REGISTERED NUMBER: 05834586 (England and Wales)

Report of the Directors and

Financial Statements for the Year Ended 31 May 2022

for

Time Hard Asset Finance Limited

Contents of the Financial Statements for the Year Ended 31 May 2022

Time Hard Asset Finance Limited

Company Information
for the Year Ended 31 May 2022

DIRECTORS:	J M A Roberts E J Rimmer
SECRETARY:	J M A Roberts
REGISTERED OFFICE:	2nd Floor, St James House The Square Lower Bristol Road Bath BA2 3BH
REGISTERED NUMBER:	05834586 (England and Wales)
AUDITORS:	Moore Chartered Accountant & Statutory Auditor 30 Gay Street Bath BA1 2PA

Report of the Directors
for the Year Ended 31 May 2022

The directors present their report with the financial statements of the company for the year ended 31 May 2022.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of leasing.

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

FUTURE DEVELOPMENTS
Time Hard Asset Finance Limited is part of the Asset Finance division of the Time Finance plc group ("the Group").

The Group's strategy is that of being a multi-product provider that operates primarily an own-book funding model but with the ability to broke-on if required. Its own-book balance sheet funding is focused on UK SMEs and serving a wide range of business sectors. Its risk policy will be to continue with a sensible approach to advancing credit and to maintain appropriate impairment provisions.

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

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

J M A Roberts
E J Rimmer

FINANCIAL INSTRUMENTS
The company's financial instruments comprise cash and liquid resources, including receivables and payables that are also financial instruments that arise directly from operations. The main purpose of the financial instruments is to fund the company's operations. As a matter of policy, the company does not trade in financial instruments, nor does it enter into any derivative transactions. Further details on financial instruments are given in Note 21 to these financial statements.

REVIEW OF BUSINESS
The Directors are satisfied with the performance for the period and position which are presented in the following pages.

GOING CONCERN
Due to the nature of the Group's trading, the Directors do not have any concerns over the key assumptions concerning the future and do not consider there to be any key sources of estimation uncertainty. The Group has ample headroom in its funding facilities and as such, the Directors are confident that the Company can be supported by the Group and will continue to operate as a going concern.

Time Hard Asset Finance Limited (Registered number: 05834586)

Report of the Directors
for the Year Ended 31 May 2022

SECTION 172 STATEMENT
Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefits of its members as a whole. In doing this s.172 requires a director to have regard, amongst other matters, to the:

- Likely consequences of any decisions in the long term;
- Interests of the company's employees;
- Need to foster the company's business relationships with suppliers, customers and others;
- Impact of the company's operations on the community and environment;
- Desirability of the company maintaining a reputation for high standards of business conduct; and
- Need to act fairly as between members of the company.

The Board receives regular training on their obligations as directors from advisors and on an ongoing basis from the Company Secretary. Board Papers are prepared with section 172 duties in mind, to ensure directors have all the relevant information required to enable them to properly reflect and consider the factors set out above in their decision making. The Board recognises that each decision made will not always result in a positive outcome for each of the Company's stakeholders. However, by having good governance procedures in place for decision making, the Board does aim to make sure that its decisions maintain a high standard of business conduct.

DIRECTORS' INSURANCE AND INDEMNITIES
Throughout the year the company has maintained Directors' and Officers' liability insurance for the benefit of the company, the directors and its officers. The directors consider the level of cover appropriate for the business and will remain in place for the foreseeable future.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS
The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
J M A Roberts - Director

Date: 10/2/23

Statement of Directors' Responsibilities
for the Year Ended 31 May 2022

The directors are responsible for preparing the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

Report of the Independent Auditors to the Members of
Time Hard Asset Finance Limited

Opinion
We have audited the financial statements of Time Hard Asset Finance Limited (the 'company') for the year ended 31 May 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 May 2022 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Report of the Directors and the Statement of Directors' Responsibilities but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has 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 Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit in respect of fraud, are to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:
We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We enquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Use of our report
This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Simon Cunningham (Senior Statutory Auditor)
for and on behalf of Moore
Chartered Accountant & Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Date: 10/2/23

Time Hard Asset Finance Limited (Registered number: 05834586)

Statement of Comprehensive Income for the Year Ended 31 May 2022

	Notes	31.5.22 £	31.5.21 £
Revenue		4,110,364	3,322,208
Other income		-	16,763
TURNOVER	3	4,110,364	3,338,971
Cost of sales		1,993,531	2,059,125
GROSS PROFIT		2,116,833	1,279,846
Administrative expenses	5	1,571,628	1,340,102
OPERATING PROFIT/(LOSS)		545,205	(60,256)
Interest receivable and similar income		555	-
		545,760	(60,256)
Interest payable and similar expenses	6	114,987	86,973
PROFIT/(LOSS) BEFORE TAXATION	7	430,773	(147,229)
Tax on profit/(loss)	8	28,219	(151,493)
PROFIT FOR THE FINANCIAL YEAR		402,554	4,264
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		402,554	4,264

The notes form part of these financial statements

Time Hard Asset Finance Limited (Registered number: 05834586)

Statement of Financial Position
31 May 2022

	Notes	31.5.22 £	£	31.5.21 £	£
ASSETS					
FIXED ASSETS					
Tangible assets	10		5,802		13,635
CURRENT ASSETS					
Debtors: amounts falling due within one year	11	11,993,971		9,244,948	
Debtors: amounts falling due after more than one year	11	23,434,461		16,857,103	
Cash at bank		426,693		1,475,740	
			35,855,125		27,577,791
			35,860,927		27,591,426
CAPITAL, RESERVES AND LIABILITIES					
CAPITAL AND RESERVES					
Called up share capital	12	1,108		1,108	
Share premium	13	99,000		99,000	
Retained earnings	13	850,422		447,868	
SHAREHOLDERS' FUNDS			950,530		547,976
CREDITORS					
Amounts falling due within one year	15	11,556,702		12,784,467	
Amounts falling due after more than one year	16	23,353,695		14,258,983	
			34,910,397		27,043,450
			35,860,927		27,591,426

The financial statements were approved by the Board of Directors and authorised for issue on ....10/2/23.............. and were signed on its behalf by:

....

J M A Roberts - Director

The notes form part of these financial statements

Time Hard Asset Finance Limited (Registered number: 05834586)

Statement of Changes in Equity
for the Year Ended 31 May 2022

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 June 2020	1,108	443,604	99,000	543,712
Changes in equity				
Total comprehensive income	-	4,264	-	4,264
Balance at 31 May 2021	1,108	447,868	99,000	547,976
Changes in equity				
Total comprehensive income	-	402,554	-	402,554
Balance at 31 May 2022	1,108	850,422	99,000	950,530

1. **STATUTORY INFORMATION**

Time Hard Asset Finance Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation
These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The functional currency is British pounds. These are standalone financial statements.

Going concern
Due to the nature of the company's trading the directors do not have any concerns over the key assumptions concerning the future and do not consider there to be any key sources of estimation uncertainty. The company is cash generative and has ample headroom in its funding facilities. As such, the Directors are confident that the Company will continue to operate as a going concern.

continued...

2. **ACCOUNTING POLICIES - continued**

Exemptions
The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases;
  the requirements of paragraph 58 of IFRS 16;
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

Principal activity and nature of operations
The principal activity in the year under review was that of providing financial services to UK businesses.

Revenue recognition and leased assets
Assets leased to customers on finance leases are recognised in the Statement of Financial Position at the amount of the company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases. Document fees and secondary rentals are accounted for when receivable.

continued...

2. **ACCOUNTING POLICIES - continued**

Turnover
Assets leased to customers on finance leases are recognised in the Statement of Financial Position at the amount of the company's net investment in the lease. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the group's net investment outstanding in respect of the leases. Document fees and secondary rentals are accounted for when receivable.

Other income
Other income includes government grants claimed under the Job Retention Scheme.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 33% on cost
Computer equipment	- 25% on reducing balance

All property, plant and equipment are shown at cost less subsequent depreciation and impairment, if any.

Financial Instruments
Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

continued...

2. **ACCOUNTING POLICIES - continued**

Taxation
Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantially enacted by the Statement of Financial Position date.

Deferred income tax is recognised on temporary difference arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; deferred income tax is not accounted for if it arises from initial recognition of goodwill; deferred income tax is not accounted for it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax assets is realised, or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary difference can be utilised.

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associated and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference will not reverse in the foreseeable future. Generally, the group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the group the ability to control the reversal of the temporary difference not recognised.

Deferred income tax assets are recognised on deductible temporary differences arising from investments in subsidiaries, associates and joint arrangements only to the extent that it is probable that the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balance on a net basis.

Employee benefit costs
The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

Funding payables and cost of sales
Finance received from funding providers is classified as payables in the Statement of Financial Position. Payments to the funding providers contain a capital element which reduces the payable and an interest charge is debited to the cost of sales using the sum of digits method. Due to the relatively short term of the funding payables the directors are satisfied that this method of apportioning interest is not materially different to the effective interest method.

continued...

2. **ACCOUNTING POLICIES - continued**

Impairment of financial assets
Expected credit losses are recognised under IFRS 9 where the credit loss provision is measured and recognised in accordance with the expected credit loss ("ECL") model. The IFRS 9 impairment model introduces a three-stage approach:

Stage 1 includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month expected credit losses (that is, expected losses arising from the risk of default in the next 12 months) are recognised.

Stage 2 includes financial instruments that have had a significant increase in credit risk since initial recognition but are not credit impaired. For these assets, lifetime ECLs (that is, expected losses arising from the risk of default over the life of the financial instrument) are recognised.

Stage 3 consists of financial assets that are credit impaired, which is when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. For these assets, lifetime ECLs are also recognised.

Historical experience, external indicators and forward-looking information are used to calculate expected credit losses. For detail of IFRS 9 calculations refer to Note 22.

Provision for specific debts
Provision is made for receivables in arrears after taking into account expected recovery proceeds. All outstanding amounts on receivable contracts passed to collection agents are written off net of the expected subsequent recovery proceeds.

Accounting standards issued but not yet effective
There are currently no standards issued which will have a material impact on the company.

3. **TURNOVER**

Other income
Other income includes government grants claimed under the Coronavirus Job Retention Scheme. There was no claim this year (2021: £16,763).

Segmental reporting
The company has one business segment to which all revenue, expenditure, assets and liabilities relate.

4. **EMPLOYEES AND DIRECTORS**

	31.5.22	31.5.21
	£	£
Wages and salaries	738,631	552,255
Social security costs	78,106	72,980
Other pension costs	19,086	12,017
	835,823	637,252

continued...

4. EMPLOYEES AND DIRECTORS - continued

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

	31.5.22	31.5.21
Management	1	1
Operational	5	5
	6	6

5. EXCEPTIONAL ITEMS

	31.5.22	31.5.21
	£	£
Exceptional items	63,810	7,471

Included in Administrative Expenses are exceptional items. These exceptional items relate to restructuring costs and compensation for loss of office of £63,810 (2021: £7,471).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.5.22	31.5.21
	£	£
Interest payable	114,987	86,973

7. PROFIT/(LOSS) BEFORE TAXATION

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

	31.5.22	31.5.21
	£	£
Depreciation - owned assets	9,890	49,748
Auditors' remuneration	13,000	11,500

continued...

8. **TAXATION**

Analysis of tax expense/(income)

	31.5.22	31.5.21
	£	£
Current tax:		
Tax	14,914	-
Deferred tax	13,305	(151,493)
Total tax expense/(income) in statement of comprehensive income	28,219	(151,493)

Factors affecting the tax expense
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.5.22	31.5.21
	£	£
Profit/(loss) before income tax	430,773	(147,229)
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	81,847	(27,974)
Effects of:		
Permanent tax differences	(30,908)	23,765
Group relief claimed	(22,720)	(147,284)
Tax expense/(income)	28,219	(151,493)

9. **SEGMENTAL REPORTING**

The company has one business segment to which all revenue, expenditure, assets and liabilities relate.

 continued...

10. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 June 2021	53,218	32,522	80,724	166,464
Additions	-	-	2,310	2,310
Disposals	(53,218)	(32,522)	(368)	(86,108)
At 31 May 2022	-	-	82,666	82,666
DEPRECIATION				
At 1 June 2021	53,218	32,522	67,089	152,829
Charge for year	-	-	9,890	9,890
Eliminated on disposal	(53,218)	(32,522)	(115)	(85,855)
At 31 May 2022	-	-	76,864	76,864
NET BOOK VALUE				
At 31 May 2022	-	-	5,802	5,802
At 31 May 2021	-	-	13,635	13,635

11. DEBTORS

	31.5.22 £	31.5.21 £
Amounts falling due within one year:		
Trade receivables	10,481,410	9,382,661
Provision for bad debts	(871,123)	(1,973,484)
Other receivables	477,549	16,986
Corporation tax recoverable	-	14,914
VAT	59,484	91,807
Prepayments and accrued income	1,846,651	1,712,064
	11,993,971	9,244,948
Amounts falling due after more than one year:		
Trade receivables	23,277,345	16,686,682
Deferred tax asset	157,116	170,421
	23,434,461	16,857,103
Aggregate amounts	35,428,432	26,102,051

continued...

11. DEBTORS - continued

Trade receivables wholly represent finance lease and loan receivables.

	31.5.22	31.5.21
	£	£
Gross receivables from finance leases and loans	40,181,673	29,186,562
Unearned future finance income on finance leases and loans	(7,294,041)	(5,090,703)
Net investment in finance leases and loans	32,887,632	24,095.859

The cost of assets acquired for the purpose of leasing under finance leases was £21,634,536 (2021: £12,299,568).

All amounts are secured on the asset to which they relate. No other assets are past due or impaired.

Movement in the allowance for doubtful debts

	31.5.22	31.5.21
	£	£
Opening balance	1,973,484	2,668,912
Decrease in provision	(1,102,361)	(695,428)
Balance as at 31 May	871,123	1,973,484

12. CALLED UP SHARE CAPITAL

Each share carries the entitlement to one vote.

As at 31 May 2022, the company had 1,108 authorised, allotted, issued and fully paid Ordinary £1 shares amounting to £1,108 share capital.

13. RESERVES

The movements in share capital and reserves are shown in the Statement of Changes in Equity.

14. DEFERRED TAX

	£
Balance at 1 June 2021	(170,421)
Charge to Statement of Comprehensive Income during year	13,305
Balance at 31 May 2022	(157,116)

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.5.22	31.5.21
	£	£
Bank loans and overdrafts (see note 17)	243,972	229,486
Trade payables	2,214,788	2,755,018
Amounts owed to group undertakings	8,343,953	9,175,228
Social security and other taxes	38,289	17,659
Corporation tax	12,635	-
Other payables	39,426	61,396
Accruals and deferred income	663,639	545,680
	11,556,702	12,784,467

Trade payables are secured over the leased assets to which they relate.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.5.22	31.5.21
	£	£
Trade payables	23,353,695	14,258,983

Trade payables are secured over the leased assets to which they relate.

The company's banking facilities are secured by two guarantees held with NatWest incorporating an inter-company guarantee dated 23 April 2018 and a debenture dated 28 May 2019.

17. FINANCIAL LIABILITIES - BORROWINGS

	31.5.22	31.5.21
	£	£
Current:		
Bank overdrafts	243,972	229,486

Terms and debt repayment schedule

	31.5.22	31.5.21
	£	£
1 year or less:		
Bank overdrafts	243,972	229,486

18. ULTIMATE PARENT COMPANY

The company's immediate and ultimate parent company is Time Finance plc. The consolidated group financial statements can be obtained from 2nd Floor, St James House, The Square, Lower Bristol Road, Bath, BA2 3BH.

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19. **RELATED PARTY DISCLOSURES**

There were no related party disclosures for the period under review.

20. **DIVIDENDS**

The Directors of the parent company, Time Finance plc, do not propose a final dividend for the Group. Future dividends will be kept under review.

21. **FINANCIAL INSTRUMENTS**

The company's financial instruments comprise cash and liquid resources, including receivables and payables that are also financial instruments that arise directly from operations. The main purpose of the financial instruments is to fund the company's operations. As a matter of policy, the company does not trade in financial instruments, nor does it enter into any derivative transactions.

The operations of the group have principally been financed to date through the funds raised on the placing of shares on the Alternative Investment Market and block funding payables. The company has an overdraft facility in place with the company's bank of £250,000 (2021: £250,000).

The company's main objectives for the management of capital are to ensure there is sufficient cash available to be able to provide finance to customers, and to be able to pay debts as they fall due. The forms of debt managed by the company are the block funding and bank overdraft facilities. The company is not subject to any externally imposed capital requirements from these finance providers.

Working capital requirements are constantly monitored including the interest rates from the key providers of block funding finance.

The main risks to the company, and the policies adopted by the directors to minimise the effects on the group are as follows:

Credit risk - The directors believe that credit risk is limited due to debts being spread over a large number of receivables. No individual receivable poses a significant risk. Individual receivables and company debt collection procedures are continually assessed.

Interest rate and liquidity risk - All of the company's cash balances and short-term deposits are held in such a way that the correct balance of access to working capital and a competitive rate of interest is achieved. If market interest rates had been higher/lower with all other variables held constant, post-tax profits would not be materially affected.

Categories of financial instruments	31.5.22	31.5.21
	£	£
Financial assets		
Cash and bank balances	426,693	1,475,740
Net trade receivables	32,8887,632	24,054,937
Financial liabilities		
Net trade payables and borrowings	25,812,454	17,249,485

continued...

21. **FINANCIAL INSTRUMENTS - continued**

Liquidity and interest risk table	Within 1 year	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Net carrying value
	£	£	£	£	£
2022					
Gross trade payables	2,360,408	1,810,675	22,026,238	**26,197,321**	25,568,483
Borrowings	233,798	-	-	**233,798**	227,541
2021					
Gross trade payables	2,881,657	1,493,637	12,835,822	**17,211,116**	17,014,001
Borrowings	229,486	-	-	**229,486**	235,223

Gross trade payables include future expected interest over the life of the creditor.

22. **CREDIT RISK PROVISION**

Under IFRS 9, impairment provisions are recognised on the inception of any lending based on the probability of expected default and the typical loss arising on defaults, in effect the recognition of impairment on client receivables through an expected loss model.

As at 31 May 2022, the company reported bad debt impairment provisions of £871,123 (2021: £1,973,484).

Credit Risk Provision	**£**
Opening credit risk provision at 31 May 2021	1,973,484
Decrease in the provision measured at an amount equal to 12 months ECLs	(286,551)
Decrease in the provision measured at an amount equal to lifetime ECLs	(31,274)
Decrease in the provision for assets that were credit impaired at the reporting date	(784,536)
Credit risk provision as at 31 May 2022	**871,123**

The Group considers the probability of default upon initial recognition of the asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition.

It considers available reasonable and supportive forward-looking information, especially incorporating the following indicators: internal credit ratings, external credit ratings, actual or expected significant changes in the borrower's circumstances or their related business and financial or economic conditions. In addition to this, macroeconomic forecasts such as changes in interest rates, GDP and inflation, Brexit forecasts and The Finance and Leasing Association forecasts are incorporated as part of the Group's internal rating model.

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22. CREDIT RISK PROVISION - continued

The provision for Stage 1, the performing category, is based on the Expected Credit Loss (ECL) associated with the probability of default on the agreement in the next 12 months, unless there has been a significant increase in credit risk of the lease or loan since origination.

The Group assumes there has been a significant increase in credit risk if outstanding amounts on the agreement exceed 30 days, in line with the presumption in IFRS 9. All agreements in this category fall into Stage 2, whereby a lifetime ECL is recognised.

The Group defines a default as an agreement which has payments owing greater than 90 days. A non-performing agreement is an agreement which is credit impaired and has been passed over to the Group's legal department. These agreements typically have a trigger event which has detrimentally affected future cash flows. For these assets a lifetime ECL is recognised.

Financial assets are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Group. Where an asset has been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, they are recognised in the Income Statement.

The initial stage of the ECL calculation is done by looking at the probability of default ("PD") multiplied by the Loss Given Default ("LGD"). The PD and LGD are calculated by looking at historical default and write off data. The Company grouped the data into "buckets" that are most reflective of the Group's credit risk areas, namely, Soft Assets, Hard Assets, Loans and Invoice Finance. These are then further analysed by industry so as to isolate and measure any industry specific risks.

A summary of the assumptions underpinning the company's expected credit loss model is as follows:

Stage	**Definition of stage**	**Basis for recognition of expected credit loss provision**
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 month expected losses
Underperforming	Losses for which there is an increase in credit risk. An increase in credit risk is where outstanding amounts on the agreement exceed 30 days.	Lifetime expected losses
Non-performing	Interest and/or principal repayments are 90 days overdue, and significant increase in credit risk.	Lifetime expected losses

The company allocates into each stage using an internal risk rating and assesses credit losses on a collective basis.

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22. CREDIT RISK PROVISION - continued

At 31 May 2022	ECL rate %	Basis for recognition of ECL provision	Credit loss provision £
Performing	1%	12-month ECL	102,650
Underperforming	1%	Lifetime ECL	9,028
Non-performing	38%	Lifetime ECL	759,445
Total			**871,123**

At 31 May 2021	ECL rate %	Basis for recognition of ECL provision	Credit loss provision £
Performing	1%	12-month ECL	389,201
Underperforming	4%	Lifetime ECL	40,302
Non-performing	55%	Lifetime ECL	1,543,981
Total			**1,973,484**

The percentages applied above are based on the company's historical performance as well as the internal and forward-looking information detailed above. The company's assets are characterised by multiple, small deals which are secured by assets, personal guarantees and debentures.

23. LEASING

This note provides information for leases where the company is a lessor. The company is a lessor providing leases for business to acquire vital equipment to support growth.

Finance lease receivables

The company has the following net investment (excluding credit risk provision) in finance leases:

	31.5.22 £	31.5.21 £
Within 1 year	9,656,007	8,841,509
More than 1 year but less than 5 years	23,388,085	17,098,936
	33,044,091	25,940,445

Amounts recognised in the Income Statement

	31.5.22 £	31.5.21 £
Finance leases		
– finance income on the net investment in the lease	3,792,029	2,980,565