Company Registration No. 10007477 (England and Wales)

Minerva Lending PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

MINERVA LENDING PLC

COMPANY INFORMATION

Directors	Phillip Reeves Knyght Andreas Panajotis Kakabadse
Secretary	MSP Corporate Services Limited
Company number	10007477
Registered office	59-60 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 2022

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 £864,083 for the year. The exceptional expenses that were incurred during the year related to the loan impairments of Reditum SPV 5 Ltd, Reditum SPV 21 Ltd, Reditum SPV 44 Ltd, Reditum SPV 48 Ltd and Reditum SPV 57 Ltd.

There were no new issuances during the year therefore the total number of fixed term Notes issued to date remains at 18,412,000.

In accordance with the Base Prospectus, the Company has received 3 full repayments and 4 partial repayments on loans which were previously purchased.

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 considered a number of factors and acknowledge there exists a material uncertainty around the recoverability of several loans which may have a material effect on the Company. The Directors have initially considered the default on note repayments that were due in 2020, 2021 and 2022. As each note series is segregated for security and recoverability purposes the default of one individual note series does not cause a default on all series so this alone does not mean the Company does not remain a going concern. Next, the Directors have considered the on-going operational costs for the Company as these would normally be funded via loan repayments. As these loan repayments remain uncertain in quantum and timing, the Directors have considered the letter of support from a connected entity and they are therefore comfortable this will ensure that day-to-day operational costs of the Company (not note repayments) can be satisfied as and when the Company is required to.

The Directors have also considered the large net liability position of the Company which is largely driven by loan impairments taken in the 2020 financial year. At this point in time it is unclear what the ultimate recovery will be from these loan positions and post year end there have been some recoveries to allow note repayments so whilst there is material uncertainty about the recovery of these loans, again the Directors do not believe this alone means the Company does not remain a going concern. Further details of the reasons for the loan impairments are included in Note 14 to the Financial Statements. Next, the recoverability of loans has been impacted particularly from a timing perspective by the events of COVID-19. The macro impact resulted in extensive delays to construction and sales programmes on real estate assets which support the secured loans of the Company. This has been considered in light of timing of redemptions and for the reasons above that each note series is segregated, this does not mean the Company does not remain a going concern. Finally, 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.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Going concern (cont'd)

The Directors are considering these implications and the legal structure of the note series and have taken steps to mitigate the impact of one note series impact on the other. Therefore, despite the extensive losses brought forward and in the year driven by the loan impairment provisions which may cast significant doubt on the entity's ability to continue as a going concern, the Directors' assessment is that the Company remains a going-concern for at least the next 12 months from the date of this report.

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:

	2022 £	**2021** £
Loss for the year	(864,083)	(1,223,805)
Cash and cash equivalents	28,006	3,162
Investments	1,275,455	1,656,052

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. We shall continue to keep the bondholders aware of the developments of the business on the Company website and through regular market announcements.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement

The Directors insist on high operating standards and fiscal discipline and routinely engage with management and employees of the Company to understanding the underlying issues within the organisation. Additionally, the Board looks outside the organisation at macro factors affecting the business. The Directors consider all known facts when developing strategic decisions and long-term plans, taking into account their likely consequences for the Company.

The Company is committed to the highest levels of integrity and transparency with shareholders and other stakeholders.

Other stakeholders include customers, suppliers, debt holders, industry associations, government and regulatory agencies and local communities. The Board, both individually and together, consider that they have acted in the way they consider would be most likely to promote the success of the Company as a whole. In order to do this, there is a process of dialogue with stakeholders to understand the issues they might have. The Directors believe that any supplier/customer relationship must be mutually beneficial and the Company is known for its commitment to its customers. Communications with debt holders and shareholders occur on an ongoing basis and as questions arise. The Company also communicates performance to Rating Agencies on an annual basis.

Integrity is a key tenet for Minerva Lending PLC's Directors. We strive to provide our stakeholders with timely and informative responses and are always striving to meet or exceed customers' needs.

The Board recognises its responsibilities under section 172 as outlined above and has acted at all times in a way consistent with promoting the success of the Company with regard to all stakeholders.

On behalf of the board

Phillip Reeves Knyght

Director

12/20/2023 17:06 UTC

MINERVA LENDING PLC

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

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 16.

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
Andreas Panajotis Kakabadse

Directors' interest

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

	2022 Number of shares	2021 Number of shares
Phillip Reeves Knyght	50,000	50,000

Substantial interests

As at 31 December 2022 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.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Financial instruments

The Company has accrued but not settled the coupon due for 2022 for a total of £98,588 on the £2,097,000 Series 2, maturity date 22 August 2026, with a coupon rate of 5.5% per annum.

The Company has accrued but not settled the coupons due for 2021 and 2022 for a total of £1,062,000 on the £8,850,000 Series 5, maturity date 30 June 2024, with a coupon rate 6% per annum.

The Company has continued to service the £2,685,000 Series 9, maturity date 30 June 2022, coupon rate 7% per annum during the year.

The Company has continued to service the £199,000 Series 10, maturity date 30 June 2022, coupon rate 11% average per annum during the year.

The Company has reached the maturity due date on Series 9 and Series C7 during the year. Series C7 remains fully outstanding at year end and a partial repayment of £300,000 was made against Series 9. Additionally Series C1, Series C2 which expired on 30 June 2020 and Series C6 which expired on 29 October 2021 have principal amounts of £648,243, £1,299,757 and £215,000 respectively which remain outstanding at year end.

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

Series 2 – 22 February and 22 August

Series 5 – 30 June 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 UK-adopted International Accounting Standards ("IAS"). 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 IAS as adopted in the United Kingdom; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Statement of Directors' responsibilities (cont'd)

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.

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.

Post balance sheet events

Since the year end, the Company has made a partial settlement on 30 October 2023 for £34,500 in relation to Series 9 which matured on 30/06/2022.

On behalf of the board

Phillip Reeves Knyght
Director

12/20/2023 17:06 UTC

CORPORATE GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

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 Euronext Dublin, 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

Qualified opinion
We have audited the financial statements of Minerva Lending plc (the 'company') for the year ended 31 December 2022 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for qualified opinion
Included within investments is a receivable balance of £555,104 which, as discussed in note 14, is past due but still considered to be recoverable by the directors. We were unable to obtain sufficient and appropriate evidence as to the recoverability of this balance. Consequently, we were unable to determine whether any adjustment to this amount was necessary.

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 listed 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 qualified opinion.

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.

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.

Material uncertainty relating to going concern
We draw your attention to note 2.1 to the financial statements concerning the company's ability to continue as a going concern that:

- the company has net liabilities of £14,679,650 (2021 - £13,815,567) and incurred losses of £864,083 (2021 - £1,223,805); and
- due to reporting timelines the listing is currently suspended on Euronext Dublin (formerly known as the Irish Stock Exchange).

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

As at the date of approval of the financial statements, the company has Notes due within one year of £13,736,000 of which £4,886,000 is overdue. In addition, the company did not make the required interest payments totalling £1,167,218 when due and payable on the relevant interest payment date on the Series 2,5, and C7. We note that the directors are working with the Trustee to the Note Programme ("U.S. Bank Trustees Limited") to remedy the situation and that the Trustee does not intend to take any further steps to enforce the terms of the Trust Deed immediately. Nevertheless, the company's failure to comply with its obligation to make each of the interest and principal payment on each relevant payment date is, in itself, an event of default under the Trust Deed.

As explained above, there is a material uncertainty on the entity's ability to continue as a going concern should the receipts on the investment loans and proceeds from any enforcement action over the borrowers of loan be insufficient to meet the company's obligations to the Noteholders and to meet its operating and administrative expenses.

These conditions, 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 this respect.

In auditing the financial statements, we have concluded that the directors' use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included an assessment of the risk and audit procedures to address this risk.

The risk
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, ongoing increase in cost inflation and therefore increased pressure from the Bank of England to continue to increase the base rate from its previous unprecedented low level.

Given the above factors, we consider going concern to be a significant audit risk area.

How our audit addressed the risk:
In order to carry out our evaluation of the directors' assessment of going concern, we performed the work detailed below:

- We obtained 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 with cash flow forecasts to ensure forecasting 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 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:

Based on the work performed, we are satisfied that our audit addressed the impact of any disruption caused by COVID-19 and the increase in base rate from an unprecedented low level. We have also concluded that the impact of COVID-19 and the significant increase in base rate have been appropriately evaluated and reflected in the preparation of the financial statements.

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

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

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. This is not a complete list of all risks identified during our audit. Going concern is a significant key audit matter and is described above. In addition to the matter described in the basis for qualified opinion section and going concern, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How our scope addressed these matters
Recoverability of loans receivable 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 significant number and if any balance within this account is not recoverable it would materially impact the accounts.	Our audit work included a review and evaluation of 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 and forecasts as well as the judgments made by management. The company's accounting policy on recoverability of debts is shown in note 2.2 to the financial statements and related disclosures are included in note 14. **Key observations** We note that the directors have assessed the likelihood of recoverability and that they have concluded that an impairment provision of £52,488 during the year was considered appropriate due to uncertainty on the timing and amount of recoverability of certain material investment loans. Based on the work performed and except for the matter described in the basis for qualified opinion paragraph, we concluded that should the receipts on the investment loans and the proceeds from any enforcement action over the investment loans be insufficient to meet the Company's obligations on the Notes, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

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

Key audit matters	How our scope addressed these matters
Improper revenue recognition Under ISA 240 (UK) there is a resumed risk that revenue may be misstated due to the improper recognition of revenue.	Our audit work included, but was not restricted to: • Assessing whether revenue was accounted for in accordance with the accounting policy on revenue recognition. • Due to the nature of revenue, reviewed 100% of interest received during the year and recalculated the income based upon the key terms of loan agreements and the carrying amount of loan investments. • Analytically reviewed and verified significant movements. **Key observations** We noted that the company's revenue increased slightly in the year due to lower impairment provisions and the application of the effective interest rate method as required by IFRS.

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	2022: £43,200	2021: £41,000
How we determined it	2022: 2 % of total assets	2021: 1.5% of total 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.	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.
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 £32,400.	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 £30,750.
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.

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

We agreed with those charged with corporate governance that we would report to them misstatements identified during our audit above £2,160 (2021: £2,050) 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.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the recoverability of investments £555,104 held at 31 December 2022. We have concluded that where the other information refers to the investments or related balances such as turnover or impairment expense, it may be materially misstated for the same reason.

Opinions on other matters prescribed by the Companies Act 2006
Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
Except for the matter described in the basis for qualified opinion section of our report, 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.

Arising solely from the limitation on the scope of our work relating to inventory, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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.

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 5, 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 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.

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to a breach of the listing requirements of the Euronext Dublin (formerly known as the Irish Stock Exchange) underwhich the offering circular dated 1 June 2016 was issued or of the Transaction Documents, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to deliberate concealment by forgery, intentional misrepresentation, or through collusion. Audit procedures performed included:

- making inquiries with those charged with governance in relation to known or suspected instances of non-compliance with laws and regulations and fraud;
- testing journals using risk-based approach and evaluating whether there was evidence of bias;
- reviewing the financial statement disclosures to underlying supporting documentation; and
- reviewing of minutes of directors meetings occurred during the year.

There are inherent limitations in the audit procedures described above and the further removed noncompliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

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

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.

Matthew Granger

Matthew Granger (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young LLP
Chartered Accountant and Statutory Auditor
Quadrant House
4 Thomas More Square
London
E1W 1YW

12/20/2023 17:48 UTC
Date................................

MINERVA LENDING PLC

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Continuing operations			
Revenue		257,839	227,918
Administrative expenses	5	(109,462)	(70,813)
Loan impairment	14	(52,488)	(264,684)
Operating profit / (loss)	6	**95,889**	**(107,579)**
Finance costs	8	(959,972)	(1,116,226)
Loss on ordinary activities before taxation		(864,083)	(1,223,805)
Income tax expense	9	-	-
Loss for the year		**(864,083)**	**(1,223,805)**
Loss per share (expressed in pence per share)	10	(1,728.17)	(2,447.61)

The notes on pages 20 to 31 form part of these financial statements.

MINERVA LENDING PLC

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	As at 31 December 2022 £	As at 31 December 2021 £
Assets			
Current assets			
Cash and cash equivalents	13	28,006	3,162
Trade and other receivables	12	857,326	1,076,202
Investments	14	1,275,455	1,656,052
Total assets		**2,160,787**	**2,735,416**
Equity and liabilities			
Equity attributable to owners of the Company			
Ordinary shares	15	50,000	50,000
Accumulated losses	16	(14,729,650)	(13,865,567)
Total equity		**(14,679,650)**	**(13,815,567)**
Liabilities			
Current liabilities			
Trade and other payables	17	1,262,720	664,897
Borrowings	18	4,886,000	5,349,310
		6,108,720	**6,014,207**
Non-current liabilities			
Borrowings	18	10,691,717	10,536,776
Total liabilities		**16,840,437**	**16,550,983**
Total equity and liabilities		**2,160,787**	**2,735,416**

The notes on pages 20 to 31 form part of these financial statements.

Approved by the Board and authorised for issue on 12/20/2023 17:06 UTC

Phillip Reeves Knyght

Director

Company Registration No. 10007477

MINERVA LENDING PLC

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	Year ended 31 December 2022 £	Year ended 31 December 2021 £
Cash flows from operating activities			
Net cash outflow from operating activities	19	(49,541)	(685,517)
Net cash utilised in operating activities		**(49,541)**	**(685,517)**
Cash flows from investing activities			
Loans provided to eligible borrowers		(263,200)	(396,350)
Loans repaid by eligible borrowers		836,585	2,821,670
Net cash generated from investing activities		**573,385**	**2,425,320**
Cash flows from financing activities			
Net repayment of loan notes		(499,000)	(1,788,000)
Net cash utilised in financing activities		**(499,000)**	**(1,788,000)**
Net increase / (decrease) in cash and cash equivalents		**24,844**	**(48,197)**
Cash and cash equivalents at the beginning of the year		3,162	51,359
Cash and cash equivalents at the end of the year	13	**28,006**	**3,162**

The notes on pages 20 to 31 form part of these financial statements.

MINERVA LENDING PLC

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Share capital	Accumulated losses	Total
	£	£	£
As at 31 December 2021	50,000	(13,865,567)	(13,815,567)
Loss for the year	-	(864,083)	(864,083)
As at 31 December 2022	**50,000**	**(14,729,650)**	**(14,679,650)**

	Share capital	Accumulated losses	Total
	£	£	£
As at 31 December 2020	50,000	(12,641,762)	(12,591,762)
Loss for the year	-	(1,223,805)	(1,223,805)
As at 31 December 2021	**50,000**	**(13,865,567)**	**(13,815,567)**

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 20 to 31 form part of these financial statements.

MINERVA LENDING PLC

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

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 initially listed on the Main Securities Market of Euronext Dublin, however we note due to reporting timelines not being achieved the listing is currently suspended. 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 UK-adopted International Accounting Standards (IAS) and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards. The financial statements have been prepared under the historical cost convention.

Going concern

The company has net liabilities of £14,679,650 (2021 - £13,815,567), net current liabilities of 3,947,933 (2021 - £3,278,791) and incurred losses in both the current and previous years meaning there is material uncertainty regarding the going concern status for the company. 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 next 12 months from the date of signing of the financial statements.

The company has £2,685,000 of Series 9 notes and £338,000 of Series C7 notes due for repayment in 2022. However the company has not been able to repay the principal on time. The company has made a partial repayment of £300,000 on the Series 9 notes during the year and a further £34,500 post year end as disclosed in Note 22. The reason for the delays relate to delays in repayment in underlying loans, further information on the individual loans and the reasons for the delays are detailed in Note 14.

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 as further detailed in the Directors Report. This resulted in delays to complete these construction projects for sale, therefore affecting the loan repayment to the company which has had a material impact on the recoverability of all loans thus may cast further significant doubt on the entity's ability to continue as a going concern.

This is explained more fully in the strategic report.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Preparation of financial statements

The preparation of financial statements in conformity with IAS 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.

New standards and interpretations applied

There are no relevant standards or amendments issued by the International Accounting Standards Board that are effective for the period that begins on or after 1 January 2023 for the Company.

New standards and interpretations not yet effective

There are new and amended standards and interpretations that have been issued by the International Accounting Standards Board that are effective for periods commencing on or after 1 January 2023 and have not been adopted early, as discussed below:

- Amendments to IAS 1: Classification of Liabilities as Current or Non-Current;
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policy;
- Amendments to IAS 8: Definition of Accounting Estimates; and
- Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction.

As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. Implementation of the above is not expected to have a material effect on the Company's financial statements in the year they become effective.

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 Summary of significant accounting policies (continued)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

2.2 Financial assets and liabilities (continued)

Derecognition

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.

Amortised cost measurement

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.

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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Summary of significant accounting policies (continued)

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.

2.9 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.

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 further provisions against recovery of the principal or interest at the year end other than already processed in the financial statements.

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:

	2022 £	2021 £
Cash and cash equivalents	28,006	3,162
Other receivables	857,326	1,076,202
Investments	1,275,455	1,656,052
	2,160,787	**2,735,416**

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.

4 Financial risk management (continued)

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.

c.2 *Price risk*

The Company's principal activity is the acquisition of asset-backed loans. The Company does have a diversified portfolio of assets but due to the underlying asset type there is still a 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:

	2022	**2021**
	£	**£**
Trustee and registrar fees	11,600	12,060
Directors' fees	10,000	9,968
Audit fees	33,000	30,000
Legal and professional fees	41,022	22,533
Other expenses	13,840	(3,748)
	109,462	**70,813**

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

6 Operating profit / (loss)

Operating profit / (loss) is stated after charging:

	2022 £	2021 £
Audit fees	33,000	30,000

7 Staff costs

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

	2022 Number	2021 Number
Directors	2	2

8 Finance costs

	2022 £	2021 £
Finance costs in relation to fixed term Notes	959,972	1,116,226

9 Taxation

	2022 £	2021 £
Total current tax	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(864,083)	(1,223,805)
Loss on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19%	(164,176)	(232,523)
Effects of:		
Expenses not deductible for tax purposes	9,973	50,291
Remeasurement of deferred tax for changes in tax rates	(184,973)	-
Movement in deferred tax not recognised	339,176	182,232
Current tax charge for the year	-	-

The Company has estimated tax losses of £3,082,868 (2021: £2,271,273) available for carry forward against future trading profits. The deferred tax asset at the year end of £770,717 (2021: £431,541) has not been recognised in the financial statements due to the uncertainty of the recoverability of the amount.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the main corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had been substantially enacted at the balance sheet date, its effects are included in these financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

10 Loss per share

	2022 £	2021 £
Loss after tax attributable to equity holders of the Company	(864,083)	(1,223,805)
Weighted average number of ordinary shares	50,000	50,000
Basic and diluted loss per share	(1,728.17)p	(2,447.61)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.

11 Dividends

No dividends were paid or proposed for the year to 31 December 2022 (2021: £nil).

12 Trade and other receivables

	2022 £	2021 £
Unpaid share capital	37,500	37,500
Prepayments	32,798	41,743
Other receivables	787,028	996,959
	857,326	**1,076,202**

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:

	2022 £	2021 £
Cash and cash equivalents	28,006	3,162

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

14 Investments

	2022 £	2021 £
Secured loans	1,275,455	1,656,052

Secured loans comprise fourteen loans including accrued interest to 31 December 2022. The effective rate of these loans is between 0% - 12% per annum.

In the prior year, the secured loans comprise of nineteen loans including accrued interest to 31 December 2021 at an interest rate of between 8% - 12% 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

14 Investments (continued)

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 thirteen investments where the expected credit losses were applied. For the following investments, Stage 1 was considered appropriate due to uncertainty on the timing and amount of recovery of the investments following post balance sheet date events:

- Reditum SPV 21 Ltd (Frinton) – the underlying property assets are being realized largely at valuation but the delay is due to the slow property sales which is greatly reducing the expected recovery;
- Reditum SPV 26 Ltd (Birstwith) – the underlying property assets are being realized largely at valuation but the delay is due to the slow property sales and construction cost overruns which is greatly reducing the expected recovery;
- Reditum SPV 27 Ltd (Bracknell) – the underlying property assets are being sold at discounts however the continued operating costs and senior debt attached is greatly reducing the expected recovery;
- Reditum SPV 34 Ltd (152 Silbury) – the underlying property assets are being realized largely at valuation but the delay is due to the slow property sales and construction cost overruns which is greatly reducing the expected recovery; and
- Reditum SPV 57 Ltd (Yoho York Street) – due to market movements in interest rates and the valuation of the asset, the senior lender is forcing a sale of the asset with terms agreed for a sale to occur in 2023;

For the following investments, Stage 2 was considered most appropriate as the loss is more certain due to post balance date events:

- Reditum SPV 12 Ltd (Cherry) – the underlying borrower was placed into administration, with underlying property assets realized and proceeds sent by the administrator in 2021;
- Reditum SPV 37 Ltd (Sky) – the properties have been completed due to extensive construction cost overruns and timing there is minimal recovery expected, the collateral manager has sought to agree a final settlement with the borrower which has not been achieved;
- Reditum SPV 39/40 (Uxbridge) – the properties have been partly developed and the original planning for the site has not been achieved. Due to extension construction cost overruns and timing minimum recovery is expected, the collateral manager has sought to agree a final settlement with the borrower which has not been achieved; and
- Reditum SPV 48 (Quayside West) – the property had the planning permission blocked by the local council authority as they had previously agreed to provide infrastructure funding, as such the senior lender put the lender into administration, and likely recovery is very unlikely.

Note: Specific attention to be draw to the Castle Property Group - Although the loan has fallen past the due date, for the sum of £555,104, both directors judge and believe this balance to still be fully recoverable.

15 Share capital

Allotted and partly paid	2022 £	2021 £
50,000 Ordinary shares of £1 each	50,000	50,000

The ordinary shares are partially paid up to £0.25 per share. 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.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

16 Accumulated losses

	2022 £	2021 £
At 1 January	13,865,567	12,641,762
Loss for the year	864,083	1,223,805
	14,729,650	**13,865,567**

17 Trade and other payables

	2022 £	2021 £
Accruals	1,262,720	664,897
	1,262,720	**664,897**

Accruals comprise interest on issued Notes.

18 Borrowings

	2022 £	2021 £
Current		
Notes	4,886,000	5,385,000
Unamortised finance costs	-	(35,690)
	4,886,000	**5,349,310**
Non-current		
Notes	10,947,000	10,947,000
Unamortised finance costs	(255,283)	(410,224)
	10,691,717	**10,536,776**

All non-current borrowings are fully repayable over the next 3 years and 8 months as at the balance sheet date. The Notes are secured by a first floating charge over the assets of the Company split by individual Series and bear interest of between 5.5% - 6.0% per annum paid largely in semi-annual instalments. Series 2 expires 22 August 2026 and Series 5 expires 30 June 2024. During the year, Series C7 expired on 29 March 2022 and Series 9 on 30 June 2022. Series 10 was fully repaid during the year.

Series C1, Series C2 and Series C4 expired during 2020. Market announcements were made at the time regarding the missed maturity dates. Series C4 was fully repaid in March 2021 upon receipt of delayed loan proceeds. Partial repayments were made for Series C1 and Series C2 in December 2021 upon receipt of proceeds from loan repayments. Further market announcements will be made regarding Series C1 and Series C2 upon resolution of the administration process currently underway however recovery appears unlikely from the remaining underlying borrower so the quantum and timing of any further recovery remains uncertain. Series C6 remains unpaid and again market announcements will be made once further certainty is obtained regarding the quantum and timing of loan repayments attached to that series.

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

19 Cash generated from operations

	2022 £	2021 £
Reconciliation to cash generated from operations		
Cash paid to suppliers	(106,431)	(49,033)
Cash generated from operations	222,463	4,000
Interest expense	(165,573)	(640,484)
Net cash outflow from operating activities	(49,541)	(685,517)

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 £668,008 (2021: £870,173). 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.

22 Events after the reporting period

Since year end there has been a repayment on £34,500 on the Series 9 notes as announced on 30 October 2023.