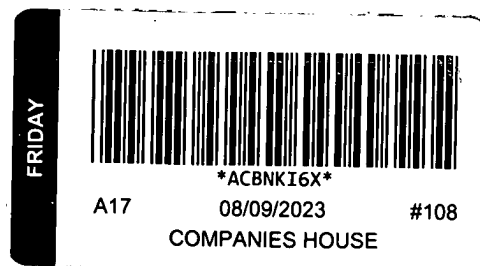


Conister Finance & Leasing Ltd

Directors' report and financial statements For the year ended 31 December 2022

Company Registration Number: 077828C
Company Number: FC024114
Overseas Establishment Number: BR007991
Overseas Establishment Number: BR023349



Conister Finance & Leasing Ltd

Balance Sheet


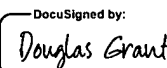
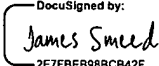
As at 31 December 2022

	Note	2022 £	2022 £	2021 £	2021 £
FIXED ASSETS					
Tangible assets	2		127,135		31,086
Intangible assets	3		41,462		50,658
			<u>168,597</u>		<u>81,744</u>
CURRENT ASSETS					
Cash at bank		1,125,574		266,514	
Debtors and prepayments	4	120,915		282,969	
Amounts due from group undertakings	5	2,459,788		1,576,766	
		<u>3,706,277</u>		<u>2,126,249</u>	
CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR					
	6	(1,826,745)		(415,787)	
NET CURRENT ASSETS			<u>1,879,532</u>		<u>1,710,462</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,048,129</u>		<u>1,792,206</u>
Deferred tax liability			(2,673)		-
NET ASSETS			<u>2,045,456</u>		<u>1,792,206</u>
CAPITAL AND RESERVES					
Share capital	7		1		1
Profit and loss account			2,045,455		1,792,205
EQUITY SHAREHOLDER'S FUNDS			<u>2,045,456</u>		<u>1,792,206</u>

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved by the Board of Directors on 26 April 2023 and signed on their behalf by:

D Eke	<div>DocuSigned by:</div>  <div>8E341255DA03453...</div>	Chairman
D Grant	<div>DocuSigned by:</div>  <div>D20E446EDDFD465...</div>	Director
J Smeed	<div>DocuSigned by:</div>  <div>2E7FBE898BCB42F...</div>	Director

Conister Finance & Leasing Ltd

Notes to the Financial Statements

For the year ended 31 December 2022

1 ACCOUNTING POLICIES

1.1 CONVENTION

The financial statements and related notes have been prepared in accordance with applicable law and UK Accounting Standards including FRS 102: *The Financial Reporting Standard applicable in the UK and Republic of Ireland* ("FRS 102"), as applicable to an Isle of Man company. These financial statements are prepared on the historical cost basis and a going concern basis. The presentation currency of these financial statements is pounds sterling. The accounting policies set out below have been applied consistently, unless otherwise stated, to all periods presented in these financial statements.

The Company has taken advantage of the exemption in FRS 102 from the requirement to produce a cash flow statement, certain financial instrument disclosures, key management personnel compensation and intra-group related party disclosures on the grounds that it is a qualifying company (for the purposes of FRS 102). The Company's Ultimate Holding Company (see Note 9) provides these disclosures and are available from its website www.mfg.im for the benefit of the public.

The presentation of certain comparative balances has been reclassified to accord with the presentation in the current reporting period.

1.2 INCOME

Interest income is recognised in the profit and loss account using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts of the financial instrument to the net carrying amount of the financial asset. The discount period is the expected life or, where appropriate, a shorter period. The calculation includes all amounts receivable by the Company that are an integral part of the overall return, including origination fees, loan incentives, broker fees payable, estimated early repayment charges, balloon payments and all other premiums and discounts. It also includes direct incremental transaction costs related to the acquisition or issue of the financial instrument. The calculation does not consider future credit losses.

Fee and commission income, which is receivable in respect of the introduction of customers seeking finance facilities to the parent company to administer and enforce, is recognised in full in the profit and loss account.

1.3 TANGIBLE ASSETS

Tangible assets are stated at cost less accumulated depreciation and impairment losses. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual values, over the expected useful lives. The useful lives of the tangible assets are estimated as follows:

IT equipment	5 years
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1.4 INTANGIBLE ASSETS

Intangible assets that are acquired by an entity and having finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets acquired as part of a business combination are measured at fair value. Assets are amortised on a straight-line basis, so as to write off the book value over their estimated useful lives.

The useful lives of the intangible assets are estimated as follows:

Computer software	5 years
Intellectual property rights	4 years

Conister Finance & Leasing Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

1.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's balance sheet when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Conister Finance & Leasing Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

1.7 IMPAIRMENT OF LOANS AND RECEIVABLES

The Company assesses at each balance sheet date whether there is objective evidence that loans and receivables are impaired. Loans and receivables are reviewed for impairment where there are repayment arrears and doubt exists regarding recoverability. The impairment allowance is based on the level of arrears together with an assessment of the expected future cash flows and the value of any underlying collateral after taking into account any irrecoverable interest due. Amounts are written off when it is considered that there is no further prospect of recovery. Where past experience has indicated that over time, a particular category of financial assets has suffered a trend of impairment losses, a collective impairment allowance is made for expected losses to reflect the continuing historical trend.

1.8 EQUITY INSTRUMENTS

Equity instruments issued by the Company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

1.9 LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.10 TAXATION

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the period. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.11 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 RETIREMENT BENEFITS

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Conister Finance & Leasing Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

2 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Furniture & equipment £	Computer hardware £	Total £
Cost				
As at 1 January 2022	-	-	57,975	57,975
Additions	62,382	46,044	9,621	118,047
As at 31 December 2022	62,382	46,044	67,596	176,022
Depreciation				
As at 1 January 2022	-	-	26,889	26,889
Charge for year	4,078	2,138	15,782	21,998
As at 31 December 2022	4,078	2,138	42,671	48,887
Net book value as at 31 December 2022	58,304	43,906	24,925	127,135
Net book value as at 31 December 2021	-	-	31,086	31,086

3 INTANGIBLE ASSETS

	Computer software £	Intellectual Property Rights £	Total £
Cost			
As at 1 January 2022	46,263	51,685	97,948
Additions	-	15,916	15,916
As at 31 December 2022	46,263	67,601	113,864
Amortisation			
As at 1 January 2022	26,536	20,754	47,290
Charge for year	9,253	15,859	25,112
As at 31 December 2022	35,789	36,613	72,402
Net book value as at 31 December 2022	10,474	30,988	41,462
Net book value as at 31 December 2021	19,727	30,931	50,658

4 DEBTORS AND PREPAYMENTS

	2022 £	2021 £
Prepayments	58,071	17,594
Trade debtors	62,844	265,375
	120,915	282,969

Conister Finance & Leasing Ltd

Notes to the Financial Statements (continued)

For the year ended 31 December 2022

5 AMOUNTS DUE FROM AND TO GROUP UNDERTAKINGS

The amounts due from and to Group undertakings are unsecured, interest-free and repayable on demand.

6 CREDITORS: AMOUNTS FALLING DUE IN LESS THAN ONE YEAR

	2022 £	2021 £
Trade creditors	442,004	171,799
Tax creditor	267,111	227,528
Amounts due to group undertakings (see note 5)	<u>1,117,630</u>	<u>16,460</u>
	1,826,745	415,787

7 SHARE CAPITAL

	2022 £	2021 £
Authorised ordinary shares of £1 each	2,000	2,000
Issued ordinary share of £1 each	<u>1</u>	<u>1</u>

8 RELATED PARTY TRANSACTIONS

At 31 December 2022 and 31 December 2021, the Company is ultimately controlled by Manx Financial Group PLC and is exempt from disclosing transactions with it and other group undertakings under FRS 102.

9 PARENT AND ULTIMATE HOLDING COMPANY

At 31 December 2022 and 31 December 2021, the Company was a wholly owned subsidiary of Conister Bank Limited, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN. The Ultimate Holding Company is Manx Financial Group PLC, which is registered at the same address as the parent company.

10 AUDIT REPORT INFORMATION

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Edward Houghton.

The auditor was KPMG Audit LLC.