

Registration number: 08374302

LIQUID FINANCE PARTNERS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016



LIQUID FINANCE PARTNERS LIMITED
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LIQUID FINANCE PARTNERS LIMITED
COMPANY INFORMATION

Directors	J Vildosola I Morrison R Morley J Lunny C Prothero
Company secretary	I Morrison
Registered office	13 Vansittart Estate Windsor Berkshire SL4 1SE
Bankers	Barclays Bank plc Dockland Leicester Leicestershire LE87 2BB
Auditors	Hazlewoods LLP Staverton Court Staverton Cheltenham GL51 0UX

LIQUID FINANCE PARTNERS LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors of the company

The directors who held office during the year were as follows:

J Vildosola

I Morrison (appointed 26 November 2015)

R Morley (appointed 26 November 2015)

J Lunny (appointed 26 November 2015)

C Prothero (appointed 26 November 2015)

Disclosure of information to the auditor

Each director has taken the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and which they know the auditors are unaware of.

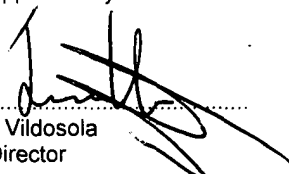
Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Hazlewoods LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Small company provisions

This report has been prepared in accordance with the small companies regime under the Companies Act 2006.

Approved by the Board on 09 February 2017 and signed on its behalf by:


J Vildosola
Director

LIQUID FINANCE PARTNERS LIMITED
STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Director's 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LIQUID FINANCE PARTNERS LIMITED**

We have audited the financial statements of Liquid Finance Partners Limited for the year ended 31 March 2016, set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 3), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
LIQUID FINANCE PARTNERS LIMITED**

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 and the Directors' Report in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

.....
Paul Fussell (Senior Statutory Auditor)
For and on behalf of Hazlewoods LLP, Statutory Auditors

Staverton Court
Staverton
Cheltenham
GL51 0UX

09 February 2017

LIQUID FINANCE PARTNERS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2016

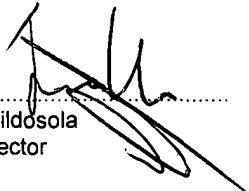
	Note	2016 £	2015 £
Turnover		3,925,523	2,699,740
Cost of sales		<u>(1,498,719)</u>	<u>(1,138,523)</u>
Gross profit		2,426,804	1,561,217
Administrative expenses		<u>(2,196,482)</u>	<u>(1,321,786)</u>
Operating profit	2	230,322	239,431
Interest payable and similar charges	5	<u>(486,232)</u>	<u>(281,787)</u>
Loss on ordinary activities before taxation		(255,910)	(42,356)
Tax on loss on ordinary activities	6	<u>(9,428)</u>	<u>(12,125)</u>
Loss for the financial year	14	<u><u>(265,338)</u></u>	<u><u>(54,481)</u></u>

LIQUID FINANCE PARTNERS LIMITED
(REGISTRATION NUMBER: 08374302)
BALANCE SHEET
AS AT 31 MARCH 2016

	Note	2016 £	2015 £
Fixed assets			
Intangible fixed assets	7	170	170
Tangible fixed assets	8	168,893	60,625
		<u>169,063</u>	<u>60,795</u>
Current assets			
Debtors	9	8,839,445	5,225,091
Cash at bank and in hand		557,699	87,197
		<u>9,397,144</u>	<u>5,312,288</u>
Creditors: Amounts falling due within one year			
Creditors within one year		(8,866,720)	(4,309,808)
Accruals and deferred income		<u>(1,121,312)</u>	<u>(765,433)</u>
Creditors: Amounts falling due within one year	10	<u>(9,988,032)</u>	<u>(5,075,241)</u>
Net current (liabilities)/assets		<u>(590,888)</u>	<u>237,047</u>
Total assets less current liabilities		<u>(421,825)</u>	<u>297,842</u>
Creditors: Amounts falling due after more than one year	11	-	(463,757)
Provisions for liabilities	12	<u>(21,553)</u>	<u>(12,125)</u>
Net liabilities		<u><u>(443,378)</u></u>	<u><u>(178,040)</u></u>
Capital and reserves			
Called up share capital	13	1,000	1,000
Share premium account	14	349,000	349,000
Profit and loss account	14	<u>(793,378)</u>	<u>(528,040)</u>
Shareholders' deficit		<u><u>(443,378)</u></u>	<u><u>(178,040)</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Approved by the Board and authorised for issue on 09 February 2017 and signed on its behalf by:



 J Vildosola
 Director

LIQUID FINANCE PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2015).

Going concern

Management have prepared forecasts which indicate that the company will be able to operate within the facilities available to it. The directors have, therefore, adopted the going concern basis of accounting.

Turnover

Turnover represents the difference between the value of the future turnover purchased and the price paid for the said 'purchase of future turnover'. The margin is then recognised in the profit and loss account over six months (the average duration of a purchase agreement).

Tangible fixed assets and depreciation

Depreciation is provided on tangible fixed assets so as to write off the cost or valuation, less any estimated residual value, over their expected useful economic life as follows:

Asset class	Depreciation method and rate
Plant and machinery	33% on cost
Leasehold improvements	20% on cost

Deferred tax

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date, except as required by the FRSSE.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Foreign currency

Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the closing rates at the balance sheet date. All exchange differences are included in the profit and loss account.

Hire purchase and leasing

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

LIQUID FINANCE PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Commission payable

Broker commission payable

Those payable on the payment of the purchase price to a customer are recognised in the profit and loss account over six months to match them to the income that they have generated. Those payable on the fulfilment of the purchase agreement are recognised upon the final receipt associated with the purchase agreement.

Processors commission payable

These are recognised in the profit and loss account once the transactions with which they are associated have occurred.

2 Operating profit

Operating profit is stated after charging:

	2016	2015
	£	£
Auditor's remuneration - The audit of the company's annual accounts	8,000	8,000
Auditor's remuneration - Preparation of corporation tax computations	1,750	1,750
Foreign currency gains	(4,517)	-
Loss on sale of tangible fixed assets	200	-
Depreciation of tangible fixed assets	<u>48,880</u>	<u>13,710</u>

3 Exceptional items

	2016	2015
	£	£
Administrative expenses	<u>18,730</u>	<u>-</u>

Exceptional administrative expenses relates to one-off costs, which are not expected to re-occur.

4 Directors' remuneration

The directors' remuneration for the year was as follows:

	2016	2015
	£	£
Remuneration	<u>93,000</u>	<u>-</u>

LIQUID FINANCE PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

5 Interest payable and similar charges

Interest payable includes £nil (2015 - £19,982) payable on loans from group companies.

6 Taxation

Tax on loss on ordinary activities

	2016 £	2015 £
Deferred tax		
Origination and reversal of timing differences	<u>9,428</u>	<u>12,125</u>

7 Intangible fixed assets

	Patents £
Cost and net book value	
At 31 March 2016 and 31 March 2015	<u>170</u>

8 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost or valuation			
At 1 April 2015	-	76,577	76,577
Additions	111,946	45,402	157,348
Disposals	<u>-</u>	<u>(720)</u>	<u>(720)</u>
At 31 March 2016	<u>111,946</u>	<u>121,259</u>	<u>233,205</u>
Depreciation			
At 1 April 2015	-	15,952	15,952
Charge for the year	21,913	26,967	48,880
Eliminated on disposals	<u>-</u>	<u>(520)</u>	<u>(520)</u>
At 31 March 2016	<u>21,913</u>	<u>42,399</u>	<u>64,312</u>
Net book value			
At 31 March 2016	<u>90,033</u>	<u>78,860</u>	<u>168,893</u>
At 31 March 2015	<u>-</u>	<u>60,625</u>	<u>60,625</u>

LIQUID FINANCE PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

9 Debtors

	2016 £	2015 £
Trade debtors	9,953,929	5,490,840
Provision for bad debts	(1,675,935)	(744,203)
Amounts owed by group undertakings	-	134,257
Other debtors	561,451	344,197
	<u>8,839,445</u>	<u>5,225,091</u>

10 Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	250,463	66,118
Other taxes and social security	31,082	23,690
Other creditors	8,585,175	4,220,000
Accruals	112,033	101,745
Deferred income	1,009,279	663,688
	<u>9,988,032</u>	<u>5,075,241</u>

11 Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Amounts owed to group undertakings	-	454,382
Other creditors	-	9,375
	<u>-</u>	<u>463,757</u>

12 Provisions

	Deferred tax £
At 1 April 2015	12,125
Charged to the profit and loss account	<u>9,428</u>
At 31 March 2016	<u>21,553</u>

Analysis of deferred tax

	2016 £	2015 £
Other timing differences	27,156	12,125
Tax losses available	<u>(5,603)</u>	<u>-</u>
	<u>21,553</u>	<u>12,125</u>

LIQUID FINANCE PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

13 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

14 Reserves

	Share premium account £	Profit and loss account £	Total £
At 1 April 2015	349,000	(528,040)	(179,040)
Loss for the year	-	<u>(265,338)</u>	<u>(265,338)</u>
At 31 March 2016	<u>349,000</u>	<u>(793,378)</u>	<u>(444,378)</u>

15 Contingent liabilities

I Morrison and R Morley have granted personal guarantees limited to £200,000 each in respect of the funding in place. The amount guaranteed is £400,000 (2015 - £nil).

16 Commitments

Operating lease commitments

As at 31 March 2016 the company had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2016 £	2015 £
Within two and five years	<u>32,598</u>	<u>30,000</u>

LIQUID FINANCE PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

17 Related party transactions

Eva Montavillo

(Wife of Julio Vildosola)

During a prior year a long term loan of £150,000 was advanced from Eva Montavillo to the company. No capital payments have been made in relation to this loan and at the balance sheet date the amount due to Eva Montavillo was £150,000 (2015 - £150,000). The loan attracts interest at a rate of 8% with interest of £12,000 (2015 - £12,000) being charged during the year.

Iberg Capital Limited

(A company controlled by Caerwyn Prothero)

During a prior year a long term loan of £610,000 was advanced from Iberg Capital Limited to the company. During the year to 31 March 2016 a further £850,000 (2015 - £790,000) was advanced to the company. No capital payments have been made in relation to these loans and at the balance sheet date the amount due to Iberg Capital Limited was £2,250,000 (2015 - £1,400,000). These loans attract interest at a rate of 8% with interest of £131,408 (2014 - £79,042) being charged during the year.

JL Financial Limited

(A company controlled by Justin Lunny)

During a prior year a long term loan of £610,000 was advanced from JL Financial Limited to the company. During the year to 31 March 2016 a further £200,000 (2015 - £490,000) was advanced to the company. No capital payments have been made in relation to these loans and at the balance sheet date the amount due to JL Financial Limited was £1,300,000 (2015 - £1,100,000). These loans attract interest at a rate of 8% with interest of £93,523 (2015 - £70,385) being charged during the year.

Calmspace Investments Limited

(Controlled by Daniel Stoneham, a shareholder of Midsummer Capital Limited)

During a prior year a long term loan of £560,000 was advanced from Calmspace Investments Limited to the company. No capital repayments have been made in relation to this loan and at the balance sheet date the amount due to Calmspace Investments Limited was £560,000 (2015 - £560,000). This loan attracts interest at a rate of 8% with interest of £44,800 (2015 - £45,063) being charged during the year.

LIQUID FINANCE PARTNERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

Adnumero Limited

(Company controlled by Caerwyn Prothero, a director of Midsummer Capital Limited)

During the year a long term loan was advanced from Adnumero Limited of £500,000 (2015 - £300,000). No capital payments have been made in relation to this loan and at the balance sheet date the amount outstanding was £800,000 (2015 - £300,000). The loan attracts interest at a rate of 8% with interest of £42,586 (2015 - £7,759) being charged during the year.

R Prothero

(Brother of Caerwyn Prothero, a director of Midsummer Capital Limited)

During a prior year a loan was advanced from R Prothero of £35,000. No capital payments have been in relation to this loan and at the balance sheet date the amount outstanding was £35,000 (2015 - £35,000). The loan attracts interest at a rate of 8% with interest of £2,800 (2014 - £468) being charged during the year.

Steven Oakman

(Director of Midsummer Capital Limited)

During the prior year a long term loan of £50,000 was advanced by Steven Oakman to the company. During the year capital repayments of £50,000 (2015 - £nil) were made in relation to this loan and at the balance sheet date the amount outstanding was £nil (2015 - £50,000). The loan attracts interest at a rate of 8% with interest of £4,000 (2015 - £2,740) being charged during the year.

Jorge Vildosola

(Brother of Julio Vildosola, a director of Midsummer Capital Limited)

During the prior year a loan was advanced from Jorge Vildosola of £75,000. No capital repayments were made in relation to this loan during the year and at the balance sheet date the amount outstanding was £75,000 (2015 - £nil). The loan attracted interest at a rate of 8% with interest of £6,000 (2015 - £6,000) being charged during the year.

A Montavillo

(Sister of Eva Montavillo, wife of Julio Vildosola)

During a prior year a long term loan of £50,000 was advanced from A Montavillo. The loan was repaid in full during the year and at the balance sheet date the amount due to A Montavillo was £nil (2015 - £50,000). The loan attracts interest at a rate of 8% with interest of £nil (2015 - £3,375) being charged during the year.

Miss Michelle Wyatt Limited

(Company controlled by Ian Morrison)

During a prior year a long term loan of £50,000 was advanced from Miss Michelle Wyatt Limited to the company. No capital payments have been made in relation to this loan and at the balance sheet date the amount due to Miss Michelle Wyatt Limited was £50,000 (2015 - £50,000). The loan attracts interest at a rate of 8% with interest of £4,000 (2015 - £4,000) being charged during the year.

Midsummer Capital Limited

(Company controlled by Justin Lunny and Caerwyn Prothero)

At the balance sheet date the amount due to Midsummer Capital Limited was £650,175 (2015 - £454,382). Loans within this amount attract interest at a rate of 8% with interest of £29,405 (2015 - £19,985) being charged during the year.

Icheque Network Ltd

(Company controlled by Justin Lunny and Caerwyn Prothero)

During the year commissions of £122,159 (2015 - £66,601) were paid to Icheque Network Ltd. At the balance sheet date the amount owed to Icheque Network Ltd was £200,381 (2015 - £133,829).

18 Control

On 20 January 2016, 75% of the ordinary share capital in the company was transferred from Midsummer Capital Limited to Liquid Finance Holdings Limited, a company registered in England and Wales. Justin Lunny and Caerwyn Prothero each hold 33% of the share capital of Liquid Finance Holdings Limited which gives them shared control.

Up until this date the company was controlled by Midsummer Capital Limited, a company registered in England and Wales. Justin Lunny and Caerwyn Prothero each held 33% of the share capital of Midsummer Capital Limited, which gave them shared control of the company.