

COMPANY REGISTRATION NUMBER: 09444444

**REGISTRAR OF
COMPANIES**

Liberis BCA Ltd
Financial Statements
31 December 2018

BURGESS HODGSON LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN



Liberis BCA Ltd
Financial Statements
Year ended 31 December 2018

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Liberis BCA Ltd

Strategic Report *(continued)*

Year ended 31 December 2018

Principle activities and business review

The principal activity during the year was the provision of alternative funding for merchants for growth capital not available through traditional sources.

The turnover of the company increased significantly from £15,145,083 to £21,053,976, with a loss before taxation of £149,349 compared to a profit in the prior year of £22,146. This was in line with our expectations.

The significant rise in turnover is a result of an increased debtors book before provisions from £46,336,951 to £69,590,198.

Key financial indicators

	2018 £	2017 £
Turnover	21,053,976	15,141,894
Gross Profit	8,887,233	6,193,694
Profit/ (loss) before taxation	(149,349)	22,146
EBITDA	2,414,320	1,935,918
Net assets/(liabilities)	(1,392,617)	(1,243,268)

Future developments

We expect to continue to grow our debtors book throughout 2019 and believe that the company will manage its costs and remain at a break even position.

Financial risk management objectives and policies

As with any organisation, there are varying degrees of inherent and residual business risks associated with its business activities. At Liberis this is managed by way of a risk management programme and a strong underwriting process. This allows the directors and credit committee to have an informed knowledge of the level of exposure at any given time and the way those risks are managed in order to mitigate the likely impact on the company's financial assets and liabilities. By implementing various levels of internal control within our organisation, our inherent risks can be reduced to an acceptable level.

Our management programme involves identifying and assessing risks and then responding to them promptly. This enables the directors to monitor and manage them effectively. Any residual risk will be evaluated and monitored in accordance with the level of the amount of risk that is judged to be tolerable and justifiable within our organisation.

One of the keys of mitigating risks is to ensure internal controls are sound and well founded and the directors regularly review company policies, procedures, detailed management accounts, cash flows projection, budget and forecast with the emphasis on reviewing liquidity, ratios analysis on debtors, creditors, price and volume variances.

Credit risk

The directors and the Credit Committee have taken up reasonable measures via credit risk policy and underwriting procedures to mitigate credit risk to an acceptable level.

Insurable risk

The company has taken up various worldwide insurance. Furthermore professional indemnity, travel, directors and officers' indemnity have also been secured by the company.

Liberis BCA Ltd

Strategic Report *(continued)*

Year ended 31 December 2018

Employment risk

The directors have taken sufficient steps and advice on employment, health and safety issues.


Information technology & communication

The company relies heavily on information technology. Our priority is to ensure the operation of our business is not unduly interrupted either due to a lack of support or maintenance. The directors ensure that first tier providers are secured on a long term contract in order to ensure we have a continuous service support throughout our operation.

Working capital and banking facility and borrowings

The company utilised its line of bank credit to support funding growth and to meet the ongoing capital requirements. Regular audits are required to ensure that we adhere to our bank covenants.

This report was approved by the board of directors on 29-4-19 and signed on behalf of the board by:



Mr T P Bason,
Director

Registered office:
Glen House
Glenthorne Road
Third Floor
London
England
W6 0NG

Liberis BCA Ltd

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

Mr M K Badale
Mr P Mildenstein
Mr T P Bason
Mr R A Straathof

Dividends

The directors do not recommend the payment of a dividend.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' 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 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 accounting estimates that are reasonable and prudent.

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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

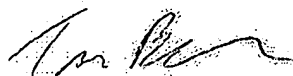
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Liberis BCA Ltd

Directors' Report *(continued)*

Year ended 31 December 2018

This report was approved by the board of directors on 29-12-19 and signed on behalf of the board by:



Mr T P Bason
Director

Registered office:
Glen House
Glenthorne Road
Third Floor
London
England
W6 0NG

Liberis BCA Ltd

Independent Auditor's Report to the Members of Liberis BCA Ltd

Year ended 31 December 2018

Opinion

We have audited the financial statements of Liberis BCA Ltd (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Liberis BCA Ltd

Independent Auditor's Report to the Members of Liberis BCA Ltd *(continued)*

Year ended 31 December 2018

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Liberis BCA Ltd

Independent Auditor's Report to the Members of Liberis BCA Ltd *(continued)*

Year ended 31 December 2018

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Liberis BCA Ltd


Independent Auditor's Report to the Members of Liberis BCA Ltd *(continued)*

Year ended 31 December 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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.

Handwritten signature of Colin Reid in black ink, appearing to read 'Burgess Hodgson LLP'.

Colin Reid (Senior Statutory Auditor)

For and on behalf of
Burgess Hodgson LLP
Chartered accountants & statutory auditor
Camburgh House
27 New Dover Road
Canterbury
Kent
CT1 3DN

30/04/2019

Liberis BCA Ltd

Statement of Income and Retained Earnings

Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover	4	21,053,976	15,141,894
Cost of sales		12,166,743	8,948,200
Gross profit		<u>8,887,233</u>	<u>6,193,694</u>
Administrative expenses		6,472,913	4,257,776
Operating profit	5	<u>2,414,320</u>	<u>1,935,918</u>
Interest payable and similar expenses	8	<u>2,563,669</u>	<u>1,913,772</u>
(Loss)/profit before taxation		<u>(149,349)</u>	<u>22,146</u>
Tax on (loss)/profit	9	<u>—</u>	<u>—</u>
(Loss)/profit for the financial year and total comprehensive income		<u>(149,349)</u>	<u>22,146</u>
Retained losses at the start of the year		<u>(1,243,269)</u>	<u>(1,265,415)</u>
Retained losses at the end of the year		<u>(1,392,618)</u>	<u>(1,243,269)</u>

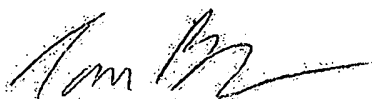
All the activities of the company are from continuing operations.

The notes on pages 12 to 16 form part of these financial statements.

Liberis BCA Ltd
Statement of Financial Position
31 December 2018

	Note	2018 £	2017 £
Current assets			
Debtors	10	55,771,368	36,692,567
Cash at bank and in hand		<u>581,051</u>	<u>1,449,333</u>
		56,352,419	38,141,900
Creditors: amounts falling due within one year	11	<u>9,431,686</u>	<u>6,415,558</u>
Net current assets		46,920,733	31,726,342
Total assets less current liabilities		46,920,733	31,726,342
Creditors: amounts falling due after more than one year	12	<u>48,313,350</u>	<u>32,969,610</u>
Net liabilities		(1,392,617)	(1,243,268)
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account	15	<u>(1,392,618)</u>	<u>(1,243,269)</u>
Shareholders deficit		(1,392,617)	(1,243,268)

These financial statements were approved by the board of directors and authorised for issue on 29-01-19, and are signed on behalf of the board by:



Mr T P Bason
Director

Company registration number: 09444444

The notes on pages 12 to 16 form part of these financial statements.

Liberis BCA Ltd
Statement of Cash Flows
Year ended 31 December 2018

	2018 £	2017 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(149,349)	22,146
<i>Adjustments for:</i>		
Interest payable and similar expenses	2,563,669	1,913,772
Accrued (income)/expenses	(4,554,783)	1,768,189
<i>Changes in:</i>		
Trade and other debtors	(19,078,801)	(13,174,266)
Trade and other creditors	22,031,105	12,013,427
Cash generated from operations	<u>811,841</u>	<u>2,543,268</u>
Interest paid	(2,563,669)	(1,913,772)
Net cash (used in)/from operating activities	<u>(1,751,828)</u>	<u>629,496</u>
Cash flows from financing activities		
Proceeds from loans from group undertakings	883,546	(374,874)
Net cash from/(used in) financing activities	<u>883,546</u>	<u>(374,874)</u>
Net (decrease)/increase in cash and cash equivalents	(868,282)	254,622
Cash and cash equivalents at beginning of year	<u>1,449,333</u>	<u>1,194,711</u>
Cash and cash equivalents at end of year	<u>581,051</u>	<u>1,449,333</u>

The notes on pages 12 to 16 form part of these financial statements.

Liberis BCA Ltd

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Glen House, Glenthorne Road, Third Floor, London, W6 0NG, England.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

In preparing the accounts reviewing the company's net liability position of £1,392,617 (2017: £1,243,268), the directors have considered going concern. The group companies support each other financially and therefore have been considered as a whole. The trading companies have finance facilities in place which at the date of signing allows a draw down of £70,000,000 limited to the cash value of their debt book. Considering this, with the combined group cash position of £2,059,855, the directors believe the group has the necessary cash requirements to meet their creditors as they fall due for the foreseeable future.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

A significant judgement made by the directors relates to the revenue recognition which is recognised in line with average period of collection of debts, more detail is given in the revenue recognition note below. There is also estimation uncertainty relating to the provision of bad debts, which provides for a proportion of outstanding debtor amounts less expected recoveries when a specified period of no payment has passed.

Liberis BCA Ltd

Notes to the Financial Statements (continued)

Year ended 31 December 2018

3. Accounting policies (continued)

Revenue recognition

The company's turnover is derived from purchasing a future income stream from merchants at a discount. Since the related debtors are collectable over extended periods of time, the company recognises revenue on the basis of the average period of collection of those debtors through the merchants. Over this period, revenue is recognised on a profile consistent with the expected amortisation of the debtor balances. Deferred income arises in cases where revenue is received in advance of the average period of collection.

Debtors and provision for impairment

Debtors represent future income streams purchased from merchants at a discount, and are recorded on an amortised cost basis. The company regularly monitors debtors for indication of impairment, or non-compliance with the contractual terms of the purchase of income streams. The company records a specific provision for the full outstanding amounts, less expected recoveries, which the company categorises as impaired and the directors believe will not be recoverable. The provisions are recorded against the amortised cost balance of debtors.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Turnover

Turnover arises from:

	2018	2017
	£	£
Margin on purchased income streams	21,053,976	15,141,894

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

5. Operating profit

Operating profit or loss is stated after charging:

	2018 £	2017 £
Impairment of trade debtors	<u>4,906,760</u>	<u>3,211,705</u>

6. Auditor's remuneration

The audit fee has been incurred by a group company and therefore there is no cost recognised in these financial statements.

The non audit fees payable to the company's auditor are £2,585 (2017: £2,475)

7. Staff costs and directors' remuneration

The average number of persons employed by the company during the year including directors amounted to 4 management staff (2017: 4 management staff). There were no payroll costs incurred during the year.

No director received remuneration during the year.

8. Interest payable and similar expenses

	2018 £	2017 £
Interest on banks loans and overdrafts	1,375,126	793,439
Other interest payable and similar charges	<u>1,188,543</u>	<u>1,120,333</u>
	<u>2,563,669</u>	<u>1,913,772</u>

9. Tax on (loss)/profit

Reconciliation of tax income

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018 £	2017 £
(Loss)/profit on ordinary activities before taxation	<u>(149,349)</u>	<u>22,146</u>
(Loss)/profit on ordinary activities by rate of tax	<u>(28,376)</u>	<u>4,263</u>
Utilisation of tax losses	-	(4,263)
Unused tax losses	<u>28,376</u>	<u>-</u>
Tax on (loss)/profit	<u>-</u>	<u>-</u>

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

10. Debtors

	2018 £	2017 £
Trade debtors	55,039,836	36,692,567
Prepayments and accrued income	731,532	—
	<u>55,771,368</u>	<u>36,692,567</u>

The trade debtor balance includes all sums due to the company in accordance with the agreements in place.

11. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	15,549	22,129
Amounts owed to group undertakings	1,384,858	501,312
Accruals and deferred income	8,031,279	5,892,117
	<u>9,431,686</u>	<u>6,415,558</u>

12. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	48,313,350	32,969,610

There is a fixed and floating charge in respect of all creditors greater than 1 year secured against the assets of all of the group companies.

13. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	2018 £	2017 £
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	<u>55,039,836</u>	<u>36,692,567</u>
 Financial liabilities measured at amortised cost		
Trade creditors	15,549	22,129
Amounts owed to group companies	1,384,858	501,312
Accruals	662,701	1,011,434
	<u>2,063,108</u>	<u>1,534,875</u>

Liberis BCA Ltd

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

14. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	1	1.00	1	1.00

15. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

16. Related party transactions

At the year end the company owed £1,384,858 (2017: £501,312) to group companies.

17. Controlling party

At the balance sheet date the company's immediate and ultimate parent company was Liberis Holdings Limited, a company registered in Jersey. The address of the registered office is No 2 The Forum, Grenville Street, St Helier, JE1 4HH, Jersey.