

Audited Financial Statements  
for the Year Ended 30 June 2023  
for  
MERCHANT MONEY LTD

Contents of the Financial Statements  
for the year ended 30 June 2023

---

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

MERCHANT MONEY LTD

Company Information  
for the year ended 30 June 2023

---

**Directors:**

D A Gimun  
J L Stern

**Registered office:**

Carlton House  
5 High Street  
Higham Ferrers  
Rushden  
Northamptonshire  
NN10 8BW

**Registered number:**

04504897 (England and Wales)

**Auditors:**

Cooper Parry Group Limited  
Statutory Auditor  
Aissela  
46 High Street  
Esher  
Surrey  
KT10 9QY

Balance Sheet  
30 June 2023

	Notes	£	2023 £	£	2022 £
<b>Fixed assets</b>					
Intangible assets	4		292,094		213,500
Tangible assets	5		18,379		11,441
Investments	6		<u>1,776,667</u>		<u>1,977,604</u>
			2,087,140		2,202,545
<b>Current assets</b>					
Debtors	7	13,117,158		2,938,956	
Cash at bank		<u>300,520</u>		<u>1,106,580</u>	
		13,417,678		4,045,536	
<b>Creditors</b>					
Amounts falling due within one year	8	<u>3,119,598</u>		<u>2,371,718</u>	
<b>Net current assets</b>			10,298,080		1,673,818
<b>Total assets less current liabilities</b>			12,385,220		3,876,363
<b>Creditors</b>					
Amounts falling due after more than one year	9		<u>15,518,001</u>		<u>3,493,002</u>
<b>Net (liabilities)/assets</b>			<u>(3,132,781)</u>		<u>383,361</u>
<b>Capital and reserves</b>					
Called up share capital	11		8,406,884		7,906,874
Share premium			119,150		119,150
Retained earnings			<u>(11,658,815)</u>		<u>(7,642,663)</u>
<b>Shareholders' funds</b>			<u>(3,132,781)</u>		<u>383,361</u>

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

In accordance with Section 444 of the Companies Act 2006, the Profit and Loss Account has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 15 December 2023 and were signed on its behalf by:

J L Stern - Director

1. **Statutory information**

Merchant Money Ltd 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.

The company's place of business is Suite C, 1-3 Canfield Place, London, NW6 3BT

2. **Accounting policies**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Going concern**

The financial statements have been prepared on a going concern basis which the Directors consider to be appropriate for the following reasons. The directors have considered cashflow forecasts for a period of 12 months from the date of approval of these financial statements which indicate that, taking into account of reasonably possible downsides, the Company will have sufficient funds to meet its liabilities as they fall due for that period. Those forecasts are dependent on the joint parent entities not seeking repayment of the amounts due and providing additional financial support during that period.

The joint parent entities have indicated their intention to continue to make available such funds as are needed and do not intend to seek repayment of the amounts due at the balance sheet date for the forecast period. The Directors believe the Company and joint parent entities have sufficient reserves and business controls to address any financial impact and to meet its liabilities as they fall due.

**Preparation of consolidated financial statements**

The financial statements contain information about Merchant Money Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

## 2. Accounting policies - continued

### Key source of estimation, uncertainty and judgement

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

### Judgements

#### Going concern

As described in the basis of preparation and going concern, the validity of the going concern basis is dependent upon the ability of the Company to generate sufficient cash flow in the future or to continue to obtain additional finance to make loan repayments to its lenders. However, it is not possible to predict the unknowable factors or all possible future implications for a company.

### Estimates

#### Bad and doubtful debt provision of loan receivables

The Company is a provider of loan facilities and as such has certain inherent estimation uncertainties on the recoverability of such assets. The Company estimates the bad debt provision to reflect the company's assessment of the risk of non-recoverability of debts. It is calculated based on historic book delinquency data with the aim of allocating roll rates between different aging buckets and allocating a Loss Given Default (LGD) rate to each account based on the ageing of the account, the product type and security.

Higher provisioning percentage rates are applied to debts which are considered to be of greater risk, including those with known arrangements in place. In these cases, judgment is used based on the best available facts and circumstances. Actual amounts recovered may differ from the estimated levels of recovery which could significantly impact on operating results.

Debts will only be written off where all the collection processes have been exhausted and the debt is deemed to be irrecoverable.

At 30 June 2023, provisions for doubtful debts amounted to £167,803 (2022: £190,889).

#### De-recognition of assets and liabilities

The Group has sold loans to a special purpose entity. The associated assets and liabilities are no longer recognised within the Group or the Company as the directors believe they no longer control the assets and no longer retained the majority of the risks and rewards attached to the assets.

### Turnover

#### Interest Income

Interest income from the loans provided to the company's customers is recognised on an effective interest rate basis over the life of the facility.

#### Fee Income

Fee income on the loans is recognised on an effective interest rate basis over the life of the facility. Where a loan includes elements of both interest and fee income, all such cash flows are considered to arrive at the effective interest rate on which to recognise revenue. Recharges of legal costs and similar fees to customers are recognised as revenue in the period in which the fee becomes contractually due.

### Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Development costs are being amortised evenly over their estimated useful life of five years.

Research expenditure is written off against profits in the year in which it is incurred. Identifiable software development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Assets still under construction are not depreciated until complete.

## 2. Accounting policies - continued

### **Tangible fixed assets**

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

Short leasehold	- 33% on cost
Fixtures and fittings	- Straight line over 3 years
Computer equipment	- Straight line over 3 years

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

### **Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

### **Other investments**

The company has invested in a loan provider, upon which they receive income based on the value of the loan book. This investment is also recognised at cost.

### **Financial instruments**

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

### **Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

2. **Accounting policies - continued**

**Loans**

The loans of non-derivative financial assets with fixed or determinable repayments that are not quoted in an active market. The loans are measured on initial recognition at the transaction price plus directly attributable costs and are subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amount are recognised in the income statement when there is objective evidence that the assets are impaired.

**Interest payable**

Interest expense on all interest bearing financial instruments is measured at amortised costs and recognised in the Income Statement using the effective interest rate method.

3. **Employees and directors**

The average number of employees during the year was 24 (2022 - 24 ) .

4. **Intangible fixed assets**

	<b>Development costs £</b>
<b>Cost</b>	
At 1 July 2022	238,183
Additions	134,829
At 30 June 2023	<u>373,012</u>
<b>Amortisation</b>	
At 1 July 2022	24,683
Amortisation for year	56,235
At 30 June 2023	<u>80,918</u>
<b>Net book value</b>	
At 30 June 2023	<u>292,094</u>
At 30 June 2022	<u>213,500</u>

5. **Tangible fixed assets**

	<b>Short leasehold £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>Cost</b>				
At 1 July 2022	13,313	18,020	41,703	73,036
Additions	-	-	15,017	15,017
At 30 June 2023	<u>13,313</u>	<u>18,020</u>	<u>56,720</u>	<u>88,053</u>
<b>Depreciation</b>				
At 1 July 2022	13,313	17,401	30,881	61,595
Charge for year	-	242	7,837	8,079
At 30 June 2023	<u>13,313</u>	<u>17,643</u>	<u>38,718</u>	<u>69,674</u>
<b>Net book value</b>				
At 30 June 2023	<u>-</u>	<u>377</u>	<u>18,002</u>	<u>18,379</u>
At 30 June 2022	<u>-</u>	<u>619</u>	<u>10,822</u>	<u>11,441</u>



Notes to the Financial Statements - continued  
for the year ended 30 June 2023

6. **Fixed asset investments**

	Shares in group undertakings £	Other investments £	Totals £
<b>Cost</b>			
At 1 July 2022	4,500	1,973,104	1,977,604
Disposals	-	(94,010)	(94,010)
At 30 June 2023	4,500	1,879,094	1,883,594
<b>Provisions</b>			
Provision for year	-	106,927	106,927
At 30 June 2023	-	106,927	106,927
<b>Net book value</b>			
At 30 June 2023	4,500	1,772,167	1,776,667
At 30 June 2022	4,500	1,973,104	1,977,604

7. **Debtors**

	2023 £	2022 £
Amounts falling due within one year:		
Loans	11,722	315,112
Amounts owed by group undertakings	10,219,562	1,029,322
Other Debtors	100,066	92,375
Prepayments and accrued income	2,546,510	643,951
Accruals	75,262	228,936
	<u>12,953,122</u>	<u>2,309,696</u>
Amounts falling due after more than one year:		
Loans	<u>164,036</u>	<u>629,260</u>
Aggregate amounts	<u>13,117,158</u>	<u>2,938,956</u>

8. **Creditors: amounts falling due within one year**

	2023 £	2022 £
Bank loans and overdrafts	-	3
Trade creditors	(2,359)	1
Amounts owed to group undertakings	14,583	14,083
Social security and other taxes	89,198	67,769
Pension control	6,352	255
Other creditors	1,424	67,640
Accruals and deferred income	3,010,400	2,221,967
	<u>3,119,598</u>	<u>2,371,718</u>

Notes to the Financial Statements - continued  
for the year ended 30 June 2023

9. **Creditors: amounts falling due after more than one year**

	2023	2022
	£	£
Amounts due to parent	3,718,001	3,493,002
Other loan	11,800,000	-
	<u>15,518,001</u>	<u>3,493,002</u>

10. **Secured debts**

The following secured debts are included within creditors:

	2023	2022
	£	£
Other loan	<u>11,800,000</u>	<u>-</u>

11. **Called up share capital**

**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	2023	2022
			£	£
8,406,884	Ordinary	1	8,406,884	1,000
NIL	Preference	1	-	7,905,874
			<u>8,406,884</u>	<u>7,906,874</u>

500,000 Preference shares and 10 Ordinary A shares of £1 each were allotted during the year. On 30 January 2023 all existing preference shares and ordinary A shares were redesignated into ordinary shares.

12. **Disclosure under Section 444(5B) of the Companies Act 2006**

The Report of the Auditors was unqualified.

Paul Hodgett (Senior Statutory Auditor)  
for and on behalf of Cooper Parry Group Limited

13. **Related party disclosures**

There is a fixed charge over the shares and related rights in Merchant Money SPV A Ltd in support of a loan of £6,600,000 taken out by Merchant Money SPV A Ltd and a fixed charge over the shares and related rights in Merchant Money SPV D Ltd in support of a loan of £10,268,012 taken out by Merchant Money SPV D Ltd.

14. **Ultimate controlling party**

The parent undertaking is Momenta Finance Limited, a company incorporated in England and Wales. Kloof Capital Ltd and CHC International Holdings Ltd, both companies registered in the British Virgin Islands, are the joint holding companies of Momenta Finance Limited. There is no ultimate parent company as no party holds a controlling shareholding in that company.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.