

Company Registration No. 08202073 (England and Wales)

Navigator Trading Limited

**Annual report and financial statements
for the year ended 31 March 2022**

Navigator Trading Limited

Company information

Directors	Michael Bayer Toby Furnivall Neil Richards Christopher Fleming-Brown
Company number	08202073
Registered office	1 King William Street London EC4N 7AF
Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE

Navigator Trading Limited

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Navigator Trading Limited

Directors' report

For the year ended 31 March 2022

The directors present their annual report and financial statements for the year ended 31 March 2022.

Principal activities

The principal activity of the company continued to be that of providing finance to UK small and medium sized enterprises through Leasing, Secured Lending, Working Capital Loans, Property finance and Receivables Finance.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Michael Bayer
Toby Furnivall
Neil Richards
Christopher Fleming-Brown

Statement of directors' responsibilities

The directors are responsible for preparing the annual 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 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;
- 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.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Navigator Trading Limited

Directors' report (continued)

For the year ended 31 March 2022

Business Strategy

Navigator Trading Limited's ('NTL') mission is to provide funding to UK based Small and Medium-sized Enterprises ("SMEs"), which is carefully structured to meet the specific needs of each business and delivered using thorough processes that are both responsive and responsible.

The Company continued to deploy funds into trading partnerships focussed on the provision of SME finance. These provide access to mature and diverse portfolios of lease and loan agreements, generating income immediately from established and profitable partnerships. The Company has also grown the levels of directly originated business, written in its own name.

Funding is accessed and delivered by an experienced in-house team, recruited from the UK financial services sector, and supported by high quality credit, legal and operational teams. The business has added resources to all of these teams to support the growth ambitions of the Company. It has developed a deep and broad introducer network, accessing good levels of leasing and lending opportunities. During the coming year the Company expects to continue its direct offering, with a particular focus on providing finance to established and profitable SME businesses for growth and acquisition or those with assets to provide security to support our loans.

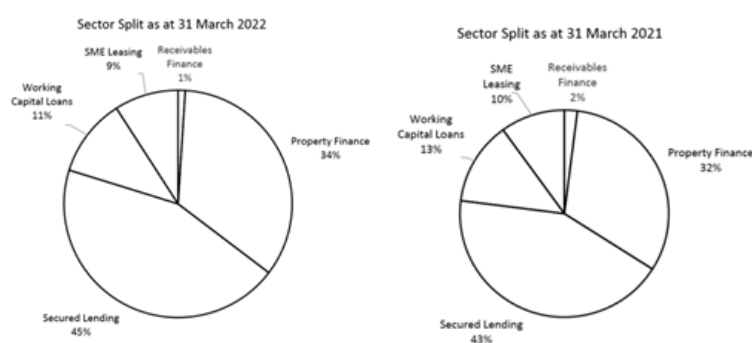
The borrowers are often small, owner-managed businesses, and NTL is well positioned to play a meaningful role in supporting these businesses as they continue to grow, and in some cases recover from the effects of Covid-19, against the current economic backdrop.

Our funding encompasses: micro-funding (under £5,000), leasing, secured lending via both our growing property development finance team and our bridge lending team, and corporate lending with a particular focus on providing finance to established and profitable SME businesses for both growth and acquisition or those with assets to provide security to support our loans.

We work with business partners whom we consider to be the leaders in their field, benefitting from their knowledge, expertise, licences and technology. We also selectively fund other privately-owned lenders operating in the non-bank market, where they too require funding which is more flexible and pragmatic than conventional bank finance, which in turn can help to fuel their own growth.

NTL focusses on actively engaging with its borrower and origination partners. We have continued to grow our origination network to access greater volumes of deal flow across all lending activities to continue increasing levels of deployment.

Proactive monitoring of the portfolio, and frequent borrower engagement, continue to be mainstays of our strategy. We also continue to develop our Environmental, Social and Governance ('ESG') risk frameworks which complement the credit frameworks we have in place to assess and monitor our borrowers. Our ESG framework encapsulates our desire to be a responsible lender, that writes good business for our shareholders.



Navigator Trading Limited**Directors' report (continued)****For the year ended 31 March 2022**

Business Environment

The last twelve months have continued to be turbulent operating conditions for running a leasing and lending business. Further temporary shutdowns of many borrowers' businesses due to Covid-19 lockdowns and increased costs of raw materials and labour continued to put pressure on the cashflows of a number of borrowers in the portfolio.

The enforced shut down of many borrowers' businesses due to the lockdown, and the resultant cashflow pressures, has heightened the need for increased focus on due diligence and continual loan monitoring – something which our teams have been well placed to execute.

The portfolio experienced some bad debts during the year; however, these were within the business' expected tolerance levels and overall underlying profits increased materially. The Company continues to monitor the levels of bad debt provision on a monthly basis and increases provisions where specific concerns arise in relation to a borrower, sector or further economic deterioration.

Business Performance

During the period profit before tax increased 105% to £11,203,448 (2021: £5,453,269) reflecting increased interest earnings on the larger Partnership interests and a reduction in bad debt provisions on the prior year.

Future developments

Over the next twelve months, NTL expects to see a continuing, strong pipeline of new business given its broader network of introducers, greater awareness of the business in the market place and increasing direct origination.

On behalf of the board

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Neil Richards

Director

14/9/2022 | 4:53 AM PDT

Date:

Navigator Trading Limited**Independent auditor's report****To the members of Navigator Trading Limited**

Opinion

We have audited the financial statements of Navigator Trading Limited (the 'company') for the year ended 31 March 2022 which comprise the statement of comprehensive income, the statement of financial position and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 March 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, 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.

Navigator Trading Limited**Independent auditor's report (continued)****To the members of Navigator Trading Limited**

Other information

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

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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report 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 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Navigator Trading Limited**Independent auditor's report (continued)****To the members of Navigator Trading Limited**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Navigator Trading Limited**Independent auditor's report (continued)****To the members of Navigator Trading Limited**

There are inherent limitations in the audit procedures described above 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. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Use of our report

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

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Michael Di Leto (Senior Statutory Auditor)**For and on behalf of Saffery Champness LLP**

Date: 14/9/2022 | 1:35 PM BST

Chartered Accountants**Statutory Auditors**71 Queen Victoria Street
London
EC4V 4BE

Navigator Trading Limited**Statement of comprehensive income****For the year ended 31 March 2022**

	2022	2021
	£	£
Turnover	12,393,740	6,378,008
Administrative expenses	(1,190,292)	(924,739)
	<hr/>	<hr/>
Profit before taxation	11,203,448	5,453,269
Tax on profit	(2,251,131)	(1,820,320)
	<hr/>	<hr/>
Profit for the financial year	<u>8,952,317</u>	<u>3,632,949</u>

The income statement has been prepared on the basis that all operations are continuing operations.

Navigator Trading Limited**Statement of financial position****As at 31 March 2022**

			2022	2021
	Notes	£	£	£
Fixed assets				
Partnership interest	4	271,143,436		208,373,810
Current assets				
Debtors	5	14,322	6,608	
Cash at bank and in hand		14,558	26,635	
		<u>28,880</u>	<u>33,243</u>	
Creditors: amounts falling due within one year	6	<u>(1,100,771)</u>	<u>(897,462)</u>	
Net current liabilities		<u>(1,071,891)</u>	<u>(864,219)</u>	
Net assets		<u>270,071,545</u>	<u>207,509,591</u>	
Capital and reserves				
Called up share capital	7	1,817,991	1,455,992	
Share premium account		243,368,293	190,120,656	
Profit and loss reserves		<u>24,885,261</u>	<u>15,932,943</u>	
Total equity		<u>270,071,545</u>	<u>207,509,591</u>	

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 14/9/2022 at 4:53 AM PDT and are signed on its behalf by:

DocuSigned by:

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Neil Richards
Director

Company Registration No. 08202073

Navigator Trading Limited**Notes to the financial statements****For the year ended 31 March 2022**

1 Accounting policies**Company information**

Navigator Trading Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 King William Street, London, EC4N 7AF.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Turnover

Turnover represents a share of profit received from Triple Point Navigator Partners LLP.

1.3 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.4 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Navigator Trading Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022**

1 Accounting policies (continued)**1.5 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 statement of financial position 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, 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, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.6 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.

1.7 Taxation

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

Navigator Trading Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022**

1 Accounting policies (continued)***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years 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 tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 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.

1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

Navigator Trading Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022****2 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:

	2022	2021
	Number	Number
Total	<u>1</u>	<u>1</u>

3 Directors' remuneration

	2022	2021
	£	£
Remuneration paid to directors	<u>23,953</u>	<u>21,547</u>

4 Fixed asset investments

	2022	2021
	£	£
Partnership interest	<u>271,143,436</u>	<u>208,373,810</u>

The Partnership interest represent an interest in Triple Point Navigator Partner LLP, a limited liability partnership registered in England and Wales.

Movements in fixed asset investments

	Partnership interest £
Cost or valuation	
At 1 April 2021	208,373,810
Additions	52,505,886
Profit share	12,393,740
Disposals	(2,130,000)
At 31 March 2022	<u>271,143,436</u>
Carrying amount	
At 31 March 2022	<u>271,143,436</u>
At 31 March 2021	<u>208,373,810</u>

Navigator Trading Limited**Notes to the financial statements (continued)****For the year ended 31 March 2022****5 Debtors**

	2022	2021
	£	£
Amounts falling due within one year:		
Other debtors	14,322	6,608

6 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	-	8,629
Corporation tax	1,078,514	868,474
Other creditors	22,257	20,359
	<u>1,100,771</u>	<u>897,462</u>

7 Called up share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary 'A' share of £1 each	1	1	1	1
Ordinary shares of 1p each	181,799,050	145,599,117	1,817,990	1,455,991
	<u>181,799,051</u>	<u>145,599,118</u>	<u>1,817,991</u>	<u>1,455,992</u>

During the year 36,205,110 ordinary shares of £0.01 each were issued for a total consideration of £53,617,482.