Company Registration No. 08202073 (England and Wales)

# Navigator Trading Limited

## Annual report and financial statements
## for the year ended 31 March 2024

**Navigator Trading Limited**

**Company information**

| | | |
|---|---|---|
| **Directors** | Michael Bayer | |
| | Toby Furnivall | |
| | Sean Brophy | |
| | Christopher Fleming-Brown | (Non-exec Director) |
| | Michael Francis | (Non-exec Director) |
| **Company number** | 08202073 | |
| **Registered office** | 1 King William Street<br>London<br>EC4N 7AF | |
| **Independent auditor** | Saffery LLP<br>71 Queen Victoria Street<br>London<br>EC4V 4BE | |

**Navigator Trading Limited**

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**Navigator Trading Limited**

**Strategic report**
**For the year ended 31 March 2024**

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The Directors present the strategic report for the year ended 31 March 2024.

**Review of the business**

Navigator Trading Limited's (NTL) mission is to provide funding to UK based small and medium-sized enterprises (SMEs), delivered using responsive and thorough processes in a responsible way which are carefully structured to meet the specific needs of each business and deliver good risk adjusted returns for shareholders.

The Company continued to deploy funds into trading partnerships focussed on the provision of finance to a wide variety of SMEs. These provide access to mature and diverse portfolios of lease and loan agreements, generating income immediately from established and profitable partnerships.

Funding opportunities are originated and serviced by an experienced team which is run by Triple Point, the Originator and Servicer. The team is recruited from the UK financial services sector, and supported by high quality Credit, Finance, Legal and Operational teams. The business has strengthened by adding further resources to all of these teams during the period to support the growth ambitions of the Company. It has developed a deep and broad introducer network, accessing good levels of lending and leasing opportunities.

During the coming year the Company expects to continue its offering of funding for borrowers that are often small, owner-managed businesses, and where NTL is typically the only or main provider of finance. This offering encompasses a range of funding types including: SME Debt Finance, Specialty Finance and Property Development Finance. As the capital base in the Company grows, it is able to broaden the counterparty names and asset types it engages with. While the Company has previously focused on debt financing, it is currently exploring the prospect of allocating a small portion of its resources to acquire operating businesses or assets.

NTL works with business partners whom it considers to be the leaders in their field, benefitting from their knowledge, expertise, licences and technology. It also selectively funds 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. This in turn allows NTL to access part of the lending market it would be inefficient to service on a direct basis.

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

New transactions are assessed by a committee which considers the nature of the counterparty, asset type, sector risk and terms such as maturity, structure and return. As a B Corp registered business, Triple Point maintains a commitment to being sustainable and responsible for the integration of Environmental, Social and Governance (ESG) issues into all its analysis, acting as an additional risk assessment framework. We consider it important to act as a responsible lender and have worked pro-actively in helping borrowers through the challenging economic and trading environment of the last three years.

NTL's business has remained robust over the year providing increased profits for its shareholders from its well diversified activities, despite the ongoing challenges experienced by our borrowers and throughout the UK economy itself with persistent inflation and increases in the Bank of England Base Rate. We are pleased to report that the profit before tax increased 40% to £20,230,508 (2023: £14,388,766) reflecting the growth the in Assets Under Management (AUM), high deployment levels and increased interest earnings on the larger partnership interests.

Over the year the Company saw a significant level of new funds being added to the business and shareholder funds grew from £374m to £468m a rise of 25% and an increase in the number of shareholders from 3,838 to 4,586 at the period end.

Deployment levels have remained strong during the period mainly as a result of regular drawings from existing borrowers, and a growing awareness of NTL in the market delivering a steady flow of inbound requests for financing across all teams. The consistently high deployment level and strong levels of inbound new money requests were at the heart of initiating a successful Rights Issue in March to capitalise on market opportunities.

The Company continues to deliver a well-diversified secured loan book, with sector exposures as at 31 March 2024 as follows: Property Development (24%), SME Debt Finance (25%), Specialty Finance (41%), Corporate (7%) and Infrastructure Finance (3%). As mentioned above, growth in these areas has underpinned high deployment rates delivered by strong levels of inbound requests for debt as well as increased market sector awareness of NTL's offering.

As always, we continue to maintain a very active dialogue with our portfolio of borrowers and look to provide support to those that are finding conditions to be hardest. In some instances, we have been told of labour and supply chain cost increases as well as weaker demand in certain sectors as purchasing decisions were delayed/postponed pending more certainty on inflationary pressures and persistent interest rate rises. Our support for borrowers has been on a case-by-case basis in the form of capital repayment holidays, loan term extensions or reprofiling of the loan facilities to allow the borrowers to navigate the prevailing head winds. NTL continues to place an increased focus on due diligence and continual loan monitoring – something which our teams have been well placed to execute.

As expected, when engaging with SME businesses, the portfolio experienced some bad debts during the year, all within expected tolerance levels for a portfolio of this nature. The impact has been cushioned by provisions previously taken. Additionally, the impact of these have been materially reduced by security over assets owned by the borrowers and the Coronavirus Business Interruption Loan Scheme (CBILS, a government loan scheme). 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.

Overall the fixed rate borrowing provided by NTL has become increasingly sought after by SMEs and NTL's deployment levels have risen as a result. This has enabled NTL to win increasing levels of new business, combined with this new funding being provided at higher interest rates, which has led to an increased return for shareholders.

**Principal risks and uncertainties**

The principal risks and uncertainties faced by the Company relate to credit risks both within the portfolio and whilst assessing new lending opportunities, interest rate risks as well as wider legislative change risk.

Credit risk is the risk of loss arising from defaults in the Company's lending portfolio. New business lines are assessed by the Company's Board and by its appointed Credit Committee, and performance is regularly monitored in order to mitigate this risk – which is at the heart of the Company's lending business. During the current challenging economic climate, portfolio performance monitoring continues to be a real focus. The Company and the partnerships of which it is a member, continue to monitor lending portfolios carefully, and maintain regular communication with all borrowers. In some instances, loan forbearance to borrowers has been granted, in order to support businesses that may benefit from a longer period in which to service and repay loans. Provisions have been increased where deemed prudent to do so, and the Company's liquidity position and profitability remain satisfactory. The higher levels of provisioning provide an increased buffer against future defaults.

With persistent macroeconomic uncertainties, the Directors continue to review and monitor the health, business continuity, liquidity, and credit risks.

The Company typically lends on a fixed rate basis, which greatly assists our borrowers to manage their cashflow in a predictable manner. The attractiveness of our fixed rate lending offering can be diluted by market expectations of Base Rate reductions putting downward pressure on price. This is something the team monitor very closely.

Similarly, whilst changes in regulation and legislation can impact lending businesses both positively and negatively, the Company may be impacted by any changes to tax treatment with IHT/Business Relief legislation and/or its ability to maintain Business Relief qualifying status.

**Key performance indicators**

Monthly management accounts including KPIs are reviewed to monitor financial and non-financial business performance.

The key performance indicators which the Directors monitor include

· New lending levels
· Average return on loans and other receivables
· Bad debt/provision requirements
· Shareholder returns

Currently the Company deploys all funds raised and expects levels of new business to match funds raised.

**Section 172(1) statement**

The Company identifies its primary stakeholders as its customers, suppliers, and shareholders. During the year the Company has directly engaged with all primary stakeholders and has continued to build strong relationships. The Company looks to play an active part in the community and seeks always to minimise the environmental impact of its activities.

On behalf of the board

Toby Furnivall
**Director**

15 October 2024

## Directors' report
**For the year ended 31 March 2024**

The Directors present their annual report and financial statements for the year ended 31 March 2024.

### Principal activities
The principal activity of the company continued to be that of providing finance to UK small and medium sized enterprises (SMEs) through SME Debt Finance, Property Development Finance, Specialty Finance, Structured Finance and SME Leasing.

### Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### 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 | |
| Sean Brophy | (Appointed 24 November 2023) |
| Neil Richards | (Resigned 24 November 2023) |
| Christopher Fleming-Brown | (Non-exec Director) |
| Michael Francis | (Non-exec Director) |

### Auditor
Saffery LLP have expressed their willingness to continue in office.

### Statement of Directors' responsibilities
The Directors 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 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 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 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 auditors are 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 c ompany's auditors are aware of that information.

**Medium-sized companies exemption**

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

On behalf of the board

Toby Furnivall
**Director**

15 October 2024

## 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 2024 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 2024 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.

### Other information

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

### 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.

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.

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

15 October 2024

**Statutory Auditors**

71 Queen Victoria Street
London
EC4V 4BE

**Navigator Trading Limited**

**Statement of comprehensive income**
**For the year ended 31 March 2024**

| | Notes | 2024<br>£ | 2023<br>£ |
|---|---|---|---|
| **Turnover** | 3 | 22,076,695 | 16,416,606 |
| Administrative expenses | | (1,846,187) | (2,027,840) |
| **Profit before taxation** | 4 | 20,230,508 | 14,388,766 |
| Tax on profit | 7 | (5,747,419) | (3,078,279) |
| **Profit for the financial year** | | 14,483,089 | 11,310,487 |

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 2024**

| | Notes | £ | 2024<br>£ | £ | 2023<br>£ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Membership interest | **8** | | 468,084,852 | | 375,807,536 |
| **Current assets** | | | | | |
| Debtors | **9** | 13,912 | | 14,364 | |
| Cash at bank and in hand | | 44,270 | | 490,935 | |
| | | 58,182 | | 505,299 | |
| **Creditors: amounts falling due within one year** | **10** | (267,861) | | (1,862,513) | |
| **Net current liabilities** | | | (209,679) | | (1,357,214) |
| **Net assets** | | | 467,875,173 | | 374,450,322 |
| **Capital and reserves** | | | | | |
| Called up share capital | **11** | | 2,914,657 | | 2,423,744 |
| Share premium account | **12** | | 414,281,679 | | 335,830,830 |
| Profit and loss reserves | **13** | | 50,678,837 | | 36,195,748 |
| **Total equity** | | | 467,875,173 | | 374,450,322 |

The financial statements were approved by the board of directors and authorised for issue on 15 October 2024 and are signed on its behalf by:

Toby Furnivall
**Director**

**Company Registration No. 08202073**

**Navigator Trading Limited**

**Statement of changes in equity**
**For the year ended 31 March 2024**

| | Notes | Share capital | Share premium account | Profit and loss reserves | Total |
|---|---|---|---|---|---|
| | | £ | £ | £ | £ |
| **Balance at 1 April 2022** | | 1,818,044 | 243,368,240 | 24,885,261 | 270,071,545 |
| **Year ended 31 March 2023:** | | | | | |
| Profit and total comprehensive income | | - | - | 11,310,487 | 11,310,487 |
| Issue of share capital | **11** | 605,700 | 92,462,590 | - | 93,068,290 |
| **Balance at 31 March 2023** | | 2,423,744 | 335,830,830 | 36,195,748 | 374,450,322 |
| **Year ended 31 March 2024:** | | | | | |
| Profit and total comprehensive income | | - | - | 14,483,089 | 14,483,089 |
| Issue of share capital | **11** | 490,913 | 78,450,849 | - | 78,941,762 |
| **Balance at 31 March 2024** | | 2,914,657 | 414,281,679 | 50,678,837 | 467,875,173 |

**Navigator Trading Limited**

**Statement of cash flows**
**For the year ended 31 March 2024**

| | Notes | £ | 2024<br>£ | £ | 2023<br>£ |
|---|---|---|---|---|---|
| **Cash flows from operating activities** | | | | | |
| Cash absorbed by operations | **15** | | (1,931,149) | | (1,934,348) |
| Income taxes paid | | | (7,256,657) | | (2,410,072) |
| **Net cash outflow from operating activities** | | | (9,187,806) | | (4,344,420) |
| **Investing activities** | | | | | |
| Capital introduced into partnerships | | (77,566,122) | | (90,807,493) | |
| Drawings from partnerships | | 7,365,500 | | 2,560,000 | |
| **Net cash used in investing activities** | | | (70,200,622) | | (88,247,493) |
| **Financing activities** | | | | | |
| Proceeds from issue of shares | | 78,941,763 | | 93,068,290 | |
| **Net cash generated from financing activities** | | | 78,941,763 | | 93,068,290 |
| **Net (decrease)/increase in cash and cash equivalents** | | | (446,665) | | 476,377 |
| Cash and cash equivalents at beginning of year | | | 490,935 | | 14,558 |
| **Cash and cash equivalents at end of year** | | | 44,270 | | 490,935 |

## 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.

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 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

### 1.3 Turnover

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

### 1.4 Fixed asset investments

Membership interests 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.

### 1.5 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.

### 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 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.

## 1 Accounting policies (continued)

***Other financial assets***

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

***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 Accounting policies (continued)

***Other financial liabilities***

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

***Derecognition of financial liabilities***

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.7 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.

### 1.8 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 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 Accounting policies (continued)

### 1.9 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.

## 2 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

## 3 Turnover

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Turnover analysed by class of business** | | |
| Profit share | 22,076,695 | 16,416,606 |

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| **Turnover analysed by geographical market** | | |
| UK | 22,076,695 | 16,416,606 |

## 4 Operating profit

| | 2024 | 2023 |
|---|---|---|
| Operating profit for the year is stated after charging: | £ | £ |
| Fees payable to the company's auditor for the audit of the company's financial statements | 11,300 | 10,650 |

## 5 Employees

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

| | 2024<br>Number | 2023<br>Number |
|---|---|---|
| | 2 | 2 |

Their aggregate remuneration comprised:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Wages and salaries | 44,622 | 32,000 |

## 6 Directors' remuneration

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Remuneration for qualifying services | 44,622 | 32,000 |

## 7 Taxation

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| **Current tax** | | |
| UK corporation tax on profits for the current period | 5,747,419 | 3,257,146 |
| Adjustments in respect of prior periods | - | (178,867) |
| Total current tax | 5,747,419 | 3,078,279 |

## 7 Taxation (continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Profit before taxation | 20,230,508 | 14,388,766 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 19.00%) | 5,057,627 | 2,733,866 |
| Tax effect of expenses that are not deductible in determining taxable profit | 6,262,666 | 3,565,546 |
| Tax effect of income not taxable in determining taxable profit | (5,519,174) | (3,119,155) |
| Adjustments in respect of prior years | (53,700) | (101,978) |
| Taxation charge for the year | 5,747,419 | 3,078,279 |

## 8 Membership interest

| | 2024<br>£ | 2023<br>£ |
|---|---|---|
| Membership interest | 468,084,852 | 375,807,536 |

**Movements in fixed asset investments**

| | Membership interest<br>£ |
|---|---|
| **Cost or valuation** | |
| At 1 April 2023 | 375,807,536 |
| Additions | 77,566,122 |
| Profit share | 22,076,694 |
| Withdrawals | (7,365,500) |
| At 31 March 2024 | 468,084,852 |
| **Carrying amount** | |
| At 31 March 2024 | 468,084,852 |
| At 31 March 2023 | 375,807,536 |

The membership interest represent an interest in Triple Point Navigator Partner LLP, a limited liability partnership registered in England and Wales. The registered office is 1 King William Street, London, EC4N 7AF.

## 9 Debtors

| | 2024 | 2023 |
|---|---|---|
| **Amounts falling due within one year:** | **£** | **£** |
| Prepayments and accrued income | 13,912 | 14,364 |

## 10 Creditors: amounts falling due within one year

| | 2024 | 2023 |
|---|---|---|
| | **£** | **£** |
| Corporation tax | 237,484 | 1,746,722 |
| Other creditors | 14,116 | 100,731 |
| Accruals and deferred income | 16,261 | 15,060 |
| | 267,861 | 1,862,513 |

## 11 Share capital

| | 2024 | 2023 | 2024 | 2023 |
|---|---|---|---|---|
| **Ordinary share capital** | **Number** | **Number** | **£** | **£** |
| **Issued and fully paid** | | | | |
| Ordinary 'A'share of £1 each | 1 | 1 | 1 | 1 |
| Ordinary shares of 1p each | 291,465,580 | 242,374,283 | 2,914,656 | 2,423,743 |
| | 291,465,581 | 242,374,284 | 2,914,657 | 2,423,744 |

During the year 49,091,297 ordinary shares of £0.01 each were issued for a total consideration of £78,941,763.

Each of the Ordinary and Ordinary 'A' shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

## 12 Share premium account

The share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premiums.

## 13 Profit and loss reserves

The profit and loss account includes all current and prior period retained profits and losses.

## 14 Ultimate controlling party

The parent undertaking is Triple Point LLP. The directors do not consider there to be any one ultimate controlling party.

## 15 Cash absorbed by operations

| | 2024 | 2023 |
|---|---|---|
| | £ | £ |
| Profit for the year after tax | 14,483,089 | 11,310,487 |
| **Adjustments for:** | | |
| Taxation charged | 5,747,419 | 3,078,279 |
| Profit shares from partnerships | (22,076,695) | (16,416,606) |
| **Movements in working capital:** | | |
| Decrease/(increase) in debtors | 452 | (42) |
| (Decrease)/increase in creditors | (85,414) | 93,534 |
| **Cash absorbed by operations** | (1,931,149) | (1,934,348) |

## 16 Analysis of changes in net funds

| | 1 April 2023 | Cash flows | 31 March 2024 |
|---|---|---|---|
| | £ | £ | £ |
| Cash at bank and in hand | 490,935 | (446,665) | 44,270 |

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