggered the conversion of the Future Fund convertible loan made by both Seedrs investors and the British Business Bank in 2020. In total £2.6m of debt was converted into equity and further new equity raised.

In February 2023, the group created a new wholly owned subsidiary to handle new institutionally funded lending going forward. This step is part of an ongoing strategy to grow the group's un-regulated lending business and separates new non-regulated business from the group's existing regulated loan book.This will permit substantial process efficiency improvements and cost reductions outside of the regulated environment whilst still delivering the full quality control required by institutional investors.

Subsequent to the reporting date, one of the group's substantial institutional funders paused lending temporarily. The group has been successful in security alternative institutional funding lines, and the paused funder is expected to resume lending shortly.

continued...

22. RECONCILIATION OF (LOSS)/PROFIT BEFORE INCOME TAX TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£	£
(Loss)/profit before income tax	**(3,639,949)**	1,748,396
Depreciation charges	**1,368,983**	1,201,821
Finance costs	**873,769**	802,922
Finance income	**(9,283)**	(23,854)
	(1,406,480)	3,729,285
Increase in trade and other receivables	**(32,549)**	(281,982)
Increase in trade and other payables	**587,649**	2,114,401
Cash generated from operations	**(851,380)**	5,561,704

23. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31st March 2022

	31/3/22	**1/4/21**
	£	**£**
Cash and cash equivalents	**9,610,650**	**13,735,592**

Year ended 31st March 2021

	31/3/21	1/4/20
	£	£
Cash and cash equivalents	13,735,592	8,292,511