



SCALING THE BUSINESS

# 2022 Interim Results

≡ **VECTOR**



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# Overview

Vector is a bridge finance and property development lender

- Circa £50m loan book  
£100m - medium term  
ambition

Unbroken profit and dividend  
history

20+ years management track  
record with outstanding bad  
debt record

Shareholders funds circa £27m  
Bank facilities £40m

# Leadership Team



**Robin Stevens**  
**Non-Exec Chairman**

Robin is a Chartered Accountant and the Head of Capital Markets of MacIntyre Hudson LLP and a Non-Executive Director of a number of public and private companies. Robin is responsible for providing senior financial oversight. He sits on the Audit and Remuneration Committees.



**Agam Jain**  
**Chief Executive Officer**

Agam is responsible for the strategic management of the business and leads the management team. He has been building the secured finance business for over 20 years and maintains the relationships with banks, investors, advisors and brokers.



**Jon Pugsley**  
**Finance Director**

Jon is a Chartered Certified Accountant and has been with Vector for more than 10 years. His key role is the responsibility for the financial operations of the business including monthly management accounts, cash flows, budgets and interfacing with auditors.



# Leadership Team



**Ross Andrews**

**Senior Non-Executive Director**

Ross brings extensive financial, commercial and corporate governance experience to the board. He is an experienced Non-executive director and sits on both the Audit and Remuneration Committees.



**Gordon Robinson**

**Non-Executive Director**

Gordon brings a wealth of Banking and Property Finance expertise to the Board. He has held senior positions in numerous banks through his career such as NatWest, United Trust Bank and Bank of Scotland.

# Financial Highlights

6 months	As at 30/06/21	As at 30/06/22	Change
Revenue	£2,467,000	£2,980,000	20.79%
PBT	£1,298,000	£1,556,000	19.88%
PAT	£1,051,000	£1,261,000	19.98%
EPS	2.50	2.79	

# Key figures

	As at 30/06/21	As at 30/06/22	Change
Loan book	£40,604,197	£51,603,998	27.09%
Number of live loans	74	97	31.08%
Average loan size	£548,705	£532,000	-3.04%
Average loan to value	52.15%	59.41%	13.91%

# Diverse Spread of Security

	Total	%
Residential (internal refurb, investment, buy to let)	29,079,987.21	56%
Commercial (retail, hotel, golf, etc.)	11,620,744.20	23%
Land & Development	4,991,599.02	10%
Mixed (Residential & Commercial)	4,844,644.42	9%
2nd charge	767,023.10	1%
Other	300,000.00	1%
	51,603,997.95	100%



# Income Statement

			Six months ended 30 June	Six months ended 30 June	Year ended 31 December
			2022	2021	2021
	Notes		£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
Revenue	3		2,980	2,467	5,275
Cost of sales			(289)	(228)	(502)
Gross profit			2,691	2,239	4,773
Other income					-
Administrative expenses			(307)	(378)	(703)
Operating profit			2,384	1,861	4,070
Finance income			-	-	2
Finance costs			(828)	(563)	(1,245)
Profit on ordinary activities before taxation			1,556	1,298	2,827
Income tax expense	4		(295)	(247)	(538)
Profit after taxation			1,261	1,051	2,289
Other comprehensive income			-	-	-
Total comprehensive income attributable to the shareholders of the Company			1,261	1,051	2,289
Pro-forma basic and diluted earnings per share					
attributable to the owners of the Company (pence)	9		2.79	2.50	5.24

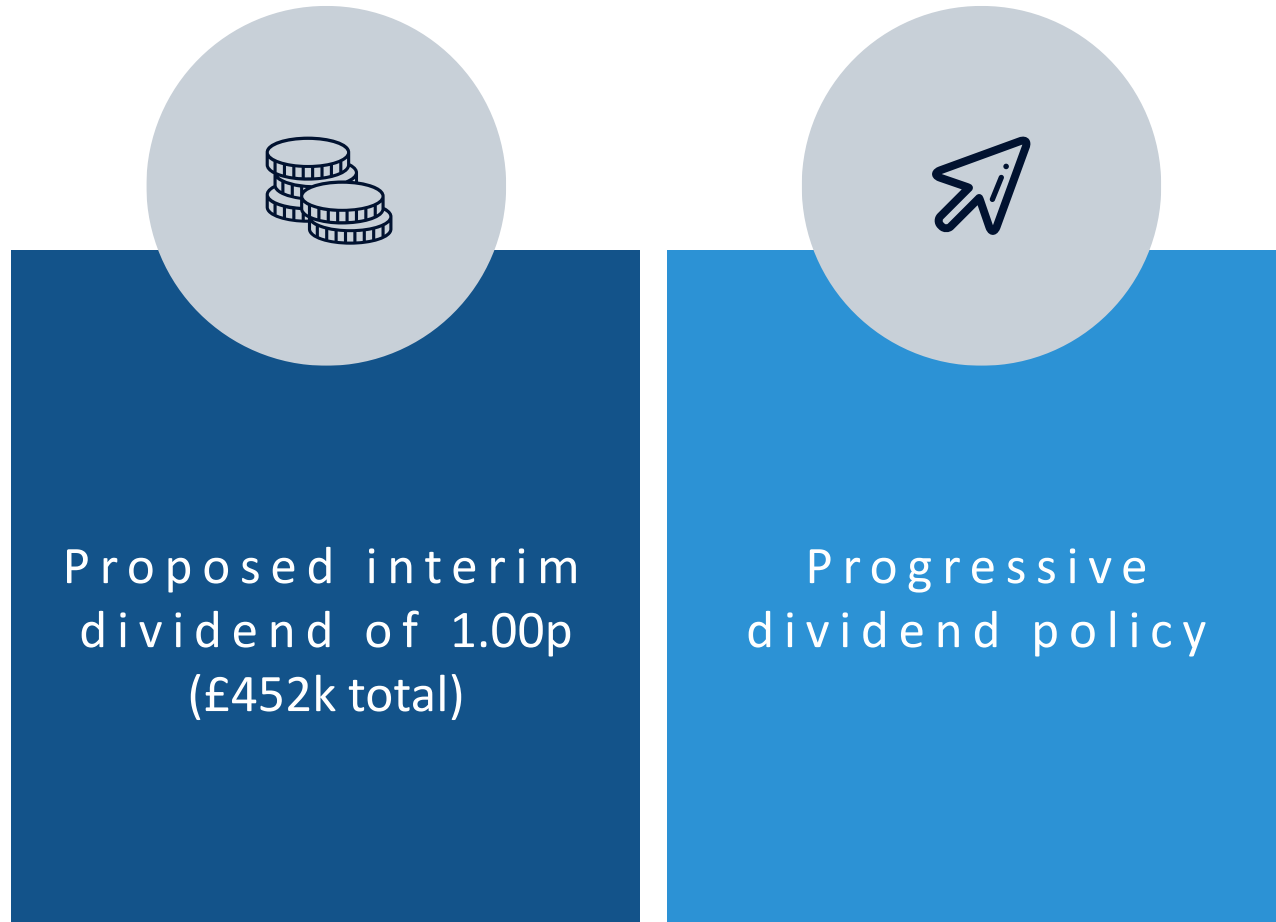
# Balance Sheet

	Notes	30 June 2022	30 June 2021	31 December 2021
		£'000 (Unaudited)	£'000 (Unaudited)	£'000 (Audited)
<b>Non-Current assets</b>				
Property, plant and equipment	5	2	3	3
		2	3	3
<b>Current assets</b>				
Trade and other receivables	6	52,223	41,067	46,565
Cash and bank balances		737	971	1,527
		52,960	42,038	48,092
<b>Total Assets</b>		52,962	42,041	48,095
<b>Current liabilities</b>				
Trade and other payables	7	28,141	18,653	23,858
Income tax payable		296	247	288
		28,437	18,900	24,146
<b>Total Liabilities</b>		28,437	18,900	24,146
<b>Equity</b>				
Share capital	8	226	226	226
Share premium		20,876	20,876	20,876
Group reorganisation reserve		188	188	188
Retained earnings		3,235	1,851	2,659
		24,525	23,141	23,949
<b>Total Equity and Liabilities</b>		52,962	42,041	48,095

# Cash Flow

		Six Months ended 30 June	Six Months ended 30 June	Year ended 31 December
		2022	2021	2021
		£'000	£'000	£'000
		(Unaudited)	(Unaudited)	(Audited)
<b>Cash flow from operating activities</b>				
Profit for the period before taxation		1,556	1,298	2,967
Adjustment for:				
Interest expense		828	563	1,195
Depreciation		1	1	1
Tax paid		(289)	(205)	(455)
Operating cash flows before movements in working capital		2,096	1,657	3,708
(Increase) in trade and other receivables		(5,658)	(4,104)	(9,739)
Increase/(decrease) in trade and other payables		4,283	623	(5,825)
Cash generated from/ (absorbed in) operating activities		721	(1,824)	(205)
Interest paid		(828)	(563)	(1,195)
Net cash absorbed in operating activities		(107)	(2,387)	(1,400)
<b>Cash flows (for)/from investing activities</b>				
Acquisition of property, plant and equipment		-	-	-
Net cash generated from investing activities		-	-	-
<b>Cash flows (for)/from financing activities</b>				
Issue of new shares		-	1,390	1,389
Equity dividends paid		(683)	(601)	(1,031)
Net cash (absorbed in)/generated from financing activities		(683)	789	358
<b>Net (decrease) in cash &amp; cash equivalents</b>		(790)	(1,598)	(1,042)
Cash and equivalent at beginning of period		1,527	2,569	2,569
Cash and equivalent at end of period		737	971	1,527

# Dividend



# Achievements & Challenges during the period

- Excellent growth on all metrics
- New Non-Exec inducted
- Software platform upgraded
- Rate rises on our bank facilities
- Limited liquidity hampering faster growth
- Recovery action likely on more cases

# Summary

Trusted  
Lender for  
**22 Years**

- **Strong track record** in commercial lending
- **£100m loan** book target in medium term
- **Experienced** management team
- **Established industry network** of wholesale banks, commercial finance brokers, surveyors and advisers
- **Same-day decision** in principle response to loan applications
- Provision of **bespoke solutions** on a case by case basis
- **Custom designed**, cloud based, software platform that provides audit trail, loan documentation, relationship management and accounts interface
- **A track record of profit and cash generation**
- **Progressive dividend policy** and anticipated capital growth



# Case Study 1

- The Developer acquired this opportunity in the heart of the West Midlands. It comprises 88,325 square feet of office space in 5 storeys spread over 3.4 acres with 336 car parking spaces



- The Developer is a repeat client and we advanced over £1m in the first tranche. We took a first charge over the freehold and directors' guarantees.

# Case Study 2

- The Developer was introduced by one of our long standing Brokers. The client had acquired a large office block with plans to convert to 61 flats. We provided £1m to enable the conversion works to take place.



- The client provided the 1st charge on the freehold. Cash was released within 4 weeks of the request by our client who is an experienced construction company with several ongoing projects at any one time.



# Case Study 3

- The Developer bought this 2-storey office building called Kian Court in Eynsham and obtained planning consent to convert into 16 one and two-bedroom flats. We advanced £1,450,000 against a purchase price of £2,850,000. The Developer has several projects to his credit and we had a high level of comfort with them.



- We lent to the SPV with a first charge over the building along with Directors' Guarantees. The project is now complete with the flats being successfully marketed by a local agency. The office block was situated in a somewhat industrial area but within easy walking distance of the village centre and local amenities. The site offers country walks along the River Thames.

# Case Study 4

- Vector funded auction purchase by borrowers of a buy to let in Ampthill, Bedfordshire
- Purchase price £322,500, loan of £225,750 representing 70% LTV



- Borrower paid regular monthly interest on time so Vector recently extended for another year
- Interest of 11% p.a.

# Case Study 5

- Crown House in Great Yarmouth is an office to 30 x flats conversion.
- Vector provided £3.2m loan to pay back the initial investors and fund the period from conversion to sale of the flats.



Vector offers a track record of profitability, an experienced management team, a robust lending model and, the Directors believe, a realistic pathway to continued growth

[www.vectorcapital.co.uk](http://www.vectorcapital.co.uk)