

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2008

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LONDON BUSINESS LOANS (WHOLESALE) LIMITED

COMPANY INFORMATION

DIRECTORS	Michael Snyder (appointed 27/06/2007) Martin Large Peter Thackwray Simon Menneer (appointed 27/06/2007) Christopher Mackman (appointed 27/06/2007 & resigned 17/04/2008)
SECRETARY	Michael Woodall
COMPANY NUMBER	5841608
REGISTERED OFFICE	New City Court 20 St Thomas Street London SE1 9RS
AUDITORS	FW Stephens 24 Chiswell Street London EC1Y 4YX
BANKERS	Co-operative Bank 80 Cornhill London EC3V 3NJ
SOLICITORS	Linklaters LLP 1 Silk Street London EC2Y 8HQ

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

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LONDON BUSINESS LOANS (WHOLESALE) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2008

The directors present their report and the financial statements for the year ended 31 March 2008

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). The financial statements are required by law to 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 judgments and 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 proper accounting records that 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 1985. 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.

PRINCIPAL ACTIVITIES

The company was incorporated on 8 June 2006 and commenced trading on 1st October 2007. Its principal activity is to enable retail Community Development Finance Institutions (CDFI) to provide more finance to small and medium enterprises in the London area.

DIRECTORS

The directors who served during the year were

Michael Snyder (appointed 27/06/2007)
Martin Large
Peter Thackwray
Simon Menneer (appointed 27/06/2007)
Christopher Mackman (appointed 27/07/2007 & resigned 17/04/2008)

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, FW Stephens, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2008**

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies

This report was approved by the board on

19/8/08

and signed on its behalf



Peter Thackwray
Director

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LONDON BUSINESS LOANS (WHOLESALE) LIMITED

We have audited the financial statements of London Business Loans (Wholesale) Limited for the year ended 31 March 2008, set out on pages 5 to 9. These financial statements have been prepared in accordance with the accounting policies set out therein and the requirements of the Financial Reporting Standard for Smaller Entities (effective January 2007).

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LONDON BUSINESS LOANS
(WHOLESALE) LIMITED**

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, of the state of the company's affairs as at 31 March 2008 and of its loss for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the directors' report is consistent with the financial statements

FW Stephens

FW STEPHENS

24 Chiswell Street
London
EC1Y 4YX

Date *7 September 2008*

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2008**

	Note	2008 £	2007 £
TURNOVER	1	3,402	-
Administrative expenses		(167,885)	-
OPERATING LOSS	2	(164,483)	-
Interest receivable	3	146,886	-
Interest payable		(22,193)	-
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(39,790)	-
Tax on loss on ordinary activities	4	-	-
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		(39,790)	-

The notes on pages 7 to 9 form part of these financial statements

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

**BALANCE SHEET
AS AT 31 MARCH 2008**

	Note	£	2008 £	£	2007 £
CURRENT ASSETS					
Debtors	5	292,949		1	
Cash at bank		3,403,065		-	
		<u>3,696,014</u>		<u>1</u>	
CREDITORS: amounts falling due within one year					
	6	(125,804)		-	
NET CURRENT ASSETS			<u>3,570,210</u>		<u>1</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,570,210</u>		<u>1</u>
CREDITORS: amounts falling due after more than one year					
	7	(3,100,000)		-	
NET ASSETS			<u><u>470,210</u></u>		<u><u>1</u></u>
CAPITAL AND RESERVES					
Called up share capital	8	510,000		1	
Profit and loss account		(39,790)		-	
SHAREHOLDERS' FUNDS			<u><u>470,210</u></u>		<u><u>1</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

The financial statements were approved and authorised for issue by the board and were signed on its behalf on


P Thackwray
Director

The notes on pages 7 to 9 form part of these financial statements

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2008

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2007)

1.2 TURNOVER

Turnover represents returns on interest receivable from loans made to unlisted companies and sundry investment income

Interest receivable from loans is recognised on an accruals basis when receivable

1.3 INTEREST RECEIVABLE

Interest receivable from loans made to unlisted companies is accounted for in accordance with 1.2 above

1.4 LOANS

Loans are accounted for when cash is advanced to borrowers at fair value inclusive of transaction costs and are amortised over the period of the loan in accordance with the contractual terms. Loans are derecognised when the right to receive cash flows has expired

1.5 RISK TRANSFER BANK ACCOUNT AND BAD DEBTS

Retail Community Development Finance Institutions (CDFI) are required to provide a cash risk deposit calculated on their gross credit line. These monies are held in a separate risk transfer bank account. In the event of a loan default the bad debt losses are shared between the company and the CDFI (the companies share being no greater than 50%) with the CDFI's share taken from, but limited by, the value of their deposit

2. OPERATING (LOSS)/PROFIT

The operating (loss)/profit is stated after charging

	2008 £	2007 £
Auditors' remuneration	7,050	-

During the year, no director received any emoluments (2007 - £NIL)

3. INVESTMENT INCOME

	2008 £	2007 £
Bank interest receivable	146,886	-

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

4. TAXATION

	2008 £	2007 £
UK corporation tax charge on loss for the year	-	-

5 DEBTORS

	2008 £	2007 £
Trade debtors	246,158	1
Other debtors	46,791	-
	<u>292,949</u>	<u>1</u>

Included in trade debtors above are debtors of £234,991 which are falling due after more than one year

**6. CREDITORS.
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2008 £	2007 £
Bank loans and overdrafts	9,860	-
Other creditors	115,944	-
	<u>125,804</u>	<u>-</u>

Included in other creditors is £100,000 received from a retail Community Development Finance Institution (CDFI) in respect of a cash risk deposit representing not less than 25% of their gross credit line. This is held in a separate risk transfer bank account and also included within Cash at bank in the financial statements

**7. CREDITORS
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2008 £	2007 £
Bank loans	3,000,000	-
Other loans	100,000	-
	<u>3,100,000</u>	<u>-</u>

LONDON BUSINESS LOANS (WHOLESALE) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2008**

**7 CREDITORS.
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)**

Creditors include amounts not wholly repayable within 5 years as follows

	2008 £	2007 £
Repayable other than by instalments	<u>3,100,000</u>	<u>-</u>

The bank loan, unless demand for early repayment is made, is due for repayment at the expiry of the facility which should be five years from the date of drawdown. Interest is fixed for the duration of the facility at 1% per annum and is charged quarterly. The loan is secured by a fixed and floating charge over the assets of the company.

The other loan, unless demand for early repayment is made, is due for repayment five years after its first drawing. Interest is fixed for the duration of the facility at 1% per annum and is charged quarterly. The loan is secured by a fixed and floating charge over the assets of the company.

8 SHARE CAPITAL

	2008 £	2007 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
510,000 (2007 - 1) Ordinary Shares shares of £1 each	<u>510,000</u>	<u>1</u>

During the year 509,999 ordinary shares of £1 each were issued

9. RELATED PARTY TRANSACTIONS

During the year, the company paid to One London Ltd, a shareholder, £141,243 in respect of management fees.

During the year, Kingston Smith, a shareholder, loaned the company £100,000 which was still outstanding at the year end.

10 CONTROLLING PARTY

The company is not under the control of one party.