

NATIONWIDE FINANCE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NATIONWIDE FINANCE LIMITED

COMPANY INFORMATION

DIRECTORS	Mr M J Bass Mr S A England Mr K A Robbins Mr A W Tyler (appointed 1 November 2021)
REGISTERED NUMBER	12199793
REGISTERED OFFICE	9 Osier Way Olney Business Park Olney Bucks MK46 5FP
INDEPENDENT AUDITORS	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

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

INTRODUCTION

The principal activity of the company during the period was acting as a lessor under finance lease arrangements.

BUSINESS REVIEW

Turnover for the Company has increased by 62% to £16,209,574 from £10,764,714.

This is mainly attributable to the structural changes within the Group as the own book of a sister company has been purchased.

For the year ended 31 December 2022, the directors expect the activities of the Company to continue with ongoing collection of rentals and settlement of its own book debtor balances.

The Directors believe the results are very encouraging, where the market is notoriously competitive.

PRINCIPAL RISKS AND UNCERTAINTIES

Credit and Fraud Risk

The Company is exposed to the risk that clients owing the Company money will not fulfil their obligations. The company reviews the exposure for every client, including the level of security available in the event of default.

Nevertheless, default credit risk may arise from events or circumstances that are difficult to detect and handle, such as fraud.

Inadequate Security

The Company is exposed to the risk that security on which the finance advances are made as reduce in value, so that the company may not recover some or all of its finance advances in an event of default.

Risk is mitigated by the spread of finance advances and types of clients involved along with detailed assessment of the value of security available at the time of the finance advances.

COVID-19

The Company has operated through the COVID-19 issues, ensuring the safety of its employees and continuing to work with customers who have struggled as a result to be able to manage their commitments under our agreements.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company's key performance indicators during the year were as follows:

	2021	2020
Turnover	£16,209,574	£10,764,714
Operating Profit	£8,690,957	£1,843,753

This report was approved by the board on 13 April 2022 and signed on its behalf.

Mr M J Bass
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors present their report and the financial statements for the year ended 31 December 2021.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £6,979,163 (2020:£1,492,570).

Dividends paid in the year amounted to £3,000,000 (2020: £Nil).

DIRECTORS

The Directors who served during the year were:

Mr M J Bass
Mr S A England
Mr K A Robbins
Mr A W Tyler (appointed 1 November 2021)

DISCLOSURE OF INFORMATION TO AUDITORS

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Mr M J Bass
Director

Date: 13 April 2022

9 Osier Way
Olney Business Park
Olney
Bucks
MK46 5FP

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The Directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONWIDE FINANCE LIMITED

OPINION

We have audited the financial statements of Nationwide Finance Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of income and retained earnings, the Statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

OTHER INFORMATION

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONWIDE FINANCE LIMITED (CONTINUED)

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic report and the 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

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 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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

- we have considered the nature of the industry and sector, control environment and business performance;
- we have considered the results of our enquiries of management about their own identification and assessment of the risk of irregularities;
- we have obtained and reviewed the company's documentation of their policies and procedures relating to:
 - o identifying, evaluating, and complying with laws and regulations whether they were aware of any instances of non-compliance;
 - o detecting and responding to the risk of fraud and whether they have knowledge of actual, suspected, or alleged fraud; and
 - o the internal controls established to mitigate the risks of fraud or non-compliance with laws and regulations.
- we have considered the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud, which included incorrect recognition of revenue, management override of controls using manual journal entries, and these were identified as the greatest potential area for fraud.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, FRS 102 and tax legislation.

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

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- enquiring of management concerning actual and potential litigation claims and assessing the carrying value of any associated provisions;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material

misstatement due to fraud;

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONWIDE FINANCE LIMITED (CONTINUED)

- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias.

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

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Mark Munro FCA (Senior statutory auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

25 April 2022

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	16,209,574	10,764,714
Cost of sales		(4,601,259)	(5,178,466)
Gross profit		11,608,315	5,586,248
Administrative expenses		(3,021,028)	(3,742,495)
Other operating income		103,670	-
Operating profit	5	8,690,957	1,843,753
Tax on profit	8	(1,711,794)	(351,183)
Profit after tax		6,979,163	1,492,570
Retained earnings at the beginning of the year		1,492,570	-
		1,492,570	-
Profit for the year		6,979,163	1,492,570
Dividends declared and paid		(3,000,000)	-
Retained earnings at the end of the year		5,471,733	1,492,570

The notes on pages 10 to 20 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	10	44,222	87,400
		<u>44,222</u>	<u>87,400</u>
Current assets			
Debtors: amounts falling due after more than one year	11	22,899,679	20,929,019
Debtors: amounts falling due within one year	11	8,299,275	4,905,122
Cash at bank and in hand	13	908,378	1,859,982
		<u>32,107,332</u>	<u>27,694,123</u>
Creditors: amounts falling due within one year	14	(6,679,821)	(6,286,307)
Net current assets		<u>25,427,511</u>	<u>21,407,816</u>
Total assets less current liabilities		<u>25,471,733</u>	<u>21,495,216</u>
Provisions for liabilities			
Deferred tax	15	-	(2,646)
		<u>-</u>	<u>(2,646)</u>
Net assets		<u>25,471,733</u>	<u>21,492,570</u>
Capital and reserves			
Called up share capital	16	20,000,000	20,000,000
Profit and loss account	17	5,471,733	1,492,570
		<u>25,471,733</u>	<u>21,492,570</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Mr M J Bass
Director

Date: 13 April 2022

The notes on pages 10 to 20 form part of these financial statements.

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

1. GENERAL INFORMATION

Nationwide Finance Limited is a private company, limited by shares, incorporated in England within the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Goldmore Asset Management Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

2.3 GOING CONCERN

The Company has been continuing to work with customers who have been struggling to meet their repayments, due to the knock on effects of the COVID-19 pandemic, allowing them to better manage their commitments.

The directors are confident that the measures taken to date have helped mitigate the risk of default within the debtor book and are confident that the Company will be able to operate for the foreseeable future. As such, they consider it appropriate for the financial statements to be prepared on a going concern basis.

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

2. ACCOUNTING POLICIES (continued)

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

The company acts as a lessor under finance lease arrangements. Amounts receivable are initially recognised in debtors at the present value of future rentals, discounted by the interest rate implicit to the lease.

Lease payments received are apportioned between capital and interest, the interest element is recognised as revenue and the capital element reduces the amounts owed by the lessee. Finance lease income is recognised within turnover at the date in which the rental falls due.

2.5 LEASED ASSETS: THE COMPANY AS LESSOR

Where assets leased to a third party give rights approximating to ownership (finance lease), the lessor recognises as a receivable an amount equal to the net investment in the lease i.e. the minimum lease payments receivable under the lease discounted at the interest rate implicit in the lease. This receivable is reduced as the lessee makes capital payments over the term of the lease.

A finance lease gives rise to two types of income: profit or loss equivalent to the profit or loss resulting from outright sale of the asset being leased, at normal selling prices, reflecting any applicable discounts, and finance income over the lease term.

2.6 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.7 PENSIONS

DEFINED CONTRIBUTION PENSION PLAN

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

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

2. ACCOUNTING POLICIES (continued)

2.8 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.9 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Motor vehicles	-	25%	straight line
Fixtures and fittings	-	25%	straight line
Computer equipment	-	25%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 DEBTORS

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.11 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.12 CREDITORS

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.13 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.14 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.15 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

3.

JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Estimates and judgments 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.

Key Accounting Estimates and Assumptions

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. Management consider the key accounting judgments to be as follows:

Impairment of own book debt

The company assesses at each balance sheet date whether there is evidence that loan assets (own book debt) will not be recovered in full and, where necessary, recognises an impairment loss in the Statement of income and retained earnings. Such a loss is recognised on two bases:

- Where a specific event has occurred that has adversely impacted the estimated future cashflows that will be received from a loan asset
- As a percentage of the entire population of the book based on the expected credit losses that will arise from that population at the balance sheet date. This calculation is based on past losses incurred and the judgment of the directors.

Provisions

The company assesses on an ongoing basis the requirement to recognise provisions. Where the directors consider that an obligation based on a past events exists and it can be reliably measured, a provision is recorded.

4. TURNOVER

The whole of the turnover is attributable to the provision of lease finance arrangements.

All turnover arose within the United Kingdom.

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation of tangible fixed assets	33,657	30,373
Exchange differences	<u>4</u>	<u>-</u>

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

6. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>11,950</u>	<u>9,300</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

7. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,079,814	1,785,419
Social security costs	114,331	189,741
Cost of defined contribution scheme	30,166	37,412
	<u>1,224,311</u>	<u>2,012,572</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021 No.	2020 No.
Employees	<u>28</u>	<u>52</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	1,714,440	348,537
	<u>1,714,440</u>	<u>348,537</u>
TOTAL CURRENT TAX	<u>1,714,440</u>	<u>348,537</u>
DEFERRED TAX		
Origination and reversal of timing differences	(2,646)	2,646
	<u>(2,646)</u>	<u>2,646</u>
TOTAL DEFERRED TAX	<u>(2,646)</u>	<u>2,646</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>1,711,794</u>	<u>351,183</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>8,690,957</u>	<u>1,843,753</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	1,651,282	350,313
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	57,315	870
Fixed asset differences	(14)	-
Remeasurement of deferred tax for changes in tax rates	(1,014)	-
Deferred tax not recognised	4,225	-
	<u>1,711,794</u>	<u>351,183</u>
TOTAL TAX CHARGE FOR THE YEAR	<u>1,711,794</u>	<u>351,183</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

New legislation has been substantively enacted which will increase the main rate of corporation tax from 19% to 25% from 1 April 2023. This increase has not been reflected in the calculation of the companies deferred tax assets and liabilities since it was not substantively enacted until after the balance sheet date.

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

9. DIVIDENDS

	2021 £	2020 £
Dividends paid up to parent	3,000,000	-
	<u>3,000,000</u>	<u>-</u>

10. TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
COST OR VALUATION				
At 1 January 2021	69,873	10,330	36,292	116,495
Additions	-	2,320	-	2,320
Disposals	(15,224)	(3,857)	-	(19,081)
At 31 December 2021	<u>54,649</u>	<u>8,793</u>	<u>36,292</u>	<u>99,734</u>
DEPRECIATION				
At 1 January 2021	16,838	2,463	9,794	29,095
Charge for the year on owned assets	18,945	2,661	12,051	33,657
Disposals	(5,392)	(1,848)	-	(7,240)
At 31 December 2021	<u>30,391</u>	<u>3,276</u>	<u>21,845</u>	<u>55,512</u>
NET BOOK VALUE				
At 31 December 2021	<u>24,258</u>	<u>5,517</u>	<u>14,447</u>	<u>44,222</u>
At 31 December 2020	<u>53,035</u>	<u>7,867</u>	<u>26,498</u>	<u>87,400</u>

11. DEBTORS

	2021 £	2020 £
DUE AFTER MORE THAN ONE YEAR		
Amounts recoverable on L/T contracts	22,899,679	20,929,019
	<u>22,899,679</u>	<u>20,929,019</u>
DUE WITHIN ONE YEAR	2021 £	2020 £

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

11. DEBTORS (CONTINUED)

Trade debtors	-	3,361
Other debtors	-	1,019,534
Prepayments and accrued income	16,757	8,298
Amounts recoverable on long-term contracts	8,282,518	3,873,929
	<u>8,299,275</u>	<u>4,905,122</u>

12. HIRE PURCHASE AND FINANCE LEASES

Minimum lease receipts under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	17,336,582	13,376,045
Between 1-5 years	32,010,787	32,877,256
Over 5 years	144,667	212,406
	<u>49,492,036</u>	<u>46,465,707</u>

The present value of those future receivables is as follows:

	2021 £	2020 £
Within one year	11,803,635	9,290,339
Between 1-5 years	26,518,408	28,063,561
Over 5 years	140,187	21,561
	<u>38,462,230</u>	<u>37,375,461</u>

13. CASH AND CASH EQUIVALENTS

	2021 £	2020 £
Cash at bank and in hand	908,378	1,859,982
	<u>908,378</u>	<u>1,859,982</u>

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade creditors	21,409	362,353
Amounts owed to group undertakings	5,723,527	5,753,500
Corporation tax	664,083	110,537
Other taxation and social security	209,564	40,804
Other creditors	1,919	6,164
Accruals and deferred income	59,319	12,949
	<u>6,679,821</u>	<u>6,286,307</u>

15. DEFERRED TAXATION

	2021 £
At beginning of year	(2,646)
Charged to profit or loss	2,646
AT END OF YEAR	<u>-</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	-	(2,646)
	<u>-</u>	<u>(2,646)</u>

16. SHARE CAPITAL

	2021 £	2020 £
ALLOTTED, CALLED UP AND FULLY PAID		
20,000,000 (2020:20,000,000) Ordinary shares of £1.00 each	<u>20,000,000</u>	<u>20,000,000</u>

17. RESERVES**Profit and loss account**

Includes all current and prior period retained profits and losses.

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

18. RELATED PARTY TRANSACTIONS

The company has taken advantage of exemptions under FRS102 to not disclose transactions with its parent, Goldmore Asset Management Limited, or fellow subsidiary, Bluerock Secured Finance Limited.

During the year the Company made purchases of £4,500 (2020: £5,250) from a fellow subsidiary Go Financial Technologies Limited. At the end of the year the balance owed to this company was £Nil (2020: £Nil). There were recharges of £Nil (2020: 6,000) between Nationwide Finance Limited and fellow subsidiary Go Financial Technologies Limited during the year.

During the year the Company made purchases of £3,442,820 (2020: £2,908,780) from a company under common control. At the end of the year the balance owed to this company was £Nil (2020: £256,355).

19. CONTROLLING PARTY

At the year end, the company was a subsidiary of Goldmore Asset Management Limited. Consolidated group accounts are available from Companies House, Crown Way, Maindy, CF14 3UZ.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.