

REGISTERED NUMBER: 09011579 (England and Wales)



LENDABLE OPERATIONS LTD

**FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER
2018**



CONTENTS OF THE FINANCIAL STATEMENTS

	Page
Company Information	1
Statement of Financial Position as at 31 December 2018	2
Notes to the Financial Statements	3-9

COMPANY INFORMATION

DIRECTORS:

K M Kissinger
P Pamment (appt. 05/02/2018)
R S Dighero

REGISTERED OFFICE:

Lendable Operations Ltd
128 Shoreditch High Street
London
E1 6JE

REGISTERED NUMBER:

09011579 (England and Wales)

AUDITORS:

BDO LLP
55 Baker Street
London
W1U 7EU

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	5	71,469	55,267
Tangible assets	6	83,323	32,244
Investments	7	5	5
		<u>154,797</u>	<u>87,516</u>
CURRENT ASSETS			
Debtors	8	2,673,435	1,131,764
Cash at bank		11,595,506	3,011,383
		<u>14,268,941</u>	<u>4,143,147</u>
CREDITORS			
Amounts falling due within one year	9	(3,486,465)	(940,766)
NET CURRENT ASSETS		<u>10,782,476</u>	<u>3,202,381</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,937,273</u>	<u>3,289,897</u>
CAPITAL AND RESERVES			
Called up share capital	11	7	6
Share premium		4,778,222	4,042,710
Retained earnings		6,159,044	(752,819)
SHAREHOLDERS' FUNDS		<u>10,937,273</u>	<u>3,289,897</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 28/6/19 and were signed on its behalf by:


K M Kissinger – Director

The notes on pages 3 – 9 form part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. STATUTORY INFORMATION

Lendable Operations 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.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements are presented in sterling which is the functional currency of the Company and rounded to the nearest £.

Preparation of consolidated financial statements

The financial statements contain information about Lendable Operations 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.

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 a continuing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key judgements and sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below:

Share-based payment transactions

Significant estimates and judgements include the estimation of the fair value of share based payments. The Company has used the Black-Scholes valuation model to determine the fair value of share based payments. Any changes to volatility and assumptions made by management will impact the valuation.

NOTES TO THE FINANCIAL STATEMENTS

Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

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. There is an annual impairment review of the intangible assets to determine whether impairment has occurred.

Website development costs

Website development costs are being amortised evenly over their estimated useful life of two years. Amortisation is charged once the feature capitalised goes live and is available for use.

Other intangible assets & Intellectual property

Integration setup costs are being amortised evenly over their estimated useful life of 3 years. Intellectual Property is written off over the expected useful production life of the asset over 1-2 years.

Tangible fixed assets

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

- Fixtures fittings – 25% on cost
- Computer equipment – 25% on cost

Investments in subsidiaries

Investments in subsidiaries are measured at cost less impairment.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either 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.

Basic financial assets and liabilities

Basic financial assets, which include debtors and cash and bank balances 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.

Basic financial liabilities, which include creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

NOTES TO THE FINANCIAL STATEMENTS

Trade and other receivables

Trade and other receivables are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest.

Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash held at banks.

Trade and other payables

Trade and other payables are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at the prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Employee benefits

The cost 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.

Pension costs and other post-retirement benefits

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against future taxable profits or against the reversal of deferred tax liabilities. Deferred tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

NOTES TO THE FINANCIAL STATEMENTS

Research and development

Expenditure on research and development is written off against the profits in the year which it is incurred.

Share-based payments

Share-based compensation benefits are provided to employees and third parties under various equity settled schemes. The fair value of the options and warrants granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value.

The total expense is recognised over the expected vesting period, which is the period over which the vesting conditions are expected to be satisfied.

4. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 36 (2017 – 23).

5. INTANGIBLE FIXED ASSETS

	Website development £	Other intangibles £	Intellectual Property £	Total £
COST				
At 01.01.2018	41,400	15,600	-	57,000
Additions	21,452	15,000	24,000	60,452
At 31.12.2018	62,852	30,600	24,000	117,452
AMORTISATION				
At 01.01.2018	-	1,733	-	1,733
Charge for the year	27,050	5,200	12,000	44,250
At 31.12.2018	27,050	6,933	12,000	45,983
NET BOOK VALUE				
At 31.12.2018	35,802	23,667	12,000	71,469
At 31.12.2017	41,400	13,867	-	55,267

NOTES TO THE FINANCIAL STATEMENTS

6. TANGIBLE FIXED ASSETS

	Fixtures & Leasehold £	Computer equipment £	Total £
COST			
At 01.01.2018	13,471	33,440	46,911
Additions	23,417	48,609	72,026
At 31.12.2018	<u>36,888</u>	<u>82,049</u>	<u>118,937</u>
DEPRECIATION			
At 01.01.2018	2,858	11,809	14,667
Charge for the year	7,808	13,139	20,947
At 31.12.2018	<u>10,666</u>	<u>24,948</u>	<u>35,614</u>
NET BOOK VALUE			
At 31.12.2018	<u>26,222</u>	<u>57,101</u>	<u>83,323</u>
At 31.12.2017	<u>10,613</u>	<u>21,631</u>	<u>32,244</u>

7. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 01.01.2018	5
Additions	-
At 31.12.2018	<u>5</u>
NET BOOK VALUE	
At 31.12.2018	<u>5</u>
At 31.12.2017	<u>3</u>

NOTES TO THE FINANCIAL STATEMENTS

The Company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Comparable Ltd

Registered office: 128 Shoreditch High Street, London, E1 6JE

Nature of business: N/A – Dormant Company

Holding – 100% ordinary shares

Lendable Ltd

Registered office: 128 Shoreditch High Street, London, E1 6JE

Nature of business: Online marketplace - regulated consumer loans

Holding – 100% ordinary shares

	2018 £	2017 £
Aggregate capital and reserves	4,862	4,862
Profit for the year	<u>3,098,934</u>	<u>865,384</u>

The investments held relate to non-listed wholly owned subsidiaries.

8. DEBTORS: FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	36,083	22,623
Amounts owed by group undertakings	2,351,021	797,001
Other debtors	286,331	312,140
	<u>2,673,435</u>	<u>1,131,764</u>

9. CREDITORS: FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	479,786	206,339
Taxation and social security	951,420	61,476
Other creditors	2,055,259	672,951
	<u>3,486,465</u>	<u>940,766</u>

NOTES TO THE FINANCIAL STATEMENTS

10. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	197,000	264,600
Between one and five years	149,350	294,350
	<u>346,350</u>	<u>558,950</u>

11. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number	Class	Nominal value	2018 (£)
6,555,275	Ordinary	0.000001p	<u>7</u>
Number	Class	Nominal value	2017 (£)
5,715,661	Ordinary	0.000001p	<u>6</u>

12. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The report of the Auditors was unqualified and there was no emphasis of matter paragraph.

The Senior Statutory Auditor who signed the audit report was Matthew Hopkins for and on behalf of BDO LLP, 55 Baker Street, London, W1U 7EU.

13. RELATED PARTY DISCLOSURES

The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

14. SUBSEQUENT EVENTS

On 24th January 2019 Lendable Operations Ltd incorporated a new subsidiary, Lendable Capital Ltd, registered address 128 Shoreditch High Street, London, United Kingdom, E1 6JE, of which it owns 100% of the share capital.