Company Registration No. 10007477 (England and Wales)

Minerva Lending PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

MINERVA LENDING PLC

COMPANY INFORMATION

Directors	Phillip Reeves Knyght Ross Martin Hilton Andrews (resigned 12 May 2020) Andreas Panajotis Kakabadse (appointed 12 May 2020)
Secretary	MSP Secretaries Limited
Company number	10007477
Registered office	59-90 Grosvenor Street Mayfair, London W1K 3HZ
Auditors	UHY Hacker Young LLP Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	Barclays Bank PLC 1 Churchill Place Leicester LE87 2BB
Solicitors	Keystone Law Limited 48 Chancery Lane London WC2A 1JF

MINERVA LENDING PLC

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MINERVA LENDING PLC

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Principal activities and fair review of the business

The Company was incorporated on 16 February 2016 as Minerva Lending Limited. The Company re-registered from a private company to a public company on 10 March 2016. The Company was established as a special purpose vehicle to issue notes ("Notes") under a £500,000,000 secured note programme (the "Secured Note Programme"). The Company uses the proceeds of the Note issuances to acquire asset-backed loans to body corporates that meet the necessary borrower loan eligibility criteria as specified in the issue documentation (the "Base Prospectus").

The Company has made a loss of £1,005,871 for the year. The exceptional expenses that were incurred during the year related to the operational costs of the Secured Note Programme for fixed costs such as trustee fees, credit committee fees, legal fees and directors' fees and the loan impairment of Reditum SPV 12 Ltd. The Company has completed 5 investments during the year.

During the year, the Company has issued 660,000 of Series 9 fixed term Notes repayable 30 June 2022, 199,000 of Series 10 fixed term Notes repayable 30 June 2022, 281,000 of Series C1 fixed term Notes repayable 30 June 2020, 388,000 of Series C2 fixed term Notes repayable 30 June 2020 and 289,000 of Series C4 fixed term Notes repayable 31 December 2020 on the Main Market of the Irish Stock Exchange.

Since the year end, the Company has issued a number of new issuances including:

- A further 241,000 of Series 9 fixed term Notes repayable 30 June 2022;
- A further 215,000 of Series C6 fixed term Notes repayable 29 October 2021; and
- A further 338,000 of Series C7 fixed term Notes repayable 29 April 2022.

Following the above issuances, the total number of fixed term Notes issued to date is 18,412,000.

In accordance with the Base Prospectus, the Company made 5 acquisitions of asset-backed loans during the year, and has received 4 repayments on loans purchased including the full principal and interest due.

The Board continue to operate the Company in accordance with the Base Prospectus.

Going concern

The Directors' have assessed the Company as a going-concern. In arriving at this view, the Directors have reviewed the detailed forecasts for the Company and have reviewed this in light of the Notes issued to date and their relevant coupon and principal repayment dates. Despite the loss in the year, the Directors' believe this loss will be recovered through continued operations and deployment of the Note issuance proceeds. The Directors' assessment is that the Company remains a going-concern for at least the next 12 months from the date of this report.

MINERVA LENDING PLC

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Principal risks and uncertainties

The main financial risks faced by the Company are credit risk, interest rate risk and liquidity risk. A summary of these risks is included below:

- Credit risk is the risk that counterparties will not be able to meet their obligations to the Company as they become due. Credit risk arises on cash and cash equivalents and loans. The ability of the Company's counterparties to repay their loans is impacted by economic factors in the United Kingdom.

- Interest rate risk arises from movements in interest rates on the underlying loans that the Company owns and the Notes in issue. The Company minimises the exposure to interest rate risk by ensuring the Notes are issued at fixed rates and are matched with largely fixed interest rate loans it acquires.

- Liquidity risk is the risk that the Company is not able to meet its financial obligations as they fall due as a result of the interest or principal repayments being made late. Liquidity risk arises on the Company's Notes in issue. The risk is addressed by having a diversified portfolio of loans with differing interest and principal repayment dates to minimise any specific liquidity events.

Further discussion on risk and sensitivity analysis is discussed within Note 4.

Key performance indicators

The performance indicators relate to revenue, cash and investments/loans made. Salient points are:

	2019 £	2018 £
Loss for the year	(1,005,871)	(412,237)
Cash and cash equivalents	18,528	189,855
Investments	14,300,516	11,572,699

Due to the nature of the Company, the Board considers there to be no main non-financial key performance indicators.

Dependence on key personnel

Whilst the Company has entered into contractual arrangements with the aim of securing the services of its Directors, the retention of their services cannot be guaranteed.

Future developments

The Company continues to investigate opportunities in its core market being short-term asset backed loans. The funds have continued to be raised and we are only in our third full period of the Note issuances. Despite this, the business has been able to place the funds raised to date with appropriate businesses. We shall continue to keep the bondholders aware of the developments of the business on the Company website and through regular market announcements.

On behalf of the board

Phillip Reeves Knyght

Director

28 July 2022

MINERVA LENDING PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors present their report and financial statements for the year ended 31 December 2019.

Principal activities

The principal activity of the Company is to operate a special purpose vehicle to issue Notes under the Secured Note Programme, please refer to the Strategic Report for further details.

Results and dividends

The results for the year are set out on page 13.

Future developments

These are detailed in the Strategic Report above.

Directors

The following Directors have held office during the year and up to the signing of the financial statements:

Phillip Reeves Knyght
Ross Martin Hilton Andrews (resigned 12 May 2020)
Andreas Panajotis Kakabadse (appointed 12 May 2020)

Directors' interest

At the date of this report the Directors held the following beneficial interest in the ordinary share capital of the Company:

	2019 Number of shares	2018 Number of shares
Phillip Reeves Knyght	50,000	50,000

Substantial interests

As at 31 December 2019 the following investors had an interest of 3% of more in the ordinary share capital of the Company:

	Number of shares	Percentage holding
Phillip Reeves Knyght	50,000	100%

Creditor payment policy

The Company's policy is to pay creditors within the agreed terms which are generally no more than 30 days.

Financial risk and management of capital

The major balances and financial risks to which the Company is exposed and the controls in place to minimise those risks are disclosed in Note 4. The principal current asset of the business is cash. Therefore the principal financial instruments employed by the Company are cash or cash equivalents and the Directors ensure that the business maintains surplus cash reserves to minimise liquidity risk.

A description of how the Company manages its capital is also disclosed in Note 4.

The Board considers and reviews these risks on a strategic basis in order to minimise any potential exposure.

MINERVA LENDING PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Financial instruments

During the year, the Company has issued the following fixed term Notes:

£660,000	Series 9, maturity date 30 June 2022, coupon rate 7% per annum
£199,000	Series 10, maturity date 30 June 2022, coupon rate 11% per annum
£281,000	Series C1, maturity date 30 June 2020, coupon rate 3% + RPI per annum
£388,000	Series C2, maturity date 30 June 2020, coupon rate 5% + HHI per annum
£289,000	Series C4, maturity date 31 December 2020, coupon rate 6% per annum

The Company has continued to service the £2,097,000 Series 2, maturity date 22 August 2026, coupon rate 5.5% per annum during the year.

The Company has continued to service the £8,850,000 Series 5, maturity date 30 June 2024, coupon rate 6% per annum during the year.

The Company has also continued to service the £1,784,000 Series 9, £512,000 Series C1, £1,494,000 Series C2 and £1,064,000 Series C4 loan notes issued in the prior years with the maturity and coupon rates as noted above.

Coupons are payable on the fixed term Notes issued on the dates noted below:

Series 2 – 22 February and 22 August

Series 5, Series 9, Series C1, Series C2 and Series C4 – 30 June and 31 December

Series 10 – 31 March, 30 June, 30 September and 31 December

Auditors

The auditor UHY Hacker Young LLP is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Directors' Report and the Company's financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Company's financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. 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 they have been prepared in accordance with IFRS as adopted by the European Union; and
- 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. They are also responsible for safeguarding the assets of the Company, hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

MINERVA LENDING PLC

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Statement of disclosure to auditors

Each person who is a Director at the date of approval of this Annual Report confirms that:

- So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- each Director has taken all the steps that he ought to have taken as Director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Going Concern & COVID-19

On 30 January 2020, the World Health Organisation declared Coronavirus (COVID-19) a public health emergency. There are no comparable recent events which may provide guidance as to the effect of the spread of COVID-19 and a pandemic and, as a result, the ultimate impact of the COVID-19 outbreak or similar health epidemic is highly uncertain and subject to change.

Since this period, the Company has continued to closely monitor its loans that are secured against real estate assets as these underlying investments were likely to be impacted by COVID-19. The Board continues to monitor the loans and recoverability in line with the prospectus.

On behalf of the board

Phillip Reeves Knyght
Director

28 July 2022

MINERVA LENDING PLC

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

The Directors have been charged with governance in accordance with the Base Prospectus describing the structure and operation of the special purpose vehicle. The structure of the Company is such that the key policies have been predetermined at the time of Note issuances and the operational roles have been assigned to third parties with their roles strictly governed by the Base Prospectus.

The Base Prospectus provides for procedures that have been designed for safeguarding assets against unauthorised use or disposition; for maintaining proper accounting records; and for the reliability and usefulness of financial information used within the business or for publication. Such procedures are designed to manage rather than eliminate the risks of failure to achieve business objectives whilst enabling them to comply with the regulatory obligations.

Due to the nature of the Notes which have been issued on the Irish Stock Exchange, the Directors are satisfied that there is no requirement to publish a corporate governance statement as the Company is largely exempt from the disclosure requirements of the Irish Corporate Governance Annex and the provisions of the UK Corporate Governance Code.

MINERVA LENDING PLC

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MINERVA LENDING PLC

Opinion
We have audited the financial statements of Minerva Lending plc (the 'company') for the year ended 31 December 2019 which comprise of the Statement of Comprehensive Income, Statement of Financial Position, Statement of Cash Flows, Statement of Changes in Equity 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 European Union.

In our opinion, the financial statements:
- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 as applied to public interest entities, 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.

Material uncertainty relating to going concern
In forming our opinion on the financial statements, we have considered the adequacy of the disclosures made in note 2.1 to the financial statements concerning the company's ability to continue as a going concern. The company has net liabilities of £1,601,621 (2018 - £595,750) incurred losses in both the current and previous years. As discussed in note 2.1, the company has received confirmation from its connected entity that it will support to cover any operational shortfalls that occur during the operations of the company for the next 12 months from the date of signing of the financial statements.

The company has bonds of £4,028,000 due for repayment in 2020. However, the company has not been able to repay the principal on time. Partial repayments have been made towards the balance and bondholders continue to receive interest and an agreement has been reached to repay the bonds once the corresponding debtors have been recovered.

The partial repayment of the bonds are due to the delays the company encountered as a result of the COVID-19 pandemic where government restrictions meant construction activities carried out by the property developers have been affected. This resulted in delay to complete these construction projects for sale and therefore, affect the loan repayment to the company.

These condition along with the other matters explained in note 2.1, indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our approach to the audit
As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of the audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the company, their activities, the accounting processes and controls, and the industry in which they operate.

Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement.

MINERVA LENDING PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MINERVA LENDING PLC

During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly. The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the design effectiveness of controls and the management of specific risk.

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

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our scope addressed these matters
Fixed rate linked bonds valuation and classification Fixed rate bonds are one of the largest balances in the company's Statement of Financial Position. The proceeds of these issues are on-lent to entities at a higher rate of interest. As set out in note 2.2 to the financial statements, the directors have classified the company's fixed rate bonds as basic financial instruments. Fixed rate bonds are initially measured at transaction price and subsequently measured at amortised cost using the effective interest method. Fixed rate linked bonds are a key audit matter as there is a risk of misstatement if the bonds are incorrectly classified as basic financial instruments.	Our audit work included, but was not restricted to: • We reviewed the accounting treatment of the fixed rate bonds to assess that they continued to comply with the relevant accounting standard. • We obtained backing documentation relating to the fixed rate bonds and recalculated the interest payable for the financial reporting period. We also assessed if the appropriate disclosures were made within the financial statements. The company's accounting policy on Fixed rate linked bonds valuation and classification is shown in note 2.2 to the financial statements and related disclosures are included in note 18. **Key observations** We noted that the fixed rate bonds were accounted for using the coupon rate and not the effective interest rate. Following discussions with management, it was agreed that the adjustment required of £33,207 was not material and the statutory accounts were not revised. We have not identified any other issues in respect of the accounting treatment of the senior securities and interest payable.

MINERVA LENDING PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MINERVA LENDING PLC

Recoverability of debts The company has on-lent the proceeds of the debt issues to a number of entities in order to earn interest at a higher rate. The loan receivable is a highly significant number and if any balance within this account is not recoverable it would materially impact on the accounts.	Our audit work included, but was not restricted to: • Review and evaluate the work undertaken by management to determine that these debts are recoverable. This includes a thorough review of these entities' financial statements, receipts after date, forecasts and credit ratings. • Reviewed the valuation of the underlying property to determine if it provides sufficient security and margin on the debtor balance. The company's accounting policy on recoverability of debts in shown in note 2.2 for the financial statements and related disclosures are included in note 14. **Key observations** No issues were noted regarding the recoverability of the debts and the securities on the loans were more than the value of the debts except for two of the Investments where management concluded the expected credit losses in-line with IFRS 9. Based on our audit procedures performed, we concur with the impairment made by management as set out in the financial statements with respect to the valuation of the loans in investments.

MINERVA LENDING PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MINERVA LENDING PLC

Going concern The company is financed mainly by its listed debt which it then lends on. The nature of the company means it operates on relatively low net margins and the property industry experienced delays due to COVID-19 and increasing labour and material costs. Given the above factors, we consider going concern to be a significant audit risk area. A key aspect of our audit will be to review the directors' work surrounding the going concern assumption for Minerva Lending PLC. We will need to be satisfied that the company is a going concern as it has incurred losses and has had net liabilities for the last few years.	In order to carry out our evaluation of the directors' assessment of going concern, we performed the work detailed below. We obtained budgets and cash flow forecasts, reviewed the methodology behind these, ensured arithmetically correct and challenged the assumptions. We obtained post year end trading results and compared these to budget to ensure budgeting is reasonable and results are in line with expectations. The directors' conclusion of the risks and circumstances described in note 2.1 represent a material uncertainty over the ability of the Group and Company to continue as a going concern for a period of at least a year from the date of approval of the financial statements. However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter. The company's note on going concern is shown in note 2.1 for the financial statements. **Key observations** No issues were noted.
Management override of controls In accordance with ISA 240.31 'While the level of risk of management override of controls will vary from entity to entity, the risk is nevertheless present in all entities and is a significant risk of material misstatement due to fraud.' The financial impact is high as any bias or override could materially affect the financial statements. Therefore this is considered to be a risk.	Our audit work included, but was not restricted to: • We tested the appropriateness of journal entries recorded in the general ledger and any other adjustments made in the preparation of the financial statements reviewing if they are line with the relevant accounting standards. • We obtained an understanding of the business rationale of any significant transactions outside the normal course of business or appeared to be unusual given our understanding of the company and its environment. **Key observations** No unusual journals were identified.

MINERVA LENDING PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MINERVA LENDING PLC

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could reasonably be expected to influence the economic decisions taken on the basis of the financial statements by reasonable users.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

We determined materiality for the financial statements as a whole as follows:

Overall materiality	2019: £152,000	2018: £94,500
How we determined it	2019: 1% of total assets	2018: average of 5% profit before tax, 4% net assets and 2% gross assets
Rationale for benchmark	Total assets which are considered to be the most appropriate driver as these relate to investments and are the income generating assets of the company.	Profit before tax, net assets and gross assets are key performance measures for the company and takes into account all aspects of trading performance of company.
Performance materiality	On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, and was set at £119,250.	On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, and was set at £70,800.
Specific materiality	We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions to be £2,000 and performance materiality of £1,000.	We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions to be £2,000 and performance materiality of £1,000.

We agreed with those charged with corporate governance that we would report to them misstatements identified during our audit above £7,950 (2018: £4,700) as well as misstatements below that amount that, in our opinion, merited reporting on qualitative grounds. We also reported to those charged with corporate governance any disclosure matters that we identified when assessing the overall presentation of the financial statements.

MINERVA LENDING PLC

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MINERVA LENDING PLC

Other information
The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 directors' report and the strategic 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.

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 set out on page 4, 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 internal controls 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF MINERVA LENDING PLC

Other matters which we are required to address
We were appointed by Minerva Lending PLC on 19 April 2019. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 4 years.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

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.

Marc Waterman (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP, Statutory Auditor
Quadrant House
4 Thomas More Square
London
E1W 1YW

Date 28th July 2022

MINERVA LENDING PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Continuing operations			
Revenue		1,380,616	924,786
Administrative expenses	5	(402,759)	(331,664)
Loan impairment	14	(757,970)	(73,585)
Operating profit	6	**219,887**	**519,537**
Finance costs	8	(1,225,758)	(931,774)
Loss on ordinary activities before taxation		(1,005,871)	(412,237)
Income tax expense	9	-	-
Loss for the year		**(1,005,871)**	**(412,237)**
Loss per share (expressed in pence per share)	10	(2,011.74)	(824.47)

The notes on pages 17 to 29 form part of these financial statements.

MINERVA LENDING PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	As at 31 December 2019 £	As at 31 December 2018 £
Assets			
Current assets			
Cash and cash equivalents	13	18,528	189,855
Trade and other receivables	12	1,108,824	2,989,294
Investments	14	14,153,560	11,572,699
Total assets		**15,280,912**	**14,751,848**
Equity and liabilities			
Equity attributable to owners of the Company			
Ordinary shares	15	50,000	50,000
Accumulated losses	16	(1,651,621)	(645,750)
Total equity		**(1,601,621)**	**(595,750)**
Liabilities			
Current liabilities			
Trade and other payables	17	163,804	583,710
Borrowings	18	4,002,181	-
Non-current liabilities			
Borrowings	18	12,716,548	14,763,888
Total liabilities		**16,882,533**	**15,347,598**
Total equity and liabilities		**15,280,912**	**14,751,848**

The notes on pages 17 to 29 form part of these financial statements.

Approved by the Board and authorised for issue on 28 July 2022.

Phillip Reeves Knyght

Director

Company Registration No. 10007477

MINERVA LENDING PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year ended 31 December 2019 £	Year ended 31 December 2018 £
Cash flows from operating activities			
Net cash outflow from operating activities	19	(2,150,458)	(983,702)
Net cash utilised in operating activities		**(2,150,458)**	**(983,702)**
Cash flows from investing activities			
Loans provided to eligible borrowers		(4,372,380)	(12,627,888)
Loans repaid by eligible borrowers		3,588,655	4,667,025
Net cash utilised in investing activities		**(783,724)**	**(7,960,863)**
Cash flows from financing activities			
Net proceeds from issue of loan notes		2,762,855	9,072,040
Net cash generated from financing activities		**2,762,855**	**9,072,040**
Net (decrease)/increase in cash and cash equivalents		**(171,327)**	**127,475**
Cash and cash equivalents at the beginning of the year		189,855	62,380
Cash and cash equivalents at the end of the year	13	**18,528**	**189,855**

The notes on pages 17 to 29 form part of these financial statements.

MINERVA LENDING PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Share capital £	Accumulated losses £	Total £
As at 31 December 2018	50,000	(645,750)	(595,750)
Loss for the year	-	(1,005,871)	(1,005,871)
As at 31 December 2019	**50,000**	**(1,651,621)**	**(1,601,621)**

	Share capital £	Accumulated losses £	Total £
As at 31 December 2017	50,000	(233,513)	(183,513)
Loss for the year	-	(412,237)	(412,237)
As at 31 December 2018	**50,000**	**(645,750)**	**(595,750)**

Share capital is the amount subscribed for shares at nominal value.

Accumulated losses represent the cumulative loss of the Company attributable to equity shareholders.

The notes on pages 17 to 29 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019

1 General information

Minerva Lending PLC was founded in February 2016 to predominantly focus on short-term, asset-backed loans to body corporates that meet the necessary borrower eligibility criteria. It is the Directors' intention to mainly target investments of 3-12 month durations that will be funded by way of the issuance of fixed term bonds. The Company is both based and has been incorporated in the United Kingdom. The address of the registered office is disclosed on the Company information page at the front of the Annual Report.

The Company is a public limited company and the Notes it issues under the Secured Note Programme are listed on the Main Securities Market of the Irish Stock Exchange. Each Series holds legally segregated security over the underlying loans it has acquired, and the loans are not cross-collateralised between the Series issuances.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the period presented unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Company have been prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC") applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

Going Concern

The company has net liabilities of £1,601,621 (2018 - £595,750) incurred losses in both the current and previous years. 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 in preparing the financial statements. The company has also received confirmation from its connected entity that it will support the company to cover any operational shortfalls that occur during the operations of the company for the new 12 months from the date of signing of the financial statements.

The company has bonds of £4,028,000 due for repayment in 2020. However the company has not been able to repay the principal on time. Partial repayments have been made towards the balance and the bondholders continue to receive interest and an agreement has been reached to repay the bonds when the corresponding debtors are repaid.

The partial repayment of the bonds are due to the delays the company encountered as a result of the COVID-19 pandemic where government restrictions meant construction activities carried out by the property developers were affected. This resulted in delay to complete these construction projects for sale, therefore affecting the loan repayment to the company.

Preparation of financial statements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

New standards, amendments and interpretations effective as at 1 January 2019

The Directors have considered the new standards and amendments that are mandatorily effective from 1 January 2019 and determined that these do not have material impact on the financial statements of the Company.

Standards, interpretations and amendments to published standards that are not yet effective

There are a number of new standards, amendments to standards and interpretations which are not yet mandatory for 31 December 2019 reporting period and have not been early adopted by the Company. The Directors assessed that these standards are not expected to have a material impact on the Company in the current or future reporting periods and on foreseeable future transactions.

Foreign currency translation

(i) Functional and presentational currency

The Company's functional currency has been determined to be Pound Sterling which is the currency of the primary environment in which the Company operates. The company also adopted Pound Sterling as its presentation currency..

(ii) Transactions and balances

Monetary assets and liabilities denominated in foreign currencies are translated into Pound Sterling amounts at the period exchange rate. Income and expense items denominated in foreign currencies are translated into Pound Sterling amounts using the exchange rate on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the Statement of Comprehensive Income.

2.2 Financial assets and liabilities

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Acquisition and disposal of investments are recognised on the trade date, being the date on which the Company commits to purchase or sell the investment.

The Company classifies its financial assets based on both the Company's business model for managing those financial assets and the contractual cash flow characteristics of such financial assets. The Company classifies its debt instruments as financial assets at amortised cost and classifies its financial liabilities as other financial liabilities. Management determines the classification of its investments at initial recognition and reclassifies only when its business model changes.

A financial asset or financial liability is measured initially at fair value. At inception, transaction costs that are directly attributable to its acquisition or issue, for an item not at fair value through profit or loss, is added to the fair value of the financial asset and deducted from the fair value of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of significant accounting policies (continued)

2.2 Financial assets and liabilities (continued)

(a) Financial assets at amortised cost

The Company holds investments that are debt instruments with the objective of holding assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI). Therefore, these assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by any impairment losses. Interest income, impairment losses, any gain or loss on derecognition are recognised in profit or loss.

Investments are classified as current assets if they are expected to be realised within 12 months from the statement of financial position date, otherwise, these are classified as non-current.

The Company's other receivables and cash and cash equivalents are also classified as subsequently measured at amortised cost as these are held to collect contractual cash flows which represent solely payments of principal and interest.

The Company recognises expected credit losses for financial assets subsequently measured at amortised cost. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate. The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

(b) Other financial liabilities

Other financial liabilities are non-derivative financial liabilities with fixed or determinable payments. Other financial liabilities are recognised when cash is received from the depositors. Other financial liabilities are carried at amortised cost using the effective interest method. The fair value of other liabilities repayable on demand is assumed to be the amount payable on demand at the Statement of Financial Position date.

<u>Derecognition</u>

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or where the Company has transferred substantially all of the risks and rewards of ownership. In transactions in which the Company neither retains nor transfers substantially all the risks and rewards of ownership of a financial asset and it retains control over the asset, the Company continues to recognise the asset to the extent of its continuing involvement, determined by the extent to which it is exposed to changes in the value of the transferred asset. There have not been any instances where assets have only been partly derecognised. The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expired.

<u>Amortised cost measurement</u>

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initial amount recognised and maturity amount, minus any reduction for impairment.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

2 Summary of significant accounting policies (continued)

2.2 Financial assets and liabilities (continued)

Fair value measurement

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction on the measurement date. The fair value of assets and liabilities in active markets is based on current bid and offer prices respectively. If the market is not active the Company establishes fair value by using appropriate valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same for which market observable prices exist, net present value and discounted cash flow analysis.

2.3 Revenue

Revenue will comprise interest income using the effective interest method. The effective interest method calculates the amortised cost of a financial asset and allocates the interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company takes into account all contractual terms of the financial instrument but does not consider future credit losses.

2.4 General expenses

General expenses are recognised on an accruals basis.

2.5 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less.

2.6 Investments

Investments represent loans acquired in accordance with the borrower loan eligibility criteria as specified in the Base Prospectus. They are valued at the relevant cost and are held as current assets.

2.7 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.8 Trade payables

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.

2 Summary of significant accounting policies (continued)

2.9 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred.

Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the Statement of Comprehensive Income over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

2.10 Borrowing costs

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2.11 Income tax expense

Current tax is recognised as the amount of corporation tax payable in respect of taxable profit for the current or past reporting periods using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.11 Income tax expense (continued)

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting dates that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the Company has a legally enforceable right to set off current tax assets against current tax liabilities;
- the deferred tax assets and deferred tax liabilities relate to corporation tax levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously; and
- with the exception of changes arising on initial recognition of a business combination, the tax expense/(income) is presented either in the Statement of Comprehensive Income, other comprehensive income or equity depending on the transaction that resulted in the tax expense/(income).

3 Critical accounting estimates and judgments

The Company makes certain judgements and estimates that affect the reported amount of assets and liabilities. Critical judgements and the assumptions used in calculating estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company assets include loans made to related and third party companies. The Directors do not believe the loans require any provisions against recovery of the principal or interest at the year end.

4 Financial risk management

The Company's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial performance.

4.1 Financial risk factors

a) Credit risk

The Company's take on exposure to credit risk is the risk that the counterparty will be unable to pay amounts in full when due. Exposure to credit risk is managed through regular analysis of the ability of borrowers and potential borrowers to meet interest and capital repayment obligations and by changing these lending limits when appropriate. Exposure to credit risk is also maintained by obtaining collateral, the loans to customers include debentures and personal guarantees and the Directors therefore believe there is a low risk of customer default.

The maximum exposure to credit risk for the Company's was as follows:

Credit risk exposure relating to on-balance sheet assets are as follows:

	2019 £	2018 £
Cash and cash equivalents	18,528	189,855
Trade receivables	-	900
Other receivables	1,108,824	2,988,394
Investments	14,153,560	11,572,699
	15,280,912	14,751,848

b) Liquidity risk

The Company is careful to ensure that its loans and investments can be realised prior to the due date for the repayment of the Notes. This applies equally to the underlying investments of the companies or projects in which the Company invests.

c) Market risk

A general economic downturn at a global level, or in one of the world's leading economies, could impact on the Company. In addition, terrorism and other hostilities, as well as disturbances in worldwide financial markets, could have a negative effect on the Company. Regulatory requirements, taxes, tariffs and other trade barriers, price or exchange controls or other governmental policies could also limit the Company's operations. These risks are also applicable to most companies and the risk that the Company will be more affected than the majority of companies is assessed as small.

c.1 *Cash flow and Interest rate risk*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow.

Substantially all of the Company's investments and borrowings bear fixed rate of interest and is therefore not significantly exposed to market interest rate risk fluctuations. Consequently, no interest rate risk sensitivity analysis is presented.

MINERVA LENDING PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

4 Financial risk management (continued)

c.2 *Price risk*

The Company's principal activity is the acquisition of asset-backed loans. The Company does not have a diversified portfolio of assets and is therefore at risk.

c.3 Currency risk

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. As at year-end, the Company did not hold any material financial assets or liabilities in currencies other than Pound Sterling, therefore, no foreign currency risk exposure and no sensitivity analysis is presented.

d) Capital risk

The Company takes great care to protect its capital investments. Significant due diligence is undertaken prior to making any investment. The investments are closely monitored by the Collateral manager.

4.2 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure appropriate for its growth plans.

In order to maintain or adjust the capital structure the Company may issue new shares or alter debt levels.

5 Administrative Expenses

Administrative expenses are comprised of the following:

	2019 £	2018 £
Trustee fees	13,508	16,435
Directors' fees and PAYE	34,000	29,750
Audit fees	30,000	32,000
Legal and professional fees	135,594	39,863
Collateral management fees	159,188	150,360
Credit committee fees	4,000	30,000
Other expenses	26,469	33,256
	402,759	**331,664**

6 Operating profit

Operating profit is stated after charging:

	2019 £	2018 £
Audit fees	30,000	32,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

7 Staff costs

The average monthly number of employees (including directors) during the year was:

	2019 Number	2018 Number
Directors	2	2

8 Finance costs

	2019 £	2018 £
Finance costs in relation to fixed term Notes	1,225,758	931,774

9 Taxation

	2019 £	2018 £
Total current tax	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(1,005,871)	(412,237)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19%	(191,115)	(78,325)
Effects of:		
Adjustments in relation to prior years	-	-
Tax losses carried forward	191,115	78,325
Current tax charge for the year	-	-

The Company has estimated tax losses of £1,651,621 (2018: £645,750) available for carry forward against future trading profits.

The deferred tax asset at the year end of £313,808 (2018: £122,692) has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

10 Loss per share

	2019 £	2018 £
Loss after tax attributable to equity holders of the Company	(1,005,871)	(412,237)
Weighted average number of ordinary shares	50,000	50,000
Basic and diluted loss per share	(2,011.74)p	(824.47)p

Basic loss per share is calculated by dividing the loss attributable to equity shareholders by the weighted average number of ordinary shares in issue during the year.

MINERVA LENDING PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

11 Dividends

No dividends were paid or proposed for the year to 31 December 2019 (2018: £nil).

12 Trade and other receivables

	2019 £	2018 £
Trade receivables	-	900
Unpaid share capital	37,500	37,500
Receivable from Collateral Manager	-	29,768
Prepayments	79,707	105,092
Other receivables	991,617	2,816,034
	1,108,824	**2,989,294**

13 Cash and cash equivalents

For the purposes of the Statement of Cash Flows, cash and cash equivalents include cash at banks and on hand and deposits with banks. Cash and cash equivalents at the end of the reporting period as shown in the Statement of Cash Flows can be reconciled to the related items in the Statement of Financial Position as follows:

	2019 £	2018 £
Cash and cash equivalents	18,528	189,855

The carrying amount of cash and cash equivalents approximates to its fair value.

14 Investments

	2019 £	2018 £
Secured loans	14,153,560	11,572,699

Secured loans comprise twenty five loans including accrued interest to 31 December 2019. The effective rate of these loans is between 8% - 12.0% per annum.

In the prior year, the secured loans comprise of twenty one loans including accrued interest to 31 December 2018 at an interest rate of between 8% - 14.4% per annum.

The company assesses credit risk in respect of the investments by applying the expected credit loss model in accordance with the accounting policy for financial instruments.

The company uses ratings from credit rating agency to determine whether the credit risks of its financial assets have significantly increased and to estimate expected credit losses.

There were two investments where the expected credit losses were applied. In respect of Frinton investment, in applying the forward-looking approach, Stage 1 was considered most appropriate as there was no evidence that there was a significant change in the credit risk. The delay I the loan repayment was due to the slow property sales. A credit loss adjustment was therefore provided.

MINERVA LENDING PLC

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

14 Investments (continued)

In respect of Cherry Capital investment, in applying the forward-looking approach, Stage 2 ws considered most appropriate as the company was placed into administration. For further details, refer to note 24 to the financial statements.

15 Share capital

Allotted and partly paid	2019 £	2018 £
50,000 Ordinary shares of £1 each	50,000	50,000

The Company issued 100 fully paid ordinary share on 16 February 2016 at £1 to Christopher Robin Leslie. On 3 March 2016 a further 49,900 ordinary shares at £1 were issued, partly paid to 25 pence each. These shares were transferred to Phillip Reeves Knyght on 4 May 2016.

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

16 Accumulated losses

	2019	2018 £
At 1 January	645,750	233,513
Loss for the year	1,005,871	412,237
At 31 December	**1,651,621**	**645,750**

17 Trade and other payables

	2019 £	2018 £
Trade payables	48,396	64,896
Accruals	108,894	507,301
Other payables	6,514	11,513
	163,804	583,710

Accruals comprise interest on issued Notes.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

18 Borrowings

	2019 £	2018 £
Current		
Notes	4,028,000	-
Unamortised finance costs	(25,819)	-
	4,002,181	-
Non-current		
Notes	13,590,000	15,801,000
Unamortised finance costs	(873,452)	(1,037,112)
	12,716.548	14,763,888

All non-current borrowings are wholly repayable after a minimum of 7 years. The Notes are secured by a first floating charge over all of the assets of the Company and bear interest of between 4.0% - 8.0% per annum paid largely in semi-annual instalments. Series 2 expires 22 August 2026, Series 5 expires 30 June 2024, Series 9 expires 30 June 2022, Series 10 expires 30 June 2022, Series C1 expires 30 June 2020, Series C2 expires 30 June 2020 and Series C4 expires 31 December 2020.

The finance costs were incurred upon the placing of the bonds and were paid to third parties. These amounts are being amortised on a straight-line basis over the life of the bonds, the above balance represents the remaining unamortised amount

19 Cash generated from operations

	2019 £	2018 £
Reconciliation to cash generated from operations		
Cash paid to suppliers	(726,719)	(521,190)
Cash generated from operations	(726,719)	(521,190)
Interest expense	(1,423,739)	(462,512)
Net cash outflow from operating activities	(2,150,458)	(983,702)

20 Control

The entire share capital of the Company is held by Philip Reeves Knyght on trust for certain beneficiaries. The Board has determined that the control of the day-to-day activities of the Company rests with the Board.

21 Related party transactions

During the year there were related party transactions with Reditum Capital Ltd (the "Collateral Manager"). The Collateral Manager is a related party as it is contracted by Minerva Lending PLC to provide collateral management services, including administration services as specified in the Base Prospectus. As at the year end, setup costs and fees were paid by Minerva Lending PLC which are to be repaid by the Collateral Manager totaling £839,519 (2018: £790,138). In addition, Reditum Capital Ltd has accrued collateral management and loan origination fees that were paid by Minerva Lending PLC as recoverable until such time as net profits are earned by Minerva Lending PLC.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

22 Contingent liabilities

The Company has no contingent liabilities.

23 Capital commitments

There was no capital expenditure contracted for at the end of the reporting period but not yet incurred.

24 Events after the reporting period

The following transactions have occurred after the reporting period:

Note issuances:
- 215,000 Notes issued in Series C6, for net proceeds of £193,500
- 338,000 Notes issued in Series C7, for net proceeds of £304,200

Note repayments:
- 1,394,000 Notes were repaid in Series C4

The underlying borrower from Reditum SPV 12 Ltd, Cherry Capital Holdings Limited, was placed into administration by Reditum SPV 12 Ltd on 26 November 2020 due to default under the loan facility. The administrators have taken control of the Cherry Capital Holdings Limited and sold property assets and made and initial distribution to the Reditum SPV 12 Ltd, which in turn has then been repaid to noteholders in Series C1 and Series C2 post the 31 December 2019 year end. The appointed administrators are continuing to review Cherry Capital Holdings Limited and seeking further recoveries but at the date of this report the timings and quantum is not yet known. A provision has been made in the 31 December 2019 accounts to reflect this uncertainty based on a 50% provision of the remaining balance outstanding post the repayments made post year end. The Board will continue to update noteholders via public announcements as relevant information is obtained from the administrators regarding further recoveries.